

RANDOLPH SCHOOL DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2023
(AUDITED)

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

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RANDOLPH, WISCONSIN**

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FINANCIAL SECTION

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

INDEPENDENT AUDITOR'S REPORT

Board of Education
Randolph School District
Randolph, Wisconsin

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension related items on pages 38-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses

to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 6, 2023

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 3,761,308	\$ 49,009	\$ 3,810,317
Receivables			
Taxes	1,032,160		1,032,160
Due from other governments	719,730	4,365	724,095
Total Current Assets	<u>5,513,198</u>	<u>53,374</u>	<u>5,566,572</u>
Noncurrent Assets			
Right to use leased assets	94,979		94,979
Less right to use leased assets accumulated amortization	(59,564)		(59,564)
Land	389,680		389,680
Site improvements	922,257		922,257
Buildings	20,506,446		20,506,446
Furniture and equipment	3,494,825	146,410	3,641,235
Work in progress	294,412		294,412
Less accumulated depreciation	(7,255,548)	(142,968)	(7,398,516)
Net Noncurrent Assets	<u>18,387,487</u>	<u>3,442</u>	<u>18,390,929</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources	<u>4,112,048</u>	<u>77,497</u>	<u>4,189,545</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 28,012,733</u>	<u>\$ 134,313</u>	<u>\$ 28,147,046</u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	\$ 85	\$ 0	\$ 85
Accrued liabilities			
Payroll, payroll taxes, insurance	464,109	733	464,842
Interest	91,983		91,983
Unearned revenue		6,050	6,050
Current portion of long-term liabilities	826,271		826,271
Total Current Liabilities	<u>1,382,448</u>	<u>6,783</u>	<u>1,389,231</u>
Noncurrent Liabilities			
Net pension liability	1,139,788	21,481	1,161,269
Right to use lease liability	37,881		37,881
Bonds payable	9,195,000		9,195,000
Bond premium	91,090		91,090
Less: current portion	(826,271)		(826,271)
Total Noncurrent Liabilities	<u>9,637,488</u>	<u>21,481</u>	<u>9,658,969</u>
Total Liabilities	<u>11,019,936</u>	<u>28,264</u>	<u>11,048,200</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources	<u>2,386,414</u>	<u>44,975</u>	<u>2,431,389</u>
NET POSITION			
Net investment in capital assets	9,192,487	3,442	9,195,929
Restricted	2,201,554	57,632	2,259,186
Unrestricted	3,212,342		3,212,342
Total Net Position	<u>14,606,383</u>	<u>61,074</u>	<u>14,667,457</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 28,012,733</u>	<u>\$ 134,313</u>	<u>\$ 28,147,046</u>

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular instruction	\$ 3,786,162	\$ 20,158	\$ 971,683	\$ (2,794,321)	\$ 0	\$ (2,794,321)
Vocational instruction	457,065			(457,065)		(457,065)
Special education instruction	883,877		505,614	(378,263)		(378,263)
Other instruction	731,641	222,258		(509,383)		(509,383)
Total Instruction	5,858,745	242,416	1,477,297	(4,139,032)	0	(4,139,032)
Support Services						
Pupil services	354,029			(354,029)		(354,029)
Instructional staff services	418,776	2,076	30,946	(385,754)		(385,754)
General administration services	374,547			(374,547)		(374,547)
Building administration services	427,418			(427,418)		(427,418)
Business services	202,589			(202,589)		(202,589)
Operations and maintenance	650,566			(650,566)		(650,566)
Pupil transportation	252,162		9,178	(242,984)		(242,984)
Central services	30,006			(30,006)		(30,006)
Community services	26,775			(26,775)		(26,775)
Interest and other fiscal charges	365,855			(365,855)		(365,855)
Insurance	74,560			(74,560)		(74,560)
Other support services	274,776			(274,776)		(274,776)
Depreciation - unallocated*	429,523			(429,523)		(429,523)
Total Support Services	3,881,582	2,076	40,124	(3,839,382)	0	(3,839,382)
Total Governmental Activities	9,740,327	244,492	1,517,421	(7,978,414)	0	(7,978,414)
Business-Type Activities						
School food service program	301,771	115,089	176,997	0	(9,685)	(9,685)
TOTAL SCHOOL DISTRICT	\$ 10,042,098	\$ 359,581	\$ 1,694,418	(7,978,414)	(9,685)	(7,988,099)
General Revenues						
Property and other taxes						
General purposes				683,288		683,288
Debt service				3,010,688		3,010,688
Community service				35,000		35,000
Mobile home taxes				896		896
State and federal aids not restricted to specific functions						
General				4,957,331		4,957,331
Other				1,525,589		1,525,589
Interest and investment earnings				68,755		68,755
Miscellaneous				266,367		266,367
Gain on sale of asset				1,691		1,691
Total General Revenues				10,549,605	0	10,549,605
Change in Net Position				2,571,191	(9,685)	2,561,506
NET POSITION - Beginning of Year				12,035,192	70,759	12,105,951
NET POSITION - END OF YEAR				<u>\$ 14,606,383</u>	<u>\$ 61,074</u>	<u>\$ 14,667,457</u>

*This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 4.

FUND FINANCIAL STATEMENTS

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Debt Service Fund	Long Term Capital Trust Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 2,494,387	\$ 0	\$ 1,179,364	\$ 164,217	\$ 3,837,968
Receivables					
Taxes	683,288	348,872			1,032,160
Due from other governments	719,730				719,730
TOTAL ASSETS	\$ 3,897,405	\$ 348,872	\$ 1,179,364	\$ 164,217	\$ 5,589,858
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash overdraft	\$ 0	\$ 76,660	\$ 0	\$ 0	\$ 76,660
Accounts payable				85	85
Accrued payroll and related items	464,109				464,109
Total Liabilities	<u>464,109</u>	<u>76,660</u>	<u>0</u>	<u>85</u>	<u>540,854</u>
Fund Balances					
Unassigned	3,433,296				3,433,296
Restricted		272,212	1,179,364	164,132	1,615,708
Total Fund Balances	<u>3,433,296</u>	<u>272,212</u>	<u>1,179,364</u>	<u>164,132</u>	<u>5,049,004</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,897,405	\$ 348,872	\$ 1,179,364	\$ 164,217	\$ 5,589,858
Total fund balance reported on governmental funds balance sheet					\$ 5,049,004
Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:					
Capital assets used in government activities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:					
Non-depreciable fixed assets				389,680	
Governmental capital asset				25,217,940	
Governmental accumulated depreciation				<u>(7,255,548)</u>	18,352,072
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. Amounts reported for governmental activities in the statement of net position:					
Right to use lease liability				(37,881)	
Right to use lease assets at historical cost				94,979	
Accumulated amortization				<u>(59,564)</u>	(2,466)
Long-term debt proceeds are current financial resources recognized as revenue, and interest and principal payments are recorded as expenditures in the fund financial statements. The proceeds are recorded as a long-term liability with principal payments recognized as a reduction of long-term liabilities in the statements of net position:					
Bonds and notes payable				(9,195,000)	
Accrued interest				(91,983)	
Premium on bonds and notes payable				<u>(91,090)</u>	(9,378,073)
Pension related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:					
Net pension asset (liability)				(1,139,788)	
Pension related deferred outflows				4,112,048	
Pension related deferred inflows				<u>(2,386,414)</u>	585,846
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES					\$ 14,606,383

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund	Long Term Capital Trust Fund	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 684,184	\$ 3,010,688	\$ 0	\$ 35,000	\$ 3,729,872
Other local sources	132,857		13,470	195,089	341,416
Interdistrict sources	896,464				896,464
Intermediate sources	45,820				45,820
State sources	5,945,829				5,945,829
Federal sources	1,117,753				1,117,753
Other sources	235,673				235,673
Total Revenues	<u>9,058,580</u>	<u>3,010,688</u>	<u>13,470</u>	<u>230,089</u>	<u>12,312,827</u>
EXPENDITURES					
Instruction					
Regular instruction	3,638,926				3,638,926
Vocational instruction	434,442				434,442
Special education instruction	865,444				865,444
Other instruction	507,528			190,563	698,091
Total Instruction	<u>5,446,340</u>	<u>0</u>	<u>0</u>	<u>190,563</u>	<u>5,636,903</u>
Support Services					
Pupil services	338,831				338,831
Instructional staff services	401,995				401,995
General administration services	355,978				355,978
Building administration services	405,888				405,888
Business services	193,090				193,090
Operations and maintenance	1,228,384		89,396		1,317,780
Pupil transportation	314,077		2		314,079
Other support services	249,044			6,736	255,780
Central services	29,373				29,373
Community service				25,824	25,824
Principal	18,991	2,535,000			2,553,991
Interest	1,929	420,621			422,550
Insurance	74,560				74,560
Total Support Services	<u>3,612,140</u>	<u>2,955,621</u>	<u>89,398</u>	<u>32,560</u>	<u>6,689,719</u>
Total Expenditures	<u>9,058,480</u>	<u>2,955,621</u>	<u>89,398</u>	<u>223,123</u>	<u>12,326,622</u>
Net Change in Fund Balances	100	55,067	(75,928)	6,966	(13,795)
FUND BALANCES - Beginning of Year	<u>3,433,196</u>	<u>217,145</u>	<u>1,255,292</u>	<u>157,166</u>	<u>5,062,799</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,433,296</u>	<u>\$ 272,212</u>	<u>\$ 1,179,364</u>	<u>\$ 164,132</u>	<u>\$ 5,049,004</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	(13,795)
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Amounts reported for governmental activities in the statement of activities
are different because:

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

Capital outlay reported in governmental fund statements	816,620	
Depreciation expense reported in the statement of activities	<u>(505,389)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		311,231

In governmental funds the entire proceeds, if any, from the disposal of capital assets are reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported. The difference between the two is the original cost of the asset.

Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	(3,000)	
Gain (loss) on disposition reported on the statement of activities	<u>1,691</u>	
Book value of assets disposed of		(1,309)

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. Amounts reported for governmental activities in the statement of net position:

Amortization expense for intangible assets	(18,996)	
Principal payments on long-term debt	<u>18,991</u>	
Amount by which the right to use leased assets are greater (less) than amortization in the current period.		(5)

Governmental funds report the effect of debt premiums and discounts when debt is first issued. However in the statement of net position, they are deferred and amortized over the life of the debt and reported as revenue or expense in the statement of activities.

Amortization of bond premium		6,507
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:		2,535,000
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In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.

The amount of interest paid during the current period on long-term debt	394,844	
The amount of interest expensed during the current period on long-term debt	<u>(344,656)</u>	
Interest paid is greater (less) than interest expensed by:		50,188

Termination benefits are recognized in the fund financial statements when the benefits are paid. Termination benefits are expensed ratably over the periods earned in the statements of activities. Benefits earned during the year for benefits previously accrued on the statement of activities:

Employer pension contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net pension asset and deferred outflows.		266,435
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Pension expense is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the pension plan.		<u>(583,061)</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$	2,571,191
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See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023 AND 2022

		Food Service Fund	
		2023	2022
ASSETS			
Current Assets			
Cash and investments	\$	49,009	\$ 54,499
Due from other governments		4,365	2,863
Total Current Assets		<u>53,374</u>	<u>57,362</u>
Noncurrent Assets			
Furniture and equipment		146,410	146,410
Less accumulated depreciation		<u>(142,968)</u>	<u>(141,643)</u>
Net Noncurrent Assets		<u>3,442</u>	<u>4,767</u>
Other Noncurrent Assets			
Net pension asset		<u>0</u>	<u>28,405</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources		<u>77,497</u>	<u>61,157</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$	<u>134,313</u>	\$ <u>151,691</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accrued payroll and related items	\$	733	\$ 107
Unearned revenue		<u>6,050</u>	<u>5,869</u>
Total Current Liabilities		<u>6,783</u>	<u>5,976</u>
Other Noncurrent Liabilities			
Net pension liability		<u>21,481</u>	<u>0</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources		<u>44,975</u>	<u>74,956</u>
NET POSITION			
Net investment in capital assets		3,442	4,767
Restricted for food service operations		46,591	51,386
Restricted for pension related items		<u>11,041</u>	<u>14,606</u>
Total Net Position		<u>61,074</u>	<u>70,759</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$	<u>134,313</u>	\$ <u>151,691</u>

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Fund	
	2023	2022
OPERATING REVENUES		
Food sales	\$ 115,089	\$ 32,256
State sources	4,969	10,205
Federal sources	150,071	274,883
Federal commodities	21,957	19,514
Total Operating Revenues	<u>292,086</u>	<u>336,858</u>
OPERATING EXPENSES		
Salaries and wages	108,910	97,641
Employer paid benefits	40,365	29,525
Purchased services	20,516	18,927
Supplies, food and materials	130,655	134,587
Depreciation	1,325	1,938
Total Operating Expenses	<u>301,771</u>	<u>282,618</u>
Excess (Deficit) revenues over expenses	<u>(9,685)</u>	<u>54,240</u>
Change in Net Position	(9,685)	54,240
NET POSITION - Beginning of Year	<u>70,759</u>	<u>16,519</u>
NET POSITION - END OF YEAR	<u>\$ 61,074</u>	<u>\$ 70,759</u>

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Fund	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 115,270	\$ 28,095
Cash received from other government payments	153,538	287,581
Cash payments to employees for services	(145,084)	(131,958)
Cash payments for purchased services	(20,516)	(18,927)
Cash payments to suppliers for goods and services	(108,698)	(115,073)
Net Cash Provided By (Used For) Operating Activities	<u>(5,490)</u>	<u>49,718</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,490)	49,718
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>54,499</u>	<u>4,781</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 49,009</u>	<u>\$ 54,499</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (9,685)	\$ 54,240
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	1,325	1,938
Net change in pension related items	3,565	(4,792)
Changes in operating assets and liabilities		
Accrued liabilities	626	
Due from other governments	(1,502)	2,493
Unearned revenue	<u>181</u>	<u>(4,161)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (5,490)</u>	<u>\$ 49,718</u>
NONCASH NONCAPITAL FINANCING ACTIVITIES		
During the year the District received commodities from the U.S. Department of Agriculture in the amount of	<u>\$ 21,957</u>	<u>\$ 19,514</u>

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Private-Purpose Trust Funds</u>
ASSETS	
Current Assets	
Cash and investments	\$ <u>826,165</u>
TOTAL ASSETS	\$ <u>826,165</u>
LIABILITIES	
Accounts payable	\$ <u>0</u>
Total Liabilities	<u>0</u>
NET POSITION	
Restricted	<u>826,165</u>
Total Net Position	\$ <u>826,165</u>

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST
FOR THE YEAR ENDED JUNE 30, 2023

ADDITIONS	
Interest income	\$ 432
Gifts	166,167
Unrealized gain on stock	<u>1,043</u>
Total Additions	<u>167,642</u>
DEDUCTIONS	
Trust fund disbursements	<u>94,080</u>
Total Deductions	<u>94,080</u>
Change in Net Position	73,562
NET POSITION - Beginning of Year	<u>752,603</u>
NET POSITION - END OF YEAR	<u>\$ 826,165</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Randolph School District is organized as a common school district governed by an elected seven-member board. The District is comprised of all or parts of eight taxing districts.

The accompanying financial statements present the activities of the Randolph School District. The School District is not a component unit of another reporting entity nor does it have any component units.

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial reporting entity consists of (a) organizations for which the standalone government is financially accountable and (b) the standalone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the standalone government.

B. Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental and business-type 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. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all financial activity that is not required to be accounted for in another fund. This includes the General Fund (Fund 10) and the Special Education Fund (Fund 27), which accounts for activities associated with providing educational programs for students with disabilities. Excess expenditures of Fund 27 are financed with a transfer from Fund 10.

Debt Service Fund - The Debt Service Fund (Fund 39) is used to accumulate resources and service interest and principal payments as they come due.

Long Term Capital Improvement Fund - This fund (Fund 46) is a fund established with a transfer from the general fund. The board is prohibited from removing money deposited into Fund 46 for a period of five years after the fund is created. After the five year wait period, funds may be used for the purposes identified in the long-term capital improvement plan.

The District operates one enterprise fund, the Food Service Fund. This fund accounts for the activities of the District's food service, generally school hot lunch program.

The District accounts for assets held that were accumulated from donations that are used to pay scholarships in the Private-Purpose Trust Funds.

C. Measurement Focus and Basis of Accounting

The district-wide, proprietary, 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.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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 measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and 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.

Reports for the District's Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. Assets and Liabilities

Cash and Investments

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

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. Agency issues, high-grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled investment fund.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

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

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

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

Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

A reserve for these non-liquid assets (inventories and prepaid items) when applicable, will be recognized to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where inventories are offset by deferred revenues.

Due To/Due From Other Funds

The amounts reported on the statement of net position for due to and due from funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. See Note 7 for a detailed description of the individual interfund balances as of June 30, 2023.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2003. For assets acquired prior to June 30, 2003, estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm, are used. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	50 years
Site improvements	\$5,000	Straight-line	20 years
Furniture & equipment	\$5,000	Straight-line	5-20 years
Computer & related hardware*	\$5,000	Straight-line	5 years
Software	\$5,000	Straight-line	10-15 years
Library books*	\$5,000	Straight-line	10 years
Textbooks*	\$5,000	Straight-line	10 years

*For purposes of determining the capitalization threshold for these items, the District grouped all purchases for the year through June 30, 2013. After June 30, 2013 the District no longer grouped items in determining the capitalization threshold.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

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

Net position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

E. Deferred Outflows/Inflows of Resources

The District reports under GASB Statement No. 65, *Items previously reports as Assets and Liabilities*. In addition to reporting assets and liabilities in the statement of net position and balance sheet the following are the provisions for reporting a separate section for deferred outflows and inflows of resources:

Deferred Outflows of Resources: The District reports decreases in net position and fund balances that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position and governmental funds balance sheet. There were deferred outflows of resources reported in this year's government-wide and proprietary funds statement of net position for pension related items, which are detailed in Note 8.

Deferred Inflows of Resources: The District's government-wide and governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position and fund balance that relates to a future period. There were deferred inflows of resources reported in this year's government-wide and proprietary funds statement of net position for pension related items, which are detailed in Note 8.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Balance Reporting

The Randolph School District reports under provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Nonspendable, such as fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balance classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation,
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the district's highest level of decision-making authority),
4. Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund balance amounts are reported in conformance with generally accepted accounting principles and shall be reclassified not less than the end of each fiscal year for general purpose financial statements. The District will report inventories, prepaid expenses, long-term receivables, and amounts legally or contractually required to be maintained intact as non-spendable. The fund balance for the spendable portion of permanent funds and balance, if any, in the special revenue trust fund, debt service funds, food service fund, postemployment employee benefit trust fund, SAGE funds, and other funds established by regulatory authority will be classified as restricted.

The Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by majority vote of the Board.

The School Board may authorize and direct an individual to assign fund balances for specific purposes, to the extent such assignment does not create a negative unassigned fund balance. The School Board has authorized the Superintendent, or designee, with the authority to assign funds.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Right to Use Assets

The Randolph School District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the governmental fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

A) Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.

B) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.

C) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED)

**A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities
(Continued)**

	Total Governmental Funds	Long-Term Revenues/ Expenses	Capital Related Items	Long-Term Debt Transactions	Statement Of Activities Total
Revenues and Other Sources					
Property and other taxes	\$ 3,729,872	\$ 0	\$ 0	\$ 0	\$ 3,729,872
Other local sources					
Interest and investment earnings	68,755				68,755
Miscellaneous	33,694				33,694
Charges for services	238,967				238,967
Interdistrict sources					
Other general aid	896,464				896,464
Intermediate sources					
Operating grants and contributions	40,295				40,295
Charges for services	5,525				5,525
State sources					
General aid	4,957,331				4,957,331
Other general aid	629,125				629,125
Operating grants and contributions	359,373				359,373
Federal sources					
Operating grants and contributions	1,117,753				1,117,753
Other revenue sources					
Miscellaneous	235,673				235,673
Gain(Loss) on sale of assets			1,691		1,691
Proceeds from sale of capital asset			(3,000)		(3,000)
	<u>\$12,312,827</u>	<u>\$ 0</u>	<u>\$ (1,309)</u>	<u>\$ 0</u>	<u>\$12,311,518</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WI**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED)

A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities (Continued)

	Total				<u>Capital Related Items</u>		<u>Right to Use Leased Assets</u>		Long-Term	Statement
	Governmental	Long Term	Employer	Pension					Debt	Of Activities
	<u>Funds</u>	<u>Rev/Exp</u>	<u>Contributions</u>	<u>Expense</u>	<u>Acquisitions</u>	<u>Depreciation</u>	<u>Acquisitions</u>	<u>Amortization</u>	<u>Transactions</u>	<u>Total</u>
<u>Expenditures/Expenses</u>										
Regular Instruction	\$ 3,638,926	\$ 0	\$ (118,297)	\$ 258,879	\$ 0	\$ 6,654	\$ 0	\$ 0	\$ 0	\$ 3,786,162
Vocational Instruction	434,442		(18,384)	40,231		776				457,065
Special Education Instruction	865,444		(14,121)	30,902		1,652				883,877
Other Instruction	698,091		(31,706)	69,384	(5,291)	1,163				731,641
Pupil Services	338,831		(12,789)	27,987						354,029
Instructional Staff Services	401,995		(14,121)	30,902						418,776
General Administration Services	355,978		(12,256)	26,821		4,004				374,547
Building Administration Services	405,888		(18,118)	39,648						427,418
Business Services	193,090		(7,993)	17,492						202,589
Operations and Maintenance	1,317,780		(14,920)	32,651	(707,829)	22,884				650,566
Pupil Transportation	314,079		(2,398)	5,248	(103,500)	38,733				252,162
Central Services	29,373		(533)	1,166						30,006
Community Services	25,824		(799)	1,750						26,775
Principal	2,553,991								(2,553,991)	
Interest	422,550								(56,695)	365,855
Insurance	74,560									74,560
Other Support Services	255,780							18,996		274,776
Depreciation - Unallocated						429,523				429,523
Total Expenditures/Expenses	<u>12,326,622</u>	<u>0</u>	<u>(266,435)</u>	<u>583,061</u>	<u>(816,620)</u>	<u>505,389</u>	<u>0</u>	<u>18,996</u>	<u>(2,610,686)</u>	<u>9,740,327</u>
Net Change for Year	\$ <u>(13,795)</u>	\$ <u>0</u>	\$ <u>266,435</u>	\$ <u>(583,061)</u>	\$ <u>815,311</u>	\$ <u>(505,389)</u>	\$ <u>0</u>	\$ <u>(18,996)</u>	\$ <u>2,610,686</u>	\$ <u>2,571,191</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS

The debt service fund and capital projects fund account for their transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, trust and agency funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

Deposits: Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian for each ownership category. In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$400,000 per public depository above the amount provided by the FDIC. Due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available. However, since the risk that an economic event would occur of the magnitude that would deplete the fund has been assessed as minimal, this coverage has been included in computing the amounts in Category 1 below.

Investments: Wisconsin Statute 66.04(2) and 67.11(2) restrict investment of temporarily idle cash. The School Board has adopted an investment policy pursuant to these statutes, which allows the District to invest in time deposits, securities guaranteed by the U.S. Government, securities of the Wisconsin Local Government Pooled Investment Fund, the Wisconsin School District Liquid Asset Fund and commercial paper if the security has the highest or second highest rating of a nationally recognized rating agency. Investments in the private-purpose trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "*Uniform Prudent Investor Act*".

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

The District's deposits and investments are categorized into three categories of custodial credit risk:

- Category 1 - Insured or registered which are collateralized with securities held by the District or by its agent in the District's name.
- Category 2 - Uninsured and unregistered deposits and investments, which are collateralized with securities, held by the counter party's trust department or agent in the District's name.

RANDOLPH SCHOOL DISTRICT RANDOLPH, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

- Category 3 - Uncollateralized deposits and uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the District's name.

The District's deposits and investment balances at June 30, 2023 were as follows:

	Category			Bank	Carrying
	1	2	3	Balance	Amount
Deposits					
National Exchange Bank	\$650,000	\$2,922,883	\$ 0	\$3,572,883	\$3,184,003
Horicon State Bank	270,719			270,719	263,265
Totals	<u>\$920,719</u>	<u>\$2,922,883</u>	<u>\$ 0</u>	<u>\$3,843,602</u>	
United Coop Preferred Stock					165,000
United WI Grain Producers Stock					23,143
Horicon State Bank CD					526,003
Investment in local government investment pool					475,068
Investments held by fiduciary funds					<u>(826,165)</u>
Cash and Investments Reported on Statement of Net Position					<u>\$3,810,317</u>

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2023, the fair value of the LGIP's assets was substantially equal to the District's share as reported below. The investment in the LGIP is insured against defaults in principal payments by Financial Security Assurance Incorporated. The LGIP issues separate financial statements which can be obtained online at the following web address: <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

The difference between carrying amounts and bank balances is due to outstanding checks and deposits in transit.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year end for each investment type.

RANDOLPH SCHOOL DISTRICT RANDOLPH, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Presented below are the maturities for each investment type.

The District's investments at June 30, 2023 and credit and interest rate risks are as follows:

	<u>Credit Quality Rating</u>	<u>Credit Exposure As a Percentage of Total Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Wisconsin Local Government Investment Pool	Unrated	40.0%	28 days average	\$ 475,068
Certificate of Deposit	Unrated	44.2%	24 Months	526,003
United Coop Preferred Stock	Unrated	13.9%	N/A	165,000
United WI Grain Prod. Stock	Unrated	1.9%	N/A	23,143
Total		<u>100.0%</u>		<u>\$1,189,214</u>

NOTE 4 CAPITAL ASSETS

Capital asset balances and activities for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated					
Sites (land)	\$ 389,680	\$ 0	\$ 0	\$ 0	\$ 389,680
Total Capital Assets Not Being Depreciated	<u>389,680</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>389,680</u>
Capital assets being depreciated					
Site improvements	902,377		19,880		922,257
Buildings	20,181,471		324,975		20,506,446
Furniture and equipment	3,321,272		177,353	(3,800)	3,494,825
Work in progress			294,412		294,412
Total Capital Assets Being Depreciated	<u>24,405,120</u>	<u>0</u>	<u>816,620</u>	<u>(3,800)</u>	<u>25,217,940</u>
Less accumulated depreciation for					
Site improvements	(622,583)		(20,549)		(643,132)
Buildings	(3,095,009)		(415,294)		(3,510,303)
Furniture and equipment	(3,035,058)		(69,546)	2,491	(3,102,113)
Total Accumulated Depreciation	<u>(6,752,650)</u>	<u>0</u>	<u>(505,389)</u>	<u>2,491</u>	<u>(7,255,548)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>17,652,470</u>	<u>0</u>	<u>311,231</u>	<u>(1,309)</u>	<u>17,962,392</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,042,150</u>	<u>\$ 0</u>	<u>\$ 311,231</u>	<u>\$ (1,309)</u>	<u>\$18,352,072</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities					
Capital assets being depreciated					
Furniture and equipment	\$ 146,410	\$ 0	\$ 0	\$ 0	\$ 146,410
Less accumulated depreciation	<u>(141,643)</u>		<u>(1,325)</u>		<u>(142,968)</u>
Business-Type Activities Capital					
Assets, Net of Accumulated Depreciation	<u>\$ 4,767</u>	<u>\$ 0</u>	<u>\$ (1,325)</u>	<u>\$ 0</u>	<u>\$ 3,442</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 6,654
Vocational instruction	776
Special education instruction	1,652
Other instruction	1,163
General administration services	4,004
Operations and maintenance	22,884
Pupil transportation services	38,733
Depreciation - unallocated	<u>429,523</u>
Total Depreciation for Governmental Activities	<u>\$505,389</u>

NOTE 5 RIGHT TO USE LEASED ASSETS

The Randolph School District has recorded two right to use leased assets. The assets are right to use assets for leased equipment. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Governmental Activities for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased equipment	\$ 94,979	\$ 0	\$ 0	\$ 94,979
Total Right to Use Assets	<u>94,979</u>	<u>0</u>	<u>0</u>	<u>94,979</u>
Less accumulated amortization for:				
Leased equipment	(40,568)	(18,996)		(59,564)
Total Accumulated Amortization	<u>(40,568)</u>	<u>(18,996)</u>	<u>0</u>	<u>(59,564)</u>
Right to Use Assets, Net of Accumulated Amortization	<u>\$ 54,411</u>	<u>\$ (18,996)</u>	<u>\$ 0</u>	<u>\$ 35,415</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6 LONG-TERM LIABILITIES

Long-term obligation balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Leases					
Bonds payable	\$ 8,920,000	\$ 0	\$1,550,000	\$ 7,370,000	\$ 535,000
G.O Refunding Bonds Payable	2,810,000		985,000	1,825,000	265,000
Bond premium	97,597		6,507	91,090	6,506
Lease liabilities	<u>56,872</u>		<u>18,991</u>	<u>37,881</u>	<u>19,765</u>
Total Governmental Activities Long-Term Obligations	<u>\$11,884,469</u>	<u>\$ 0</u>	<u>\$2,560,498</u>	<u>\$ 9,323,971</u>	<u>\$ 826,271</u>

Payments on bonds and notes are made by the debt service fund. Payments on capital leases are made by the general fund. Vested employee benefits will be liquidated by several of the governmental funds.

The School District does not currently have any long-term obligations for business-type activities.

On March 29, 2023, the District made defeasance payments on the July 13, 2015 improvement bond in the amount of \$1,045,000 plus other financing fees for a total of \$1,053,717, and the April 12, 2017 refunding bond in the amount of \$725,000 plus other financing fees for a total of \$731,183. The defeasance payments were deposited into an irrevocable trust with an escrow agent and invested in U.S. Governmental Securities that are used to meet the requirements of the refunding of the old debt.

On the District's financial statements, the \$1,770,000 payment is defeased for the bonds and is removed from the bonds' liability. The total savings from the defeasance is \$728,660.

Total interest and other fiscal charges paid and accrued during the year:

	<u>Expense</u>	<u>Paid</u>
Bonds and notes payable and leases	\$344,656	\$394,844
Bond premium amortization	(6,507)	
Other fiscal charges	<u>27,706</u>	<u>27,706</u>
Total Interest and Other Fiscal Charges Expense/Paid	<u>\$365,855</u>	<u>\$422,550</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The full faith, credit, and taxing powers of the District secure all general obligation debt, including business-type activities, if any. Bonds and notes payable are comprised of the following individual issues:

	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Balance 6/30/2023</u>
2015 G.O. Improvement Bonds	7/13/15	2.50%-3.50%	9/01/2034	\$ 7,370,000
2017 G.O. Refunding Bonds	4/12/17	2.50%-3.00%	9/01/2032	<u>1,825,000</u>
Total General Obligation Debt*				<u>\$ 9,195,000</u>

The legal debt limit and margin of indebtedness is set at 10% of equalized value by Section 67.03(1)(b), Wisconsin Statutes. The margin of indebtedness at June 30, 2023 is:

Equalized value certified by Wisconsin Department of Revenue for 2022	<u>\$ 317,922,091</u>
Margin of indebtedness at 10% of equalized value	\$ 31,792,209
*Deduct long-term debt applicable to debt margin	<u>(9,195,000)</u>
Margin of Indebtedness	<u>\$ 22,597,209</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on bonds and notes as of June 30, 2023 are as follows:

<u>Governmental Activities Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 800,000	\$ 275,950	\$ 1,075,950
2025	835,000	253,275	1,088,275
2026	870,000	228,225	1,098,225
2027	910,000	205,075	1,115,075
2028	860,000	179,313	1,039,313
2029-2033	4,210,000	523,037	4,733,037
2034-2039	<u>710,000</u>	<u>24,850</u>	<u>734,850</u>
Totals	<u>\$ 9,195,000</u>	<u>\$1,689,725</u>	<u>\$10,884,725</u>

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on May 14, 2020, to lease a copy machine and requires 60 monthly payments of \$1,419. There are no variable payment components of the lease. The lease liability is measured at an interest rate of 4%, which is the stated rate in the lease agreement. As a result of the lease, the District has recorded a right to use asset with a net book value of \$45,810.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The second agreement was executed on June 9, 2020, to lease a postage machine and requires 60 monthly payments of \$325. There are no variable payment components of the lease. The lease liability is measured at an interest rate of 4%, which is the stated rate in the lease agreement. As a result of the lease, the District has recorded a right to use asset with a net book value of \$11,062.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

Year Ended				
June 30	Principal	Interest	Total	
2024	\$ 19,765	\$ 1,155	\$ 20,920	
2025	18,116	353	18,469	
Totals	<u>\$ 37,881</u>	<u>\$ 1,508</u>	<u>\$ 39,389</u>	

NOTE 7 INTERFUND BALANCES AND ACTIVITY

There was a transfer from the General Fund to the Special Education Fund in the amount of \$548,717 during the year ended June 30, 2023.

NOTE 8 EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

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

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

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

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Plan description. (Continued)

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

	Core Fund Adjustment	Variable Fund Adjustment
<u>Year</u>	<u>(%)</u>	<u>(%)</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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

During the reporting period, the WRS recognized \$271,456 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General(including teachers, executive, and elected official)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At June 30, 2023, the Randolph School District reported a liability (asset) of \$1,161,269 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Randolph School District's proportion of the Net Pension Liability (Asset) was based on the Randolph's School District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Randolph's School District's proportion was 0.02192025%, which was a decrease of 0.00020709% from its proportion measured as of December 31, 2021.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2023, the Randolph School District recognized pension expense of \$591,647.

At June 30, 2023, the Randolph School District reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$1,849,541	\$(2,429,884)
Net differences between projected and actual earnings on pension plan investments	1,972,730	0
Changes in assumptions	228,353	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,585	(1,505)
Employer contributions subsequent to the measurement date	<u>134,336</u>	<u>0</u>
Total	<u>\$4,189,545</u>	<u>\$(2,431,389)</u>

\$134,336 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ended June 30, 2023.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense (revenue) as follows:

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 2,241,999	\$ (2,174,344)
2024	\$ 1,966,432	\$ (1,629,842)
2025	\$ 1,580,776	\$ (1,235,422)
2026	\$ 1,235,945	\$ (361,721)
Thereafter	\$ 0	\$ 0

Actuarial assumptions. The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%

RANDOLPH SCHOOL DISTRICT RANDOLPH, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Salary Increases	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

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

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

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

Asset Allocation Targets & Expected Returns¹ **As of December 31, 2022**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	48%	7.6%	5.0%
Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	<u>115%</u>	<u>7.4%</u>	<u>4.8%</u>
 <u>Variable Fund Asset</u>			
U.S. Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	<u>100%</u>	<u>7.7%</u>	<u>5.1%</u>

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

RANDOLPH SCHOOL DISTRICT RANDOLPH, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the 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 Randolph School District's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Randolph's School District's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.80 percent, as well as what the Randolph School District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.80 percent) or 1-percentage point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate <u>(5.80%)</u>	Current Discount Rate <u>(6.80%)</u>	1% Increase to Discount Rate <u>(7.80%)</u>
Randolph School District's proportionate share of the Net Pension Liability (Asset)	\$3,854,216	\$1,161,269	\$(691,246)

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District manages these risks through the purchase of various forms of commercial insurance. Certain of the commercial insurance policies have established deductible amounts whereby the district would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies. There was no significant reduction in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for the past three years.

NOTE 10 CONTINGENCIES AND COMMITMENTS

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material effect on the District's financial position or results of operations.

The District participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2023 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 11 EXCESS OF ACTUAL EXPENDITURE OVER BUDGET

There were four funds that had an excess of actual expenditures over budget for the year ended June 30, 2023.

General Fund	\$ 596,363
Special Revenue Trust Fund	\$ 197,299
Debt Service Fund	\$1,764,108

NOTE 12 FUND BALANCES

Portions of fund balances are nonspendable, restricted, committed, assigned, or unassigned and not available for current expenses or expenditures. Details of these fund classifications are as follows:

RANDOLPH SCHOOL DISTRICT RANDOLPH, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 12 FUND BALANCES (CONTINUED)

	Governmental Activities				Business-Type Activities
	General Fund	Debt Service Fund	Long Term Capital Trust Fund	Other Governmental Funds	Food Service Fund
Restricted for:					
Pension related items	\$ 0	\$ 0	\$ 0	\$ 0	\$11,041
Debt service fund		272,212			
Long-term capital trust fund			1,179,364		
Food service fund					46,591
Special revenue trust fund				151,247	
Community service fund				12,885	
Unassigned	<u>3,433,296</u>				
Total fund balances	<u>\$3,433,296</u>	<u>\$272,212</u>	<u>\$1,179,364</u>	<u>\$164,132</u>	<u>\$57,632</u>

Restricted net position balances in the district-wide statement of net position consist of the following:

Governmental activities:	
Debt service fund	\$ 272,212
Long-term capital improvement fund	1,179,364
Special revenue trust fund	151,247
Community service fund	12,885
Pension related items	585,846
Total	<u>\$2,201,554</u>
Business-type activities:	
Food service fund	\$ 46,591
Pension related items	11,041
Total	<u>\$ 57,632</u>

NOTE 13 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the School Board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

NOTE 14 SUBSEQUENT EVENTS

Subsequent events are evaluated through December 6, 2023, which is the date the financial statements were available to be issued. No subsequent events were noted as of that date.

REQUIRED SUPPLEMENTARY INFORMATION

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts			Final Budgeted Amounts			Actual Amounts			Variance With Final Budget Favorable (Unfavorable)
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	
REVENUES										
Property taxes	\$ 0	\$ 684,336	\$ 684,336	\$ 0	\$ 684,336	\$ 684,336	\$ 0	\$ 684,184	\$ 684,184	\$ (152)
Other local sources		86,700	86,700		86,700	86,700		132,857	132,857	46,157
Interdistrict sources		867,134	867,134		867,134	867,134		896,464	896,464	29,330
Intermediate sources	37,117	5,228	42,345	37,117	5,228	42,345	29,196	16,624	45,820	3,475
State sources	220,118	5,710,596	5,930,714	220,118	5,710,596	5,930,714	231,394	5,714,435	5,945,829	15,115
Federal sources	229,777	620,281	850,058	229,777	620,281	850,058	245,024	872,729	1,117,753	267,695
Other sources		18,000	18,000		18,000	18,000		235,673	235,673	217,673
Total Revenues	487,012	7,992,275	8,479,287	487,012	7,992,275	8,479,287	505,614	8,552,966	9,058,580	579,293
EXPENDITURES										
Instruction										
Regular instruction		3,539,597	3,539,597		3,539,597	3,539,597		3,638,926	3,638,926	(99,329)
Vocational instruction		443,693	443,693		443,693	443,693		434,442	434,442	9,251
Special education instruction	966,884		966,884	966,884		966,884	865,444		865,444	101,440
Other instruction		472,930	472,930		472,930	472,930		507,528	507,528	(34,598)
Total Instruction	966,884	4,456,220	5,423,104	966,884	4,456,220	5,423,104	865,444	4,580,896	5,446,340	(23,236)
Support Services										
Pupil services	47,792	238,296	286,088	47,792	238,296	286,088	93,975	244,856	338,831	(52,743)
Instructional staff services	56,864	393,064	449,928	56,864	393,064	449,928	62,880	339,115	401,995	47,933
General administration services		379,243	379,243		379,243	379,243		355,978	355,978	23,265
Building administration services		430,233	430,233		430,233	430,233		405,888	405,888	24,345
Business services		182,677	182,677		182,677	182,677		193,090	193,090	(10,413)
Operations and maintenance		822,063	822,063		822,063	822,063		1,228,384	1,228,384	(406,321)
Pupil transportation	9,536	167,975	177,511	9,536	167,975	177,511	5,040	309,037	314,077	(136,566)
Other support	6,000	197,259	203,259	6,000	197,259	203,259	20,220	228,824	249,044	(45,785)
Central services	3,350	32,325	35,675	3,350	32,325	35,675	6,772	22,601	29,373	6,302
Insurance		72,336	72,336		72,336	72,336		74,560	74,560	(2,224)
Lease payments								20,920	20,920	(20,920)
Total Support Services	123,542	2,915,471	3,039,013	123,542	2,915,471	3,039,013	188,887	3,423,253	3,612,140	(573,127)
Total Expenditures	1,090,426	7,371,691	8,462,117	1,090,426	7,371,691	8,462,117	1,054,331	8,004,149	9,058,480	(596,363)
Excess (Deficiency) of Revenues Over Expenditures	(603,414)	620,584	17,170	(603,414)	620,584	17,170	(548,717)	548,817	100	(17,070)
OTHER FINANCING SOURCES (USES)										
Transfer from (to) other funds	603,414	(620,584)	(17,170)	603,414	(620,584)	(17,170)	548,717	(548,717)		17,170
Net Other Financing Sources (Uses)	603,414	(620,584)	(17,170)	603,414	(620,584)	(17,170)	548,717	(548,717)	0	17,170
Net Change in Fund Balances	0	0	0	0	0	0	0	100	100	100
FUND BALANCES - Beginning of Year	0	3,433,196	3,433,196	0	3,433,196	3,433,196	0	3,433,196	3,433,196	0
FUND BALANCES - END OF YEAR	\$ 0	\$ 3,433,196	\$ 3,433,196	\$ 0	\$ 3,433,196	\$ 3,433,196	\$ 0	\$ 3,433,296	\$ 3,433,296	\$ 100

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

BUDGETARY COMPARISON SCHEDULE FOR THE DEBT SERVICE FUND
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 2,630,688	\$ 2,630,688	\$ 3,010,688	\$ 380,000
Total Revenues	<u>2,630,688</u>	<u>2,630,688</u>	<u>3,010,688</u>	<u>380,000</u>
EXPENDITURES				
Support Services				
Debt service				
Principal	765,000	765,000	2,535,000	(1,770,000)
Interest	426,513	426,513	405,721	20,792
Other Debt Related			14,900	(14,900)
Total Expenditures	<u>1,191,513</u>	<u>1,191,513</u>	<u>2,955,621</u>	<u>(1,764,108)</u>
Net Change in Fund Balance	1,439,175	1,439,175	55,067	(1,384,108)
FUND BALANCE - Beginning of Year	<u>217,145</u>	<u>217,145</u>	<u>217,145</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,656,320</u>	<u>\$ 1,656,320</u>	<u>\$ 272,212</u>	<u>\$ (1,384,108)</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

BUDGETARY COMPARISON SCHEDULE FOR THE CAPITAL PROJECTS FUND
BUDGET AND ACTUAL
LONG TERM CAPITAL IMPROVEMENT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Favorable/ (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Other local sources	\$ 3,000	\$ 3,000	\$ 13,470	\$ 10,470
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>13,470</u>	<u>10,470</u>
EXPENDITURES				
Support Services				
Operations and maintenance	305,696	305,696	89,396	216,300
Pupil Transportation	103,500	103,500	2	103,498
Total Support Services	<u>409,196</u>	<u>409,196</u>	<u>89,398</u>	<u>319,798</u>
OTHER FINANCING SOURCES (USES)				
Transfer from general fund	<u>17,170</u>	<u>17,170</u>	<u>0</u>	<u>(17,170)</u>
Net Change in Fund Balance	(389,026)	(389,026)	(75,928)	313,098
FUND BALANCE - Beginning of Year	<u>1,255,292</u>	<u>1,255,292</u>	<u>1,255,292</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 866,266</u>	<u>\$ 866,266</u>	<u>\$ 1,179,364</u>	<u>\$ 313,098</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2023**

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, which is in accordance with accounting principles generally accepted in the United States of America. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub-function 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 the 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 alter the proposed budget.
- After 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 a reserve of fund balance.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE OF RANDOLPH SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Randolph School District's proportion of the Net Pension Liability (Asset)	0.02192025%	0.02212734%	0.02234420%	0.02267104%	0.02292672%	0.02339330%	0.02377973%	0.02348941%
Randolph School District's proportionate share of the Net Pension Liability (Asset)	1,161,269	(\$1,783,504)	(\$720,479)	\$806,564	(\$680,721)	\$192,817	\$386,416	(\$576,964)
Randolph School District's covered-employee payroll	3,883,100	\$3,844,430	\$3,525,442	\$3,498,596	\$3,305,742	\$3,326,755	\$3,344,047	\$3,306,422
Randolph School District's collective Net Pension Liability (Asset) as a percentage of the employee's covered-payroll	29.91%	(46.39%)	(20.44%)	23.05%	(20.59%)	5.80%	11.56%	(17.45%)
Plan fiduciary net position as a percentage of the Total Pension Liability (Asset)	95.72%	106.02%	102.96%	96.45%	102.93%	99.12%	98.20%	102.74%

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE OF RANDOLPH SCHOOL DISTRICT'S CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$252,400	\$259,498	\$230,917	\$234,406	\$224,789	\$219,565	\$227,395	\$231,422
Contributions in relation to the contractually required contributions	(\$252,400)	(\$259,498)	(\$230,917)	(\$234,406)	(\$224,789)	(\$219,565)	(\$227,395)	(\$231,422)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Randolph School District's covered-employee payroll	\$3,883,100	\$3,844,430	\$3,525,442	\$3,498,596	\$3,305,742	\$3,326,755	\$3,344,047	\$3,306,422
Contributions as a percentage of covered-employee payroll	6.50%	6.75%	6.55%	6.70%	6.80%	6.60%	6.80%	7.00%

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

**Notes to Required Supplementary Information
For the Year Ended June 30, 2023**

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

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

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

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

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS
FOR THE YEAR ENDED JUNE 30, 2023

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market	Five Year Smoothed Market
Actuarial Assumptions										
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:										
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases										
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for Men.

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

OTHER SUPPLEMENTARY INFORMATION

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 2023 AND 2022

	2023			2022		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund
ASSETS						
Cash and investments	\$ (63,456)	\$ 2,557,843	\$ 2,494,387	\$ (48,341)	\$ 2,959,194	\$ 2,910,853
Receivables						
Taxes		683,288	683,288		908,774	908,774
Due from other governments	111,299	608,431	719,730	88,606	142,520	231,126
TOTAL ASSETS	<u>\$ 47,843</u>	<u>\$ 3,849,562</u>	<u>\$ 3,897,405</u>	<u>\$ 40,265</u>	<u>\$ 4,010,488</u>	<u>\$ 4,050,753</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accrued payroll and related items	\$ 47,843	\$ 416,266	\$ 464,109	\$ 40,265	\$ 427,292	\$ 467,557
Due to other funds					150,000	150,000
Total Liabilities	<u>47,843</u>	<u>416,266</u>	<u>464,109</u>	<u>40,265</u>	<u>577,292</u>	<u>617,557</u>
Fund Balances						
Restricted						
Unassigned		3,433,296	3,433,296		3,433,196	3,433,196
Total Fund Balances	<u>0</u>	<u>3,433,296</u>	<u>3,433,296</u>	<u>0</u>	<u>3,433,196</u>	<u>3,433,196</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,843</u>	<u>\$ 3,849,562</u>	<u>\$ 3,897,405</u>	<u>\$ 40,265</u>	<u>\$ 4,010,488</u>	<u>\$ 4,050,753</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023							2022						
	Final Budget			Actual			Variance Favorable (Unfavorable)	Final Budget			Actual			Variance Favorable (Unfavorable)
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund		Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	
REVENUES														
Property taxes	\$ 0	\$ 684,336	\$ 684,336	\$ 0	\$ 684,184	\$ 684,184	\$ (152)	\$ 0	\$ 1,236,172	\$ 1,236,172	\$ 0	\$ 1,236,121	\$ 1,236,121	\$ (51)
Other local sources		86,700	86,700		132,857	132,857	46,157		24,900	24,900		54,881	54,881	29,981
Interdistrict sources		867,134	867,134		896,464	896,464	29,330		852,983	852,983		789,906	789,906	(63,077)
Intermediate sources	37,117	5,228	42,345	29,196	16,624	45,820	3,475	26,000	4,507	30,507	37,117	4,371	41,488	10,981
State sources	220,118	5,710,596	5,930,714	231,394	5,714,435	5,945,829	15,115	199,601	5,167,613	5,367,214	192,889	5,214,343	5,407,232	40,018
Federal sources	229,777	620,281	850,058	245,024	872,729	1,117,753	267,695	227,434	325,797	553,231	199,327	322,992	522,319	(30,912)
Other sources		18,000	18,000		235,673	235,673	217,673		19,593	19,593		25,874	25,874	6,281
Total Revenues	487,012	7,992,275	8,479,287	505,614	8,552,966	9,058,580	579,293	453,035	7,631,565	8,084,600	429,333	7,648,488	8,077,821	(6,779)
EXPENDITURES														
Instruction														
Regular instruction		3,539,597	3,539,597		3,638,926	3,638,926	(99,329)		3,370,356	3,370,356		3,479,854	3,479,854	(109,498)
Vocational instruction		443,693	443,693		434,442	434,442	9,251		421,738	421,738		405,864	405,864	15,874
Special education instruction	966,884		966,884	865,444		865,444	101,440	875,541		875,541	864,092		864,092	11,449
Other instruction		472,930	472,930		507,528	507,528	(34,598)		450,728	450,728		435,620	435,620	15,108
Total Instruction	966,884	4,456,220	5,423,104	865,444	4,580,896	5,446,340	(23,236)	875,541	4,242,822	5,118,363	864,092	4,321,338	5,185,430	(67,067)
Support Services														
Pupil services	47,792	238,296	286,088	93,975	244,856	338,831	(52,743)	100,029	220,384	320,413	56,462	222,907	279,369	41,044
Instructional staff services	56,864	393,064	449,928	62,880	339,115	401,995	47,933	55,972	280,224	336,196	54,285	286,060	340,345	(4,149)
General administration services		379,243	379,243		355,978	355,978	23,265		387,385	387,385		344,142	344,142	43,243
Building administration services		430,233	430,233		405,888	405,888	24,345		407,259	407,259		341,072	341,072	66,187
Business services		182,677	182,677		193,090	193,090	(10,413)	6,400	176,525	182,925		167,315	167,315	15,610
Operations and maintenance		822,063	822,063		1,228,384	1,228,384	(406,321)		744,894	744,894		735,540	735,540	9,354
Pupil transportation	9,536	167,975	177,511	5,040	309,037	314,077	(136,566)		204,381	204,381	4,311	154,738	159,049	45,332
Other support services	6,000	197,259	203,259	20,220	228,824	249,044	(45,785)	8,066	216,683	224,749	17,960	305,516	323,476	(98,727)
Central services	3,350	32,325	35,675	6,772	22,601	29,373	6,302	4,200	36,605	40,805	3,315	29,595	32,910	7,895
Insurance		72,336	72,336		74,560	74,560	(2,224)		57,483	57,483		59,155	59,155	(1,672)
Lease payments					20,920	20,920	(20,920)					20,920	20,920	(20,920)
Total Support Services	123,542	2,915,471	3,039,013	188,887	3,423,253	3,612,140	(573,127)	174,667	2,731,823	2,906,490	136,333	2,666,960	2,803,293	103,197
Total Expenditures	1,090,426	7,371,691	8,462,117	1,054,331	8,004,149	9,058,480	(596,363)	1,050,208	6,974,645	8,024,853	1,000,425	6,988,298	7,988,723	36,130
Excess (Deficiency) of Revenues Over Expenditures	(603,414)	620,584	17,170	(548,717)	548,817	100	(17,070)	(597,173)	656,920	59,747	(571,092)	660,190	89,098	29,351
OTHER FINANCING SOURCES (USES)														
Lease proceeds												75,120	75,120	75,120
Transfer (to)/from other funds	603,414	(620,584)	(17,170)	548,717	(548,717)	0	17,170	597,173	(656,920)	(59,747)	571,092	(721,092)	(150,000)	(90,253)
Net Other Financing Sources (Uses)	603,414	(620,584)	(17,170)	548,717	(548,717)	0	17,170	597,173	(656,920)	(59,747)	571,092	(645,972)	(74,880)	(15,133)
Net Change in Fund Balance	0	0	0	0	100	100	100	0	0	0	0	14,218	14,218	14,218
FUND BALANCE - Beginning of Year	0	3,433,196	3,433,196	0	3,433,196	3,433,196	0	0	3,418,978	3,418,978	0	3,418,978	3,418,978	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 3,433,196	\$ 3,433,196	\$ 0	\$ 3,433,296	\$ 3,433,296	\$ 100	\$ 0	\$ 3,418,978	\$ 3,418,978	\$ 0	\$ 3,433,196	\$ 3,433,196	\$ 14,218

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 0	\$ 217,145
Receivables		
Taxes	<u>348,872</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 348,872</u>	<u>\$ 217,145</u>
LIABILITIES AND FUND BALANCES		
Cash overdraft	<u>\$ 76,660</u>	<u>\$ 0</u>
Fund Balances		
Restricted for debt service	<u>272,212</u>	<u>217,145</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 348,872</u>	<u>\$ 217,145</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 2,630,688	\$ 3,010,688	\$ 380,000	\$ 1,966,163	\$ 1,966,163	\$ 0
Total Revenues	<u>2,630,688</u>	<u>3,010,688</u>	<u>380,000</u>	<u>1,966,163</u>	<u>1,966,163</u>	<u>0</u>
EXPENDITURES						
Support Services						
Debt service						
Principal	765,000	2,535,000	(1,770,000)	730,000	2,380,000	(1,650,000)
Interest	426,513	405,721	20,792	445,813	445,813	
Other debt related		14,900	(14,900)		110,587	(110,587)
Total Expenditures	<u>1,191,513</u>	<u>2,955,621</u>	<u>(1,764,108)</u>	<u>1,175,813</u>	<u>2,936,400</u>	<u>(1,760,587)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,439,175</u>	<u>55,067</u>	<u>(1,384,108)</u>	<u>790,350</u>	<u>(970,237)</u>	<u>(1,760,587)</u>
Net Change in Fund Balance	<u>1,439,175</u>	<u>55,067</u>	<u>(1,384,108)</u>	<u>790,350</u>	<u>(970,237)</u>	<u>(1,760,587)</u>
FUND BALANCE - Beginning of Year	<u>217,145</u>	<u>217,145</u>	<u>0</u>	<u>1,187,382</u>	<u>1,187,382</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,656,320</u>	<u>\$ 272,212</u>	<u>\$ (1,384,108)</u>	<u>\$ 1,977,732</u>	<u>\$ 217,145</u>	<u>\$ (1,760,587)</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
AS OF JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 1,179,364	\$ 1,105,292
Due from other funds		<u>150,000</u>
TOTAL ASSETS	<u>\$ 1,179,364</u>	<u>\$ 1,255,292</u>
LIABILITIES AND FUND BALANCES		
Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances		
Restricted	<u>1,179,364</u>	<u>1,255,292</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,179,364</u>	<u>\$ 1,255,292</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 3,000	\$ 13,470	\$ 10,470	\$ 700	\$ 1,121	\$ 421
Total Revenues	<u>3,000</u>	<u>13,470</u>	<u>10,470</u>	<u>700</u>	<u>1,121</u>	<u>421</u>
EXPENDITURES						
Support services						
Operations and maintenance	305,696	89,396	216,300			
Pupil Transportation	103,500	2	103,498			
Total Expenditures	<u>409,196</u>	<u>89,398</u>	<u>319,798</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(406,196)</u>	<u>(75,928)</u>	<u>330,268</u>	<u>0</u>	<u>1,121</u>	<u>1,121</u>
OTHER FINANCING SOURCES (USES)						
Transfer from general fund	17,170	0	(17,170)	0	150,000	150,000
Net Change in Fund Balance	<u>(389,026)</u>	<u>(75,928)</u>	<u>313,098</u>	<u>700</u>	<u>151,121</u>	<u>150,421</u>
FUND BALANCE - Beginning of Year	<u>1,255,292</u>	<u>1,255,292</u>	<u>0</u>	<u>1,104,171</u>	<u>1,104,171</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 866,266</u>	<u>\$ 1,179,364</u>	<u>\$ 313,098</u>	<u>\$ 1,104,871</u>	<u>\$ 1,255,292</u>	<u>\$ 150,421</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Community Service Fund	Special Revenue Trust Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 12,970	\$ 151,247	\$ 164,217
TOTAL ASSETS	<u>\$ 12,970</u>	<u>\$ 151,247</u>	<u>\$ 164,217</u>
 LIABILITIES AND FUND BALANCES			
Liabilities	\$ 85	\$ 0	\$ 85
Fund Balances			
Restricted	<u>12,885</u>	<u>151,247</u>	<u>164,132</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,970</u>	<u>\$ 151,247</u>	<u>\$ 164,217</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Community Service Fund	Special Revenue Trust Fund	Total Governmental Funds
REVENUES			
Property taxes	\$ 35,000	\$ 0	\$ 35,000
Other local sources		195,089	195,089
Total Revenues	<u>35,000</u>	<u>195,089</u>	<u>230,089</u>
EXPENDITURES			
Other instruction		190,563	190,563
Other support services		6,736	6,736
Community services	25,824		25,824
Total Expenditures	<u>25,824</u>	<u>197,299</u>	<u>223,123</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>9,176</u>	<u>(2,210)</u>	<u>6,966</u>
Net Change in Fund Balance	9,176	(2,210)	6,966
FUND BALANCE - Beginning of Year	<u>3,709</u>	<u>153,457</u>	<u>157,166</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,885</u>	<u>\$ 151,247</u>	<u>\$ 164,132</u>

COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE TRUST FUND
AS OF JUNE 30, 2023 AND 2022

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**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - SPECIAL REVENUE TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 195,089	\$ 195,089	\$ 0	\$ 190,160	\$ 190,160
Other sources		0	0		8,836	8,836
Total Revenues	0	195,089	195,089	0	198,996	198,996
EXPENDITURES						
Instruction						
Other instruction		190,563	(190,563)		169,249	(169,249)
Total Instruction	0	190,563	(190,563)	0	169,249	(169,249)
Support Services						
Other support services		6,736	(6,736)		8,910	(8,910)
Total Support Services	0	6,736	(6,736)	0	8,910	(8,910)
Total Expenditures	0	197,299	(197,299)	0	178,159	(178,159)
Net Change in Fund Balance	0	(2,210)	(2,210)	0	20,837	20,837
FUND BALANCE - Beginning of Year	153,457	153,457	0	132,620	132,620	0
FUND BALANCE - END OF YEAR	\$ 153,457	\$ 151,247	\$ (2,210)	\$ 132,620	\$ 153,457	\$ 20,837

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
COMMUNITY SERVICE FUND
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 12,970	\$ 3,724
TOTAL ASSETS	<u>\$ 12,970</u>	<u>\$ 3,724</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued payroll and related items	\$ 85	\$ 15
Total Liabilities	<u>85</u>	<u>15</u>
Fund Balances		
Restricted for community service	<u>12,885</u>	<u>3,709</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,970</u>	<u>\$ 3,724</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 35,000	\$ 35,000	\$ 0	\$ 30,000	\$ 30,000	\$ 0
EXPENDITURES						
Community service	35,000	25,824	9,176	30,000	26,291	3,709
Total Expenditures	35,000	25,824	9,176	30,000	26,291	3,709
Net Change in Fund Balance	0	9,176	9,176	0	3,709	3,709
FUND BALANCE - Beginning of Year	0	3,709	3,709	0	0	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 12,885	\$ 12,885	\$ 0	\$ 3,709	\$ 3,709

FEDERAL AND STATE COMPLIANCE AUDIT AND GOVERNMENT AUDITING STANDARDS
REPORTS AND SCHEDULES

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Federal Pass Through ID Number	Program or Award Amount	Accrued Receivable (Deferred Revenue) July 1, 2022	Revenues			Accrued Receivable (Deferred Revenue) June 30, 2023
					Grantor Reimbursement	Local Share	Expenditures	
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction								
Child Nutrition Cluster								
Food Distribution	10.555	2023-144634-DPI-NSL-547						
July 1, 2022 - June 30, 2023				\$ 0	\$ 21,958	\$ 0	\$ 21,958	\$ 0
Summer Food Service Program	10.559	2023-144634-DPI-SFSP-561						
July 1, 2021 - June 30, 2022				2,863	2,863			
July 1, 2022 - June 30, 2023					1,275		5,536	4,261
School Breakfast Program	10.553	2023-144634-DPI-SB-546						
July 1, 2022 - June 30, 2023					18,149		18,149	
National School Lunch Program	10.555	2023-144634-DPI-NSL-547						
July 1, 2022 - June 30, 2023					126,283		126,283	
Total Child Nutrition Cluster				2,863	170,528		171,926	4,261
Total U.S. Department of Agriculture				2,863	170,528	0	171,926	4,261
U.S. DEPARTMENT OF EDUCATION								
Rural Education Achievement Program	84.358A	N/A			39,122		39,122	
July 1, 2022 - June 30, 2023								
Wisconsin Department of Public Instruction								
ESEA Title I-A	84.010A	2023-144634-DPI-TI-A-141						
July 1, 2021 - June 30, 2022			79,456	79,456	79,456			
July 1, 2022 - June 30, 2023			68,216		68,216		68,216	
ESEA Title II-A	84.367A	2023-144634-DPI-TIIA-365						
July 1, 2021 - June 30, 2022			16,047	16,047	16,047			
July 1, 2022 - June 30, 2023			16,554		12,762		12,762	
ESEA Title IV-A Student Support and Enrichment Grant	84.424A	2023-144634-DPI-TIVA-381						
July 1, 2021 - June 30, 2022			10,000	1,016	1,016			
July 1, 2022 - June 30, 2023			9,850				9,850	9,850

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Federal Pass Through ID Number	Program or Award Amount	Accrued Receivable (Deferred Revenue) July 1, 2022	Revenues		Expenditures	Accrued Receivable (Deferred Revenue) June 30, 2023
					Grantor Reimbursement	Local Share		
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
Wisconsin Department of Public Instruction (Continued)								
IDEA Preschool Entitlement July 1, 2022 - June 30, 2023	84.173A*	2023-144634-DPI-PRESCH-347	5,259	\$ 0	\$ 5,259	\$ 0	\$ 5,259	\$ 0
IDEA Flow Through Entitlement July 1, 2021 - June 30, 2022	84.027A*	2023-144634-DPI-FLOW-341	157,586	88,606	88,606			
July 1, 2022 - June 30, 2023			171,308		55,418		157,702	102,284
Total Special Education Cluster				88,606	149,283	0	162,961	102,284
Elementary and Secondary School Emergency Relief II March 13, 2020 - September 30, 2023	84.425D* (Covid-19)	2023-144634-DPI-ESSERFII-163	211,953				112,338	112,338
Elementary and Secondary School Emergency Relief III March 13, 2020 - September 30, 2024	84.425U* (Covid-19)	2023-144634-DPI-ESSERFIII-165	588,408				363,785	363,785
Total Elementary and Secondary School Emergency Relief				0	0	0	476,123	476,123
Total U.S. Department of Education				185,125	365,902	0	769,034	588,257
U.S. DEPARTMENT OF JUSTICE								
School Violence Prevention Program (SVPP) October 1, 2022 - September 30, 2025	16.710	15JOPS-22-GG-04291-SCAX	254,103		136,056		156,144	20,088
Total U.S. Department of Justice				0	136,056	0	156,144	20,088
FEDERAL COMMUNICATIONS COMMISSION								
Emergency Connectivity Funds July 1, 2022 - June 30, 2023	32.009	N/A	N/A		48,510		48,510	
Total Federal Communications Commission				0	48,510	0	48,510	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicaid July 1, 2022 - June 30, 2023	93.778	44228800			82,063		82,063	
Pass-through CESA #5 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response July 1, 2022 - June 30, 2023	93.354		9,294				6,607	6,607
Total U.S. Department of Health and Human Services				0	82,063	0	88,670	6,607
TOTAL FEDERAL AWARDS				\$ 187,988	\$ 803,059	\$ 0	\$ 1,234,284	\$ 619,213

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Administering Agency Pass-Through Agency Award Description	State I.D. Number	State Pass Through ID Number	Receivable (Fund Balance) July 1, 2022	Revenues		Expenditures	Receivable (Fund Balance) June 30, 2023
				Grantor Reimbursement	Local Share		
WI DEPARTMENT OF PUBLIC INSTRUCTION							
Entitlement Programs							
Major State Program							
Special Education and School Age Parents	255.101	144634-100					
Internal District Programs			\$ 0	\$ 227,184	\$ 0	\$ 227,184	\$ 0
Transit of Aid CESA #5				20,180		29,195	9,015
Total Special Education and School Age Parents			0	247,364	0	256,379	9,015
Equalization Aids	255.201	144634-116		4,957,331		4,957,331	
Total Major Programs			0	5,204,695	0	5,213,710	9,015
Nonmajor State Entitlement and Grant Programs							
State School Lunch Aid	255.102	144634-107		2,349		2,349	
Common School Fund Library Aids	255.103	144634-104		30,946		30,946	
Pupil Transportation Aid	255.107	144634-102		9,178		9,178	
Per Pupil Aid	255.945	144634-113		361,354		361,354	
WI School Day Milk Program	255.115	144634-109		1,816		1,816	
Sparsity Aid	255.212	144634-162		194,302		194,302	
High Cost Special Education	255-210	144634-119		388		388	
School Breakfast Program	255.344	144634-108		805		805	
Early College Credit Program	255.445	144634-178		681		681	
Special Education Transition Incentive Grant	255.960	144634-168		3,822		3,822	
SAGE Grant	255.504	144634-160		87,855		87,855	
Educator Effectiveness	255.940	144634-154		3,680		3,680	
Peer Review and Mentoring	255.301	144634-141	25,000	25,000		25,000	25,000
Career and Technical Educ Incentive Grant	255.950	144634-152		14,083		14,083	
Assessments of Reading Readiness	255.956	144634-166		741		741	
Personal Property	N/A			20,025		20,025	
Safety Grant	N/A						
DNR PILT Land	N/A			8,387		8,387	
Exempt Computer Aid	N/A		872	872		872	872
WI DEPARTMENT OF WORKFORCE DEVELOPMENT							
Transit of aid CESA #5 - Youth Apprenticeship	445.112	N/A		900		900	
Total Nonmajor Entitlement and Grant Programs			25,872	767,184	0	767,184	25,872
TOTAL STATE AWARDS			\$ 25,872	\$ 5,971,879	\$ 0	\$ 5,980,894	\$ 34,887

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of the Randolph School District and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements as prescribed by the Wisconsin Department of Public Instruction. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

2022-2023 eligible costs under the State Special Education Program are \$792,126.

NOTE 3 DE MINIMIS COST RATE

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

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

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

Board of Education
Randolph School District
Randolph, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Randolph School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying summary of auditor's results as items 2023-001 and 2023-002 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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*.

Randolph School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying summary of auditor's results. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 6, 2023

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

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

Board of Education
Randolph School District
Randolph, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions

of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying summary of auditor results as items 2023-002 and 2023-003 to be significant deficiencies.

A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying summary of auditor's results. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 6, 2023

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued in accordance with generally accepted accounting principles: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to the financial statements? Yes X No

Federal Awards

Internal control over major federal program(s):
• Material weakness(es) identified? Yes X No
• Significant deficiency(ies) identified? X Yes None reported

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

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

Identification of major federal award programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.173A	IDEA Preschool Entitlement
84.027A	IDEA Flow Through Entitlement
84.425D	Elementary and Secondary School Emergency Relief II
84.425U	Elementary and Secondary School Emergency Relief III

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

Auditee qualified as a low risk auditee? Yes X No

State Awards

Internal control over major state programs(s):
Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? X Yes None reported

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

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

State Awards (Continued)

Any audit findings disclosed that are required to be reported in accordance with Wisconsin Public School District Audit Manual?

_____ Yes X No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aids

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

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial Statement Significant Deficiencies

2023-001 Preparation of the District's Financial Statements

Condition: The District does not have management personnel with necessary expertise to prepare the financial statements, related notes, and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with the preparation of the District's financial statements.

Criteria: Internal controls over preparation of the financial statements, including footnote disclosures, should be in place to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected.

Cause: The additional cost associated with hiring staff experienced in preparation of the District's financial statements, including additional training, outweighs the derived benefits.

Effect: Because management relies on the auditor to assist with preparation of the financial statements, the District's system of internal control may not prevent, detect, or correct misstatements in the financial statements.

Recommendation: We recommend the District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

will continue to work with the District, providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.

Management Views and Corrective Action Plan: See corrective action plan 2023-001.

2023-002 Segregation of Duties

Condition: The size of the office staff precludes a proper segregation of functions to assure adequate internal control.

Criteria: Lack of segregation of duties.

Cause: The limited number of office staff results in incompatible functions being performed by the same individuals.

Effect: There may be inappropriate transactions recorded and assets may not be adequately safeguarded.

Recommendation: This is not unusual for Districts your size, but the Board of Education and management should continue to be aware of this condition and to realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable for an effective system of internal control. Under these conditions, the most effective controls lie in the Board of Education's and management's knowledge of matters relating to the District's operations.

Management Views and Corrective Action Plan: See corrective action plan 2023-002.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

Federal and State Awards Significant Deficiencies

See 2023-002 above.

2023-003 Financial Reporting for Federal and State Assistance

Condition: The Uniform Guidance and the State Single Audit Guidelines requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the District maintains financial records supporting amounts reported in the schedules of expenditures of federal awards, the District contracts with its auditor to compile the data from these records and prepare the single audit report for the District.

Criteria: Having staff with expertise in state reporting to prepare the District's single audit report is an internal control intended to

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

prevent, detect and correct a potential misstatement in the schedules of expenditures of state awards, or accompanying notes to the schedule.

Cause: The additional cost associated with hiring staff sufficiently experienced to prepare the District's single audit report, including the additional training time, outweigh the derived benefits.

Effect: Because management relies on its auditor to assist with the preparation of the financial statements, including single audit reports, the District's system of internal control may not prevent, detect or correct misstatements in these financial statements.

Recommendation: We recommend District personnel continue reviewing the District's single audit report prepared by its auditor. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all federal and state programs are properly reported in the District's single audit report.

Management Views and Corrective Action Plan: See corrective action plan 2023-003.

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? _____ Yes X No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines? _____ Yes X No

Department of Public Instruction

Was a management letter or other document conveying audit comments issued as a result of this audit? _____ Yes X None reported

Miller, Brussell, Ebben & Glaeske, LLC

Craig Corning
Portage, Wisconsin
December 6, 2023

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

2022-001 Preparation of the District's Financial Statements

Condition: The District does not have management personnel with necessary expertise to prepare the financial statements, related notes, and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with preparation of the District's financial statements.

Recommendation: We recommended District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.

Current Status: Management and the Board continue to believe that cost to hire additional staff to eliminate the control deficiency outweighs the benefits to be received. Competent staff will continue to be designated to oversee and review the financial reports and approve them before issuance.

2022-002 Segregation of Duties

Condition: The size of the office staff precludes a proper segregation of functions to assure adequate internal control.

Recommendation: This is not unusual for districts your size, but the Board of Education and management should continue to be aware of this condition and to realize that the concentration of duties and responsibilities of a limited number of individuals is not desirable for an effective system of internal control. Under these conditions, the most effective controls lie in the Board of Education's and management's knowledge of matters relating to the District's operations.

Current Status: Management and the Board will continue to be aware of this condition and continue to be involved in the matters relating to the District's operations. However, they continue to believe it is not feasible or cost effective to add staff to achieve the desired level of internal control.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

2022-003 Financial Reporting for State Assistance

Condition: The Wisconsin Public School District Audit Manual requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the District maintains financial records supporting amounts reported in the schedules of expenditures of federal and state awards, the District contracts with its auditor to compile the data from these records and prepare the state programs audit reports for the District.

Recommendation: We recommend District personnel continue reviewing the District's state programs audit reports prepared by its auditor. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all state programs are properly reported in the District's state programs audit reports.

Current Status: Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, they continue to believe it is not feasible or cost effective to add staff to achieve the competence to prepare these reports.



RANDOLPH SCHOOL DISTRICT
110 Meadowood Drive
Randolph, WI 53956
(920) 326-2427

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023**

Wisconsin Department of Public Instruction

The Randolph School District respectfully submits the following corrective action plan for the year ended June 30, 2023

Name and address of independent public accounting firm:

Miller, Brussell, Ebben and Glaeske, LLC.
611 East Wisconsin Street
Portage, WI 53901

Audit period - June 30, 2023

The findings from the June 30, 2023 summary of auditor's results are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency 2023-001 Preparation of the District's Financial Statements

Management Views - Management agrees with the finding and the recommendation.

Corrective Action Planned - Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

Anticipated Completion Date - This action will be ongoing.

Significant Deficiency 2023-002 Segregation of Duties

Management Views - Management agrees with the finding and the recommendation.

Corrective Action Planned - Management and the Board will continue to be aware of this condition and continue to be involved in the matters relating to the District's operations. However, it is not feasible or cost effective to add staff to achieve the desired level of internal control.

Anticipated Completion Date - This action will be ongoing.

Significant Deficiency 2023-003 Financial Reporting for Federal and State Assistance

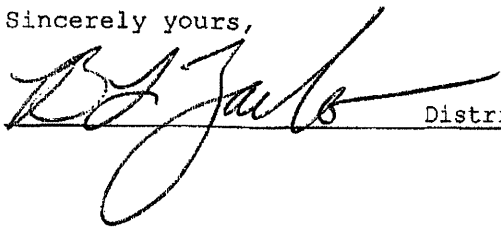
Management Views - Management agrees with the finding and the recommendation.

Corrective Action Planned - Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

Anticipated Completion Date - This action will be ongoing.

If the Wisconsin Department of Public Instruction has questions regarding the plan, please contact Brian Zacho at 920-326-2427 or e-mail zachob@rsdwi.org.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'B Zacho', written over a horizontal line.

District Administrator