

RANDOLPH SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2022

(AUDITED)

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

TABLE OF CONTENTS
JUNE 30, 2022

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report	1-3
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Activities	5
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	8
Statements of Net Position - Proprietary Funds	9
Statements of Revenues, Expenses and Changes in Net Position - Proprietary Funds	10
Statements of Cash Flows - Proprietary Funds	11
Statement of Net Position - Fiduciary Funds	12
Statement of Changes in Fiduciary Net Position - Fiduciary Funds - Private-Purpose Trust	13
Notes to the Basic Financial Statements	14-38
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule for the General Fund - Budget and Actual - General Fund	39
Budgetary Comparison Schedule for the Debt Service Fund - Budget and Actual - Debt Service Fund	40
Budgetary Comparison Schedule for the Capital Projects Fund - Budget and Actual - Long Term Capital Improvement Trust Fund	41
Notes to Required Supplementary Information on Budgetary Accounting and Control	42
Schedules of Required Supplementary Information for Pension Related Items	43-45

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

TABLE OF CONTENTS (CONTINUED)
JUNE 30, 2022

	PAGE
OTHER SUPPLEMENTARY INFORMATION	
Comparative Balance Sheets - General Fund	46
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund	47
Comparative Balance Sheets - Debt Service Fund	48
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Debt Service Fund	49
Comparative Balance Sheets - Long Term Capital Improvement Trust Fund	50
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Long Term Capital Improvement Trust Fund	51
Combining Balance Sheet - Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	53
Comparative Balance Sheets - Special Revenue Trust Fund	54
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Special Revenue Trust Fund	55
Comparative Balance Sheets - Community Service Funds	56
Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - Community Service Fund	57
FEDERAL AND STATE COMPLIANCE AUDIT AND GOVERNMENT AUDITING STANDARDS REPORTS AND SCHEDULES	
Schedule of Expenditures of Federal Awards	58-59
Schedule of Expenditures of State Awards	60
Notes to the Schedules of Expenditures of Federal and State Awards	61
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 <i>Government Auditing Standards</i>	62-63
Independent Auditor's Report on Compliance For Each State Program With Required Procedures and on Internal Control over Compliance Required by the Wisconsin Department of Public Instruction	64-66

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

TABLE OF CONTENTS (CONTINUED)
JUNE 30, 2022

	PAGE
Summary of Auditor's Results	67-70
Summary Schedule of Prior Audit Findings	71-72
Corrective Action Plan	73-74

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, 2022, 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, 2022, 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. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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.

Emphasis of Matter

As described in Note 16 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 87, Leases, for the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

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 39-42 and 43-45 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 inquires, 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards, as required by Wisconsin Department of Public Instruction, 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 and state 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 November 28, 2022, 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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 4,390,471	\$ 54,499	\$ 4,444,970
Receivables			
Taxes	908,774		908,774
Due from other governments	231,126	2,863	233,989
Total Current Assets	<u>5,530,371</u>	<u>57,362</u>	<u>5,587,733</u>
Noncurrent Assets			
Right to use leased assets	94,979		94,979
Less right to use leased assets amortization	(40,568)		(40,568)
Land	389,680		389,680
Site improvements	902,377		902,377
Buildings	20,181,471		20,181,471
Furniture and equipment	3,321,272	146,410	3,467,682
Less accumulated depreciation	(6,752,650)	(141,643)	(6,894,293)
Net Noncurrent Assets	<u>18,096,561</u>	<u>4,767</u>	<u>18,101,328</u>
Other Noncurrent Assets			
Net pension asset	1,755,099	28,405	1,783,504
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources	3,778,815	61,157	3,839,972
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 29,160,846</u>	<u>\$ 151,691</u>	<u>\$ 29,312,537</u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	\$ 15	\$ 0	\$ 15
Accrued liabilities			
Payroll, payroll taxes, insurance	467,557	107	467,664
Interest	142,171		142,171
Unearned revenue		5,869	5,869
Current portion of long-term liabilities	790,497		790,497
Total Current Liabilities	<u>1,400,240</u>	<u>5,976</u>	<u>1,406,216</u>
Long-term Liabilities			
Right to use lease liability	56,872		56,872
Bonds payable	11,730,000		11,730,000
Bond premium	97,597		97,597
Less: current portion	(790,497)		(790,497)
Total Long-term Liabilities	<u>11,093,972</u>	<u>0</u>	<u>11,093,972</u>
Total Liabilities	<u>12,494,212</u>	<u>5,976</u>	<u>12,500,188</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources	4,631,442	74,956	4,706,398
NET POSITION			
Net investment in capital assets	6,366,561	4,767	6,371,328
Restricted	2,532,075	65,992	2,598,067
Unrestricted	3,136,556		3,136,556
Total Net Position	<u>12,035,192</u>	<u>70,759</u>	<u>12,105,951</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 29,160,846</u>	<u>\$ 151,691</u>	<u>\$ 29,312,537</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 3,312,936	\$ 17,761	\$ 310,283	\$ (2,984,892)	\$ 0	\$ (2,984,892)
Vocational instruction	379,836	523	3,171	(376,142)		(376,142)
Special education instruction	822,248	73,092	250,719	(498,437)		(498,437)
Other instruction	586,770	125,862		(460,908)		(460,908)
Total Instruction	5,101,790	217,238	564,173	(4,320,379)	0	(4,320,379)
Support Services						
Pupil services	261,868	93,785	1,736	(166,347)		(166,347)
Instructional staff services	319,021	2,139	108,024	(208,858)		(208,858)
General administration services	331,110			(331,110)		(331,110)
Building administration services	317,255			(317,255)		(317,255)
Business services	155,939			(155,939)		(155,939)
Operations and maintenance	677,110		108,488	(568,622)		(568,622)
Pupil transportation	195,267		41,016	(154,251)		(154,251)
Central services	32,910		4,112	(28,798)		(28,798)
Community services	25,072			(25,072)		(25,072)
Interest and other fiscal charges	546,133			(546,133)		(546,133)
Insurance	59,155	9,703		(49,452)		(49,452)
Other support services	251,955		2,878	(249,077)		(249,077)
Depreciation - unallocated*	429,522			(429,522)		(429,522)
Total Support Services	3,602,317	105,627	266,254	(3,230,436)	0	(3,230,436)
Total Governmental Activities	8,704,107	322,865	830,427	(7,550,815)	0	(7,550,815)
Business-Type Activities						
School food service program	282,618	32,256	304,602	0	54,240	54,240
TOTAL SCHOOL DISTRICT	\$ 8,986,725	\$ 355,121	\$ 1,135,029	(7,550,815)	54,240	(7,496,575)
General Revenues						
Property and other taxes						
General purposes				1,235,073		1,235,073
Debt service				1,966,163		1,966,163
Community service				30,000		30,000
Mobile home taxes				1,048		1,048
State and federal aids not restricted to specific functions						
General				4,414,300		4,414,300
Other				1,422,433		1,422,433
Interest and investment earnings				5,097		5,097
Miscellaneous				46,695		46,695
Total General Revenues				9,120,809	0	9,120,809
Change in Net Position				1,569,994	54,240	1,624,234
NET POSITION - Beginning of Year, As Restated				10,465,198	16,519	10,481,717
NET POSITION - END OF YEAR				\$ 12,035,192	\$ 70,759	\$ 12,105,951

*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, 2022

	General Fund	Debt Service Fund	Long Term Capital Trust Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 2,910,853	\$ 217,145	\$ 1,105,292	\$ 157,181	\$ 4,390,471
Receivables					
Taxes	908,774				908,774
Due from other funds			150,000		150,000
Due from other governments	<u>231,126</u>				<u>231,126</u>
TOTAL ASSETS	<u>\$ 4,050,753</u>	<u>\$ 217,145</u>	<u>\$ 1,255,292</u>	<u>\$ 157,181</u>	<u>\$ 5,680,371</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 15	\$ 15
Accrued payroll and related items	467,557				467,557
Due to other funds	150,000				150,000
Total Liabilities	<u>617,557</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>617,572</u>
Fund Balances					
Unassigned	3,433,196				3,433,196
Restricted		217,145	1,255,292	157,166	1,629,603
Total Fund Balances	<u>3,433,196</u>	<u>217,145</u>	<u>1,255,292</u>	<u>157,166</u>	<u>5,062,799</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,050,753</u>	<u>\$ 217,145</u>	<u>\$ 1,255,292</u>	<u>\$ 157,181</u>	<u>\$ 5,680,371</u>
Total fund balance reported on governmental funds balance sheet					\$ 5,062,799
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				24,405,120	
Governmental accumulated depreciation				<u>(6,752,650)</u>	18,042,150
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				(56,872)	
Right to use lease assets at historical cost				94,979	
Accumulated amortization				<u>(40,568)</u>	(2,461)
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				(11,730,000)	
Accrued interest				(142,171)	
Premium on bonds and notes payable				<u>(97,597)</u>	(11,969,768)
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)				1,755,099	
Pension related deferred outflows				3,778,815	
Pension related deferred inflows				<u>(4,631,442)</u>	902,472
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES					<u>\$ 12,035,192</u>

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, 2022

	General Fund	Debt Service Fund	Long Term Capital Trust Fund	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 1,236,121	\$ 1,966,163	\$ 0	\$ 30,000	\$ 3,232,284
Other local sources	54,881		1,121	190,160	246,162
Interdistrict sources	789,906				789,906
Intermediate sources	41,488				41,488
State sources	5,407,232				5,407,232
Federal sources	522,319				522,319
Other sources	25,874			8,836	34,710
Total Revenues	<u>8,077,821</u>	<u>1,966,163</u>	<u>1,121</u>	<u>228,996</u>	<u>10,274,101</u>
EXPENDITURES					
Instruction					
Regular instruction	3,479,854				3,479,854
Vocational instruction	405,864				405,864
Special education instruction	864,092				864,092
Other instruction	435,620			169,249	604,869
Total Instruction	<u>5,185,430</u>	<u>0</u>	<u>0</u>	<u>169,249</u>	<u>5,354,679</u>
Support Services					
Pupil services	279,369				279,369
Instructional staff services	340,345				340,345
General administration services	344,142				344,142
Building administration services	341,072				341,072
Business services	167,315				167,315
Operations and maintenance	735,540				735,540
Pupil transportation	159,049				159,049
Other support services	323,476			8,910	332,386
Central services	32,910				32,910
Community service				26,291	26,291
Principal	18,248	2,380,000			2,398,248
Interest	2,672	556,400			559,072
Insurance	59,155				59,155
Total Support Services	<u>2,803,293</u>	<u>2,936,400</u>	<u>0</u>	<u>35,201</u>	<u>5,774,894</u>
Total Expenditures	<u>7,988,723</u>	<u>2,936,400</u>	<u>0</u>	<u>204,450</u>	<u>11,129,573</u>
OTHER FINANCING SOURCES (USES)					
Lease proceeds	75,120				75,120
Transfer (to) from other funds	(150,000)		150,000		0
Net Other Financing Sources (Uses)	<u>(74,880)</u>	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>75,120</u>
Net Change in Fund Balances	14,218	(970,237)	151,121	24,546	(780,352)
FUND BALANCES - Beginning of Year	<u>3,418,978</u>	<u>1,187,382</u>	<u>1,104,171</u>	<u>132,620</u>	<u>5,843,151</u>
FUND BALANCES - END 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>

**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, 2022

Net Change in Fund Balances - Total Governmental Funds		\$ (780,352)
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	75,758	
Depreciation expense reported in the statement of activities	<u>(498,064)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		(422,306)
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 leased asset capital outlay expenditures which were capitalized	75,120	
New long-term debt issued	(75,120)	
Amortization expense for intangible assets	(18,996)	
Principal payments on long-term debt	<u>18,248</u>	
Amount by which the right to use leased assets are greater (less) than amortization in the current period.		(748)
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		6,506
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:		2,380,000
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	445,813	
The amount of interest expensed during the current period on long-term debt	<u>(439,380)</u>	
Interest paid is greater (less) than interest expensed by:		6,433
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:		
		81,000
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.		
		148,390
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>151,071</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		\$ <u>1,569,994</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022 AND 2021

	Food Service Fund	
	2022	2021
ASSETS		
Current Assets		
Cash and investments	\$ 54,499	\$ 4,781
Due from other governments	2,863	5,356
Total Current Assets	57,362	10,137
Noncurrent Assets		
Furniture and equipment	146,410	146,410
Less accumulated depreciation	(141,643)	(139,705)
Net Noncurrent Assets	4,767	6,705
Other Noncurrent Assets		
Net pension asset	28,405	22,268
DEFERRED OUTFLOWS OF RESOURCES		
Pension related outflows of resources	61,157	52,672
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 151,691	\$ 91,782
LIABILITIES AND NET POSITION		
Liabilities		
Accrued payroll and related items	\$ 107	\$ 107
Unearned revenue	5,869	10,030
Total Current Liabilities	5,976	10,137
DEFERRED INFLOWS OF RESOURCES		
Pension related inflows of resources	74,956	65,126
NET POSITION		
Net investment in capital assets	4,767	6,705
Restricted for food service operations	51,386	
Restricted for pension related items	14,606	9,814
Total Net Position	70,759	16,519
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 151,691	\$ 91,782

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, 2022 AND 2021

	Food Service Fund	
	2022	2021
OPERATING REVENUES		
Food sales	\$ 32,256	\$ 12,796
State sources	10,205	5,412
Federal sources	274,883	171,783
Federal commodities	19,514	13,599
Total Operating Revenues	336,858	203,590
OPERATING EXPENSES		
Salaries and wages	97,641	95,122
Employer paid benefits	29,525	42,920
Purchased services	18,927	9,712
Supplies, food and materials	134,587	102,525
Depreciation	1,938	2,013
Total Operating Expenses	282,618	252,292
Excess (Deficit) revenues over expenses	54,240	(48,702)
OTHER FINANCING SOURCES (USES)		
Transfer from general fund	0	54,718
Change in Net Position	54,240	6,016
NET POSITION - Beginning of Year	16,519	10,503
NET POSITION - END OF YEAR	\$ 70,759	\$ 16,519

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Food Service Fund	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 28,095	\$ 15,363
Cash received from other government payments	287,581	171,839
Cash payments to employees for services	(131,958)	(145,981)
Cash payments for purchased services	(18,927)	(9,712)
Cash payments to suppliers for goods and services	(115,073)	(88,926)
Net Cash Provided By (Used For) Operating Activities	49,718	(57,417)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash transferred in from general fund	0	54,718
Net Increase (Decrease) in Cash and Cash Equivalents	49,718	(2,699)
CASH AND CASH EQUIVALENTS - Beginning of Year	4,781	7,480
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 54,499	\$ 4,781
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ 54,240	\$ (48,702)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	1,938	2,013
Net change in pension related items	(4,792)	(8,029)
Changes in operating assets and liabilities		
Accrued liabilities		90
Due from other governments	2,493	(5,356)
Unearned revenue	(4,161)	2,567
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 49,718	\$ (57,417)
NONCASH NONCAPITAL FINANCING ACTIVITIES		
During the year the District received commodities from the U.S. Department of Agriculture in the amount of	\$ 19,514	\$ 13,599

See Accompanying Notes to the Basic Financial Statements

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Funds
ASSETS	
Current Assets	
Cash and investments	\$ <u>752,603</u>
TOTAL ASSETS	\$ <u>752,603</u>
LIABILITIES	
Accounts payable	\$ <u>0</u>
Total Liabilities	<u>0</u>
NET POSITION	
Nonspendable - Corpus of permanent fund	
Restricted	<u>752,603</u>
Total Net Position	\$ <u>752,603</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST
FOR THE YEAR ENDED JUNE 30, 2022

ADDITIONS	
Interest income	\$ 309
Gifts	105,154
Total Additions	<u>105,463</u>
DEDUCTIONS	
Trust fund disbursements	86,232
Unrealized loss on stock	753
Total Deductions	<u>86,985</u>
Change in Net Position	18,478
NET POSITION - Beginning of Year	<u>734,125</u>
NET POSITION - END OF YEAR	<u>\$ 752,603</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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 2021 tax levy is used to finance operations of the District's fiscal year ended June 30, 2022. 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, 2022**

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, 2022.

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, 2022**

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, 2022**

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, 2022**

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, 2022

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)

	<u>Total</u> Governmental Funds	<u>Long-Term</u> Revenues/ Expenses	<u>Capital</u> Related Items	<u>Long-Term</u> Debt Transactions	<u>Statement</u> Of Activities Total
Revenues and Other Sources					
Property and other taxes	\$ 3,232,284	\$ 0	\$ 0	\$ 0	\$ 3,232,284
Other local sources					
Interest and investment					
Earnings	5,097				5,097
Miscellaneous	21,688				21,688
Charges for services	219,377				219,377
Interdistrict sources					
Other general aid	789,906				789,906
Intermediate sources					
Operating grants and contributions	41,488				41,488
State sources					
General aid	4,414,300				4,414,300
Other general aid	632,527				632,527
Operating grants and Contributions	360,405				360,405
Federal sources					
Operating grants and contributions	428,534				428,534
Charges for services	93,785				93,785
Other revenue sources					
Charges for services	9,703				9,703
Miscellaneous	25,007				25,007
Other financing sources					
Lease proceeds	75,120			(75,120)	0
	<u>75,120</u>			<u>(75,120)</u>	<u>0</u>
Total Revenues	<u>\$10,349,221</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (75,120)</u>	<u>\$10,274,101</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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)

	<u>Total</u> Governmental Funds	<u>Long Term</u> Revenues/ Expenses	<u>Pension Related Items</u>		<u>Capital Lease</u> Adjustments	<u>Capital Related Items</u>		<u>Long-Term Debt</u> Transactions	Statement Of Activities <u>Total</u>
			<u>Employer</u> Contributions	<u>Pension</u> Expense		<u>Acquisitions</u>	<u>Depreciation</u>		
Expenditures/Expenses									
Regular instruction	\$ 3,479,854	\$ (36,847)	\$ (67,503)	\$ (68,722)	\$ 0	\$ 0	\$ 6,154	\$ 0	\$ 3,312,936
Vocational instruction	405,864	(5,694)	(10,432)	(10,620)			718		379,836
Special education									
instruction	864,092	(9,234)	(16,916)	(17,222)			1,528		822,248
Other instruction	604,869	(4,082)	(7,479)	(7,614)			1,076		586,770
Pupil services	279,369	(3,726)	(6,826)	(6,949)					261,868
Instructional staff									
services	340,345	(3,135)	(5,743)	(5,846)		(6,600)			319,021
General administration									
services	344,142	(3,645)	(6,678)	(6,798)			4,089		331,110
Building administration									
services	341,072	(5,071)	(9,289)	(9,457)					317,255
Business services	167,315	(2,422)	(4,437)	(4,517)					155,939
Operations and maintenance	735,540	(5,152)	(9,438)	(9,608)		(50,709)	16,477		677,110
Pupil transportation	159,049	(486)	(890)	(906)			38,500		195,267
Other support services	332,386	(1,247)	(2,285)	(2,326)	(75,120)	(18,449)		18,996	251,955
Central services	32,910								32,910
Community services	26,291	(259)	(474)	(486)					25,072
Principal	2,398,248							(2,398,248)	
Interest	559,072							(12,939)	546,133
Insurance	59,155								59,155
Depreciation - unallocated							429,522		429,522
Total Expenditures/ Expenses	<u>\$11,129,573</u>	<u>\$ (81,000)</u>	<u>\$ (148,390)</u>	<u>\$ (151,071)</u>	<u>\$ (75,120)</u>	<u>\$ (75,758)</u>	<u>\$ 498,064</u>	<u>\$ (2,392,191)</u>	<u>8,704,107</u>
Net Change for Year	<u>\$ (780,352)</u>	<u>\$ 81,000</u>	<u>\$ 148,390</u>	<u>\$ 151,071</u>	<u>\$ 75,120</u>	<u>\$ 75,758</u>	<u>\$ (498,064)</u>	<u>\$ 2,317,071</u>	<u>\$ 1,569,994</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022

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, 2022 were as follows:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Deposits					
National Exchange Bank	\$337,446	\$2,150,515	\$ 0	\$2,487,961	\$3,345,799
Horicon State Bank	<u>417,874</u>			<u>417,874</u>	412,956
Totals	<u>\$755,320</u>	<u>\$2,150,515</u>	<u>\$ 0</u>	<u>\$2,905,835</u>	
United Coop Preferred Stock					165,000
United WI Grain Producers Stock					22,100
Markesan State Bank CD					306,003
Investment in local government investment pool					945,715
Investments held by fiduciary funds					<u>(752,603)</u>
 Cash and Investments Reported on Statement of Net Position					 <u>\$4,444,970</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, 2022, 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, 2022

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, 2022 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	65.7%	23 days average	\$ 945,715
Certificate of Deposit	Unrated	21.3%	24 Months	306,003
United Coop Preferred Stock	Unrated	11.5%	N/A	165,000
United WI Grain Prod. Stock	Unrated	1.5%	N/A	22,100
Total		<u>100.0%</u>		<u>\$1,438,818</u>

NOTE 4 CAPITAL ASSETS

Capital asset balances and activities for the year ended June 30, 2022 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				902,377
Buildings	20,130,762		50,709		20,181,471
Furniture and equipment	3,296,223		25,049		3,321,272
Total Capital Assets Being Depreciated	<u>24,329,362</u>	<u>0</u>	<u>75,758</u>	<u>0</u>	<u>24,405,120</u>
Less accumulated depreciation for					
Site improvements	(597,817)		(24,766)		(622,583)
Buildings	(2,687,599)		(407,410)		(3,095,009)
Furniture and equipment	(2,969,170)		(65,888)		(3,035,058)
Total Accumulated Depreciation	<u>(6,254,586)</u>	<u>0</u>	<u>(498,064)</u>	<u>0</u>	<u>(6,752,650)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>18,074,776</u>	<u>0</u>	<u>(422,306)</u>	<u>0</u>	<u>17,652,470</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,464,456</u>	<u>\$ 0</u>	<u>\$ (422,306)</u>	<u>\$ 0</u>	<u>\$18,042,150</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
Business-Type Activities					
Capital assets being depreciated					
Furniture and equipment	\$ 146,410	\$ 0	\$ 0	\$ 0	\$ 146,410
Less accumulated depreciation	<u>(139,705)</u>	<u> </u>	<u>(1,938)</u>	<u> </u>	<u>(141,643)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,705</u>	<u>\$ 0</u>	<u>\$ (1,938)</u>	<u>\$ 0</u>	<u>\$ 4,767</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 6,154
Vocational instruction	718
Special education instruction	1,528
Other instruction	1,076
General administration services	4,089
Operations and maintenance	16,477
Pupil transportation services	38,500
Depreciation - unallocated	<u>429,522</u>
 Total Depreciation for Governmental Activities	 <u>\$498,064</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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
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	(21,572)	(18,996)		(40,568)
Total Accumulated Amortization	<u>(21,572)</u>	<u>(18,996)</u>	<u>0</u>	<u>(40,568)</u>
Right to Use Assets, Net of Accumulated Amortization	<u>\$ 73,407</u>	<u>\$ (18,996)</u>	<u>\$ 0</u>	<u>\$ 54,411</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES

Long-term obligation balances and activity for the year ended June 30, 2022 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	\$ 9,390,000	\$ 0	\$ 470,000	\$ 8,920,000	\$ 505,000
G.O Refunding Bonds Payable	4,720,000		1,910,000	2,810,000	260,000
Bond premium	104,103		6,506	97,597	6,506
Lease liabilities	<u>75,120</u>		<u>18,248</u>	<u>56,872</u>	<u>18,991</u>
Total Bonds and Leases	<u>14,289,223</u>	<u>0</u>	<u>2,404,754</u>	<u>11,884,469</u>	<u>790,497</u>
Other Liabilities					
Vested employee benefits					
Termination benefits	<u>81,000</u>	<u>0</u>	<u>81,000</u>	<u>0</u>	<u>0</u>
Total Other Liabilities	<u>81,000</u>	<u>0</u>	<u>81,000</u>	<u>0</u>	<u>0</u>
Total Governmental Activities Long-Term Obligations	<u>\$14,370,223</u>	<u>\$ 0</u>	<u>\$2,485,754</u>	<u>\$11,884,469</u>	<u>\$ 790,497</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 April 5, 2022, the District made a defeasance payment on the April 12, 2017 refunding bond in the amount of \$1,650,000 plus other financing fees for a total of \$1,663,900. The defeasance payment was 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 \$1,650,000 payment is defeased for the bonds and is removed from the bonds' liability. The total savings from the defeasance is \$784,407.

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

	<u>Expense</u>	<u>Paid</u>
Bonds and notes payable and leases	\$439,380	\$445,813
Bond premium amortization	(6,506)	
Other fiscal charges	<u>113,259</u>	<u>113,259</u>
Total Interest and Other Fiscal Charges Expense/Paid	<u>\$546,133</u>	<u>\$559,072</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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 6/30/2022</u>
2016 G.O. Improvement Bonds	7/13/15	2.5%-3.50%	3/01/2035	\$ 8,920,000
2017 G.O. Refunding Bonds	4/12/17	2.00%-4.00%	3/01/2037	<u>2,810,000</u>
Total General Obligation Debt*				<u>\$11,730,000</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, 2022 is:

Equalized value certified by Wisconsin Department of Revenue for 2021	<u>\$ 265,936,022</u>
Margin of indebtedness at 10% of equalized value	\$ 26,593,602
*Deduct long-term debt applicable to debt margin	<u>(11,730,000)</u>
Margin of Indebtedness	<u>\$ 14,863,602</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on bonds and notes as of June 30, 2022 are as follows:

<u>Governmental Activities Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 765,000	\$ 363,175	\$ 1,128,175
2024	800,000	341,525	1,141,525
2025	835,000	318,850	1,153,850
2026	870,000	293,800	1,163,800
2027 - 2037	<u>8,460,000</u>	<u>1,522,775</u>	<u>9,982,775</u>
Totals	<u>\$11,730,000</u>	<u>\$2,840,125</u>	<u>\$14,570,125</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 on June 30, 2022.

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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

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 on June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

Year Ended	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	18,991	\$ 1,929	\$ 20,920
2024		19,765	1,155	20,920
2025		18,116	353	18,469
Totals		<u>\$ 56,872</u>	<u>\$ 3,437</u>	<u>\$ 60,309</u>

NOTE 7 INTERFUND BALANCES AND ACTIVITY

Interfund Balances at June 30, 2022 were as follows:

<u>Due To</u>	<u>Due From</u>	
Long Term Capital Improvement Trust Fund	General Fund	\$ 150,000

Interfund transfers at June 30, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	
General Fund	Long Term Capital Improvement Trust Fund	\$ 150,000

The District transfers from the General Fund to the Long-Term Capital Improvement Trust Fund to set aside funding for future capital improvements spending.

NOTE 8 EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense (Revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

(ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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, 2022

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

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 \$150,792 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executive, and elected official)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At June 30, 2022, the Randolph School District reported a liability (asset) of \$(1,783,504) for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2021, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. 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, 2021, the Randolph's School District's proportion was 0.02212734%, which was a decrease of 0.00014655% from its proportion measured as of December 31, 2020.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2022, the Randolph School District recognized pension expense of \$(153,461).

At June 30, 2022, the Randolph School District reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$2,881,159	\$ (207,762)
Net differences between projected and actual earnings on pension plan investments	506,093	(4,495,941)
Changes in assumptions	332,740	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,700	(2,695)
Employer contributions subsequent to the measurement date	115,280	0
Total	<u>\$3,839,972</u>	<u>\$ (4,706,398)</u>

\$115,280 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, 2022.

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

Year ended June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources
2022	\$ 1,624,451	\$ (1,706,894)
2023	\$ 1,015,294	\$ (1,498,976)
2024	\$ 737,123	\$ (949,334)
2025	\$ 347,827	\$ (551,194)
Thereafter	\$ 0	\$ 0

Actuarial assumptions. The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
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, 2022

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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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, 2021**

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	<u>12</u>	<u>9.7</u>	<u>7.0</u>
Total Core Fund ³	<u>115%</u>	<u>6.6%</u>	<u>4.0%</u>
 <u>Variable Fund Asset</u>			
U.S. Equities	70%	6.3%	3.7%
International Equities	<u>30</u>	<u>7.2</u>	<u>4.6</u>
Total Variable Fund	<u>100%</u>	<u>6.8%</u>	<u>4.2%</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, 2022

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, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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 (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Randolph School District's proportionate share of the Net Pension Liability (Asset)	\$1,265,522	\$(1,783,504)	\$(3,978,236)

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, 2022**

NOTE 9 TERMINATION BENEFITS

In prior years, the District had offered termination benefits to teaching and support staff who were at least 58 years old and had served for 15 years in the District. This benefit is no longer offered to employees and the District did not pay out any of these benefits this year.

Balances remaining at June 30, 2022 for termination benefits are \$0.

NOTE 10 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 11 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, 2022 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 12 EXCESS OF ACTUAL EXPENDITURE OVER BUDGET

There were two funds that had an excess of actual expenditures over budget for the year ended June 30, 2022.

Debt Service Fund	\$1,760,587
Special Revenue Trust Fund	\$178,159

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 13 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:

	Governmental Activities				Business- Type Activities
	General	Debt	Long Term	Other	Food
	Fund	Service Fund	Capital Trust Fund	Governmental Funds	Service Fund
Restricted for:					
Pension related items	\$ 0	\$ 0	\$ 0	\$ 0	\$14,606
Debt service fund		217,145			
Long-term capital trust fund			1,255,292		
Food service fund					51,386
Special revenue trust fund				153,457	
Community service fund				3,709	
Unassigned	<u>3,433,196</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u><u>\$3,433,196</u></u>	<u><u>\$217,145</u></u>	<u><u>\$1,255,292</u></u>	<u><u>\$157,166</u></u>	<u><u>\$65,992</u></u>

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

Governmental activities:	
Debt service fund	\$ 217,145
Long-term capital improvement fund	1,255,292
Special revenue trust fund	153,457
Community service fund	3,709
Pension related items	902,472
Total	<u><u>\$2,532,075</u></u>
Business-type activities:	
Food service fund	\$ 51,386
Pension related items	14,606
Total	<u><u>\$ 65,992</u></u>

NOTE 14 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 15 SUBSEQUENT EVENTS

Subsequent events are evaluated through November 28, 2022, which is the date the financial statements were available to be issued. No subsequent events were noted as of that date.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 16 GASB PRONOUNCEMENTS

GASB Statement No. 87, Leases, was adopted by the District as of July 1, 2021. This statement establishes new criteria for a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

NOTE 17 PRIOR YEAR RESTATEMENT

Changes to the reporting requirements for leases detailed in Note 16 requires a restatement to the beginning net position as follows:

	<u>Statement of Activities</u>
Net Position-Beginning of Year	\$ 10,466,911
GASB 87 implementation adjustments	
Leased asset beginning balance	94,979
Accumulated amortization	(21,572)
Leased asset liability	<u>(75,120)</u>
Net Position-Beginning of Year, As Restated	<u>\$ 10,465,198</u>

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, 2022**

	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	\$ 1,236,172	\$ 1,236,172	\$ 0	\$ 1,236,172	\$ 1,236,172	\$ 0	\$ 1,236,121	\$ 1,236,121	\$ (51)
Other local sources		24,900	24,900		24,900	24,900		54,881	54,881	29,981
Interdistrict sources		852,983	852,983		852,983	852,983		789,906	789,906	(63,077)
Intermediate sources	26,000	4,507	30,507	26,000	4,507	30,507	37,117	4,371	41,488	10,981
State sources	199,601	5,167,613	5,367,214	199,601	5,167,613	5,367,214	192,889	5,214,343	5,407,232	40,018
Federal sources	227,434	325,797	553,231	227,434	325,797	553,231	199,327	322,992	522,319	(30,912)
Other sources		19,593	19,593		19,593	19,593		25,874	25,874	6,281
Total Revenues	453,035	7,631,565	8,084,600	453,035	7,631,565	8,084,600	429,333	7,648,488	8,077,821	(6,779)
EXPENDITURES										
Instruction										
Regular instruction		3,370,356	3,370,356		3,370,356	3,370,356		3,479,854	3,479,854	(109,498)
Vocational instruction		421,738	421,738		421,738	421,738		405,864	405,864	15,874
Special education instruction	875,541		875,541	875,541		875,541	864,092		864,092	11,449
Other instruction		450,728	450,728		450,728	450,728		435,620	435,620	15,108
Total Instruction	875,541	4,242,822	5,118,363	875,541	4,242,822	5,118,363	864,092	4,321,338	5,185,430	(67,067)
Support Services										
Pupil services	100,029	220,384	320,413	100,029	220,384	320,413	56,462	222,907	279,369	41,044
Instructional staff services	55,972	280,224	336,196	55,972	280,224	336,196	54,285	286,060	340,345	(4,149)
General administration services		387,385	387,385		387,385	387,385		344,142	344,142	43,243
Building administration services		407,259	407,259		407,259	407,259		341,072	341,072	66,187
Business services	6,400	176,525	182,925	6,400	176,525	182,925		167,315	167,315	15,610
Operations and maintenance		744,894	744,894		744,894	744,894		735,540	735,540	9,354
Pupil transportation		204,381	204,381		204,381	204,381	4,311	154,738	159,049	45,332
Other support	8,066	216,683	224,749	8,066	216,683	224,749	17,960	305,516	323,476	(98,727)
Central services	4,200	36,605	40,805	4,200	36,605	40,805	3,315	29,595	32,910	7,895
Insurance		57,483	57,483		57,483	57,483		59,155	59,155	(1,672)
Lease payments								20,920	20,920	(20,920)
Total Support Services	174,667	2,731,823	2,906,490	174,667	2,731,823	2,906,490	136,333	2,666,960	2,803,293	103,197
Total Expenditures	1,050,208	6,974,645	8,024,853	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	(597,173)	656,920	59,747	(597,173)	656,920	59,747	(571,092)	660,190	89,098	29,351
OTHER FINANCING SOURCES (USES)										
Proceeds on sale of fixed assets								75,120	75,120	75,120
Transfer from (to) other funds	597,173	(656,920)	(59,747)	597,173	(656,920)	(59,747)	571,092	(721,092)	(150,000)	(90,253)
Net Other Financing Sources (Uses)	597,173	(656,920)	(59,747)	597,173	(656,920)	(59,747)	571,092	(645,972)	(74,880)	(15,133)
Net Change in Fund Balances	0	0	0	0	0	0	0	14,218	14,218	14,218
FUND BALANCES - Beginning of Year	0	3,418,978	3,418,978	0	3,418,978	3,418,978	0	3,418,978	3,418,978	0
FUND BALANCES - END OF YEAR	\$ 0	\$ 3,418,978	\$ 3,418,978	\$ 0	\$ 3,418,978	\$ 3,418,978	\$ 0	\$ 3,433,196	\$ 3,433,196	\$ 14,218

**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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 1,966,163	\$ 1,966,163	\$ 1,966,163	\$ 0
Total Revenues	<u>1,966,163</u>	<u>1,966,163</u>	<u>1,966,163</u>	<u>0</u>
EXPENDITURES				
Support Services				
Debt service				
Principal	730,000	730,000	2,380,000	(1,650,000)
Interest	445,813	445,813	445,813	
Other Debt Related			110,587	(110,587)
Total Expenditures	<u>1,175,813</u>	<u>1,175,813</u>	<u>2,936,400</u>	<u>(1,760,587)</u>
Net Change in Fund Balance	790,350	790,350	(970,237)	(1,760,587)
FUND BALANCE - Beginning of Year	<u>1,187,382</u>	<u>1,187,382</u>	<u>1,187,382</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,977,732</u>	<u>\$ 1,977,732</u>	<u>\$ 217,145</u>	<u>\$ (1,760,587)</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Other local sources	\$ 700	\$ 700	\$ 1,121	\$ 421
Total Revenues	<u>700</u>	<u>700</u>	<u>1,121</u>	<u>421</u>
EXPENDITURES				
Support Services				
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfer from general fund	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>
Net Change in Fund Balance	700	700	151,121	150,421
FUND BALANCE - Beginning of Year	<u>1,104,171</u>	<u>1,104,171</u>	<u>1,104,171</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,104,871</u>	<u>\$ 1,104,871</u>	<u>\$ 1,255,292</u>	<u>\$ 150,421</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022

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

	2021	2020	2019	2018	2017	2016	2015	2014
Randolph School District's proportion of the Net Pension Liability (Asset)	0.09039266%	0.09284100%	0.09511399%	0.09602874%	0.09560508%	0.09493461%	0.09682105%	0.10030012%
Randolph School District's proportionate share of the Net Pension Liability (Asset)	(\$7,285,814)	(\$5,796,192)	(\$3,066,909)	\$3,416,401	(\$2,838,628)	\$782,488	\$1,573,323	(\$2,463,645)
Randolph School District's covered-employee payroll	\$15,216,536	\$15,046,822	\$14,914,924	\$14,684,696	\$14,368,548	\$13,850,169	\$13,382,563	\$13,269,281
Randolph School District's collective Net Pension Liability (Asset) as a percentage of the employee's covered-payroll	(47.88%)	(38.52%)	(20.56%)	23.27%	(19.76%)	5.65%	11.76%	(18.57%)
Plan fiduciary net position as a percentage of the Total Pension Liability (Asset)	106.02%	105.26%	20.56%	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, 2022

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

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$1,027,086	\$1,015,666	\$976,709	\$983,876	\$977,063	\$914,120	\$910,036	\$2,682,255
Contributions in relation to the contractually required contributions	(\$1,027,086)	(\$1,015,666)	(\$976,709)	(\$983,876)	(\$977,063)	(\$914,120)	(\$910,036)	(\$2,682,255)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Randolph School District's covered-employee payroll	\$15,216,536	\$15,046,822	\$14,914,924	\$14,684,696	\$14,368,548	\$13,850,169	\$13,382,563	\$13,269,281
Contributions as a percentage of covered-employee payroll	6.75%	6.75%	6.55%	6.70%	6.80%	6.60%	6.80%	20.21%

*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, 2022**

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, 2022

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Valuation Date:	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	
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	
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	
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	
Actuarial Assumptions										
Net Investment Rate of Return:	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%	7.2%	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%	
Salary Increases										
Wage Inflation:	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%	
Post-retirement Benefit Adjustments*:	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 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	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 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.	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, 2022 AND 2021

	2022			2021		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund
ASSETS						
Cash and investments	\$ (48,341)	\$ 2,959,194	\$ 2,910,853	\$ (91,618)	\$ 3,122,116	\$ 3,030,498
Receivables						
Taxes		908,774	908,774		931,520	931,520
Due from other governments	88,606	142,520	231,126	136,876	170,463	307,339
TOTAL ASSETS	<u>\$ 40,265</u>	<u>\$ 4,010,488</u>	<u>\$ 4,050,753</u>	<u>\$ 45,258</u>	<u>\$ 4,224,099</u>	<u>\$ 4,269,357</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accrued payroll and related items	\$ 40,265	\$ 427,292	\$ 467,557	\$ 45,258	\$ 405,121	\$ 450,379
Due to other funds		150,000	150,000		400,000	400,000
Total Liabilities	<u>40,265</u>	<u>577,292</u>	<u>617,557</u>	<u>45,258</u>	<u>805,121</u>	<u>850,379</u>
Fund Balances						
Restricted						
Unassigned		3,433,196	3,433,196		3,418,978	3,418,978
Total Fund Balances	<u>0</u>	<u>3,433,196</u>	<u>3,433,196</u>	<u>0</u>	<u>3,418,978</u>	<u>3,418,978</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,265</u>	<u>\$ 4,010,488</u>	<u>\$ 4,050,753</u>	<u>\$ 45,258</u>	<u>\$ 4,224,099</u>	<u>\$ 4,269,357</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, 2022 AND 2021

	2022						2021							
	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	\$ 1,236,172	\$ 1,236,172	\$ 0	\$ 1,236,121	\$ 1,236,121	\$ (51)	\$ 0	\$ 1,379,111	\$ 1,379,111	\$ 0	\$ 1,379,180	\$ 1,379,180	\$ 69
Other local sources		24,900	24,900		54,881	54,881	29,981		342,887	342,887		321,638	321,638	(21,249)
Interdistrict sources		852,983	852,983		789,906	789,906	(63,077)		844,102	844,102		805,082	805,082	(39,020)
Intermediate sources	26,000	4,507	30,507	37,117	4,371	41,488	10,981	35,285	6,000	41,285	25,991	4,807	30,798	(10,487)
State sources	199,601	5,167,613	5,367,214	192,889	5,214,343	5,407,232	40,018	178,963	5,034,724	5,213,687	193,874	5,036,844	5,230,718	17,031
Federal sources	227,434	325,797	553,231	199,327	322,992	522,319	(30,912)	189,166	186,587	375,753	251,248	233,684	484,932	109,179
Other sources		19,593	19,593		25,874	25,874	6,281		27,290	27,290		22,913	22,913	(4,377)
Total Revenues	453,035	7,631,565	8,084,600	429,333	7,648,488	8,077,821	(6,779)	403,414	7,820,701	8,224,115	471,113	7,804,148	8,275,261	51,146
EXPENDITURES														
Instruction														
Regular instruction		3,370,356	3,370,356		3,479,854	3,479,854	(109,498)		3,380,330	3,380,330		3,219,565	3,219,565	160,765
Vocational instruction		421,738	421,738		405,864	405,864	15,874		454,371	454,371		432,240	432,240	22,131
Special education instruction	875,541		875,541	864,092		864,092	11,449	804,097		804,097	816,855		816,855	(12,758)
Other instruction		450,728	450,728		435,620	435,620	15,108		422,304	422,304		385,445	385,445	36,859
Total Instruction	875,541	4,242,822	5,118,363	864,092	4,321,338	5,185,430	(67,067)	804,097	4,257,005	5,061,102	816,855	4,037,250	4,854,105	206,997
Support Services														
Pupil services	100,029	220,384	320,413	56,462	222,907	279,369	41,044	97,000	272,271	369,271	100,214	211,480	311,694	57,577
Instructional staff services	55,972	280,224	336,196	54,285	286,060	340,345	(4,149)	39,924	294,159	334,083	58,749	287,612	346,361	(12,278)
General administration services		387,385	387,385		344,142	344,142	43,243		363,171	363,171		354,449	354,449	8,722
Building administration services		407,259	407,259		341,072	341,072	66,187		377,308	377,308		359,161	359,161	18,147
Business services	6,400	176,525	182,925		167,315	167,315	15,610	16,000	172,592	188,592		164,123	164,123	24,469
Operations and maintenance		744,894	744,894		735,540	735,540	9,354		720,792	720,792	3,125	917,686	920,811	(200,019)
Pupil transportation		204,381	204,381	4,311	154,738	159,049	45,332	14,300	188,056	202,356		90,668	90,668	111,688
Other support services	8,066	216,683	224,749	17,960	305,516	323,476	(98,727)	7,500	254,637	262,137	7,791	252,171	259,962	2,175
Central services	4,200	36,605	40,805	3,315	29,595	32,910	7,895	2,960	27,457	30,417	4,165	36,498	40,663	(10,246)
Insurance		57,483	57,483		59,155	59,155	(1,672)		71,294	71,294		80,452	80,452	(9,158)
Lease payments					20,920	20,920	(20,920)							
Total Support Services	174,667	2,731,823	2,906,490	136,333	2,666,960	2,803,293	103,197	177,684	2,741,737	2,919,421	174,044	2,754,300	2,928,344	(8,923)
Total Expenditures	1,050,208	6,974,645	8,024,853	1,000,425	6,988,298	7,988,723	36,130	981,781	6,998,742	7,980,523	990,899	6,791,550	7,782,449	198,074
Excess (Deficiency) of Revenues Over Expenditures	(597,173)	656,920	59,747	(571,092)	660,190	89,098	29,351	(578,367)	821,959	243,592	(519,786)	1,012,598	492,812	249,220
OTHER FINANCING SOURCES (USES)														
Lease proceeds					75,120	75,120	75,120							
Transfer (to)/from other funds	597,173	(656,920)	(59,747)	571,092	(721,092)	(150,000)	(90,253)	578,367	(822,493)	(244,126)	519,786	(974,504)	(454,718)	(210,592)
Net Other Financing Sources (Uses)	597,173	(656,920)	(59,747)	571,092	(645,972)	(74,880)	(15,133)	578,367	(822,493)	(244,126)	519,786	(974,504)	(454,718)	(210,592)
Net Change in Fund Balance	0	0	0	0	14,218	14,218	14,218	0	(534)	(534)	0	38,094	38,094	38,628
FUND BALANCE - Beginning of Year	0	3,418,978	3,418,978	0	3,418,978	3,418,978	0	0	3,380,884	3,380,884	0	3,380,884	3,380,884	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 3,418,978	\$ 3,418,978	\$ 0	\$ 3,433,196	\$ 3,433,196	\$ 14,218	\$ 0	\$ 3,380,350	\$ 3,380,350	\$ 0	\$ 3,418,978	\$ 3,418,978	\$ 38,628

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 217,145	\$ 1,187,382
TOTAL ASSETS	<u>\$ 217,145</u>	<u>\$ 1,187,382</u>
LIABILITIES AND FUND BALANCES		
Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances		
Restricted for debt service	<u>217,145</u>	<u>1,187,382</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 217,145</u>	<u>\$ 1,187,382</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, 2022 AND 2021

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 1,966,163	\$ 1,966,163	\$ 0	\$ 1,753,688	\$ 1,753,688	\$ 0
Total Revenues	<u>1,966,163</u>	<u>1,966,163</u>	<u>0</u>	<u>1,753,688</u>	<u>1,753,688</u>	<u>0</u>
EXPENDITURES						
Support Services						
Debt service						
Principal	730,000	2,380,000	(1,650,000)	700,000	700,000	
Interest	445,813	445,813		461,563	461,562	1
Other debt related		110,587	(110,587)			
Total Expenditures	<u>1,175,813</u>	<u>2,936,400</u>	<u>(1,760,587)</u>	<u>1,161,563</u>	<u>1,161,562</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>790,350</u>	<u>(970,237)</u>	<u>(1,760,587)</u>	<u>592,125</u>	<u>592,126</u>	<u>1</u>
Net Change in Fund Balance	790,350	(970,237)	(1,760,587)	592,125	592,126	1
FUND BALANCE - Beginning of Year	<u>1,187,382</u>	<u>1,187,382</u>	<u>0</u>	<u>595,256</u>	<u>595,256</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,977,732</u>	<u>\$ 217,145</u>	<u>\$ (1,760,587)</u>	<u>\$ 1,187,381</u>	<u>\$ 1,187,382</u>	<u>\$ 1</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
AS OF JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and investments	\$ 1,105,292	\$ 704,171
Due from other funds	150,000	400,000
TOTAL ASSETS	\$ 1,255,292	\$ 1,104,171
LIABILITIES AND FUND BALANCES		
Liabilities	\$ 0	\$ 0
Fund Balances		
Restricted	1,255,292	1,104,171
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,255,292	\$ 1,104,171

**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, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 700	\$ 1,121	\$ 421	\$ 3,000	\$ 693	\$ (2,307)
Total Revenues	<u>700</u>	<u>1,121</u>	<u>421</u>	<u>3,000</u>	<u>693</u>	<u>(2,307)</u>
EXPENDITURES						
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>1,121</u>	<u>1,121</u>	<u>3,000</u>	<u>693</u>	<u>(2,307)</u>
OTHER FINANCING SOURCES (USES)						
Transfer from general fund	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>200,000</u>	<u>400,000</u>	<u>200,000</u>
Net Change in Fund Balance	700	151,121	150,421	203,000	400,693	197,693
FUND BALANCE - Beginning of Year	<u>1,104,171</u>	<u>1,104,171</u>	<u>0</u>	<u>703,478</u>	<u>703,478</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,104,871</u>	<u>\$ 1,255,292</u>	<u>\$ 150,421</u>	<u>\$ 906,478</u>	<u>\$ 1,104,171</u>	<u>\$ 197,693</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	<u>Community Service Fund</u>	<u>Special Revenue Trust Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 3,724	\$ 153,457	\$ 157,181
TOTAL ASSETS	<u>\$ 3,724</u>	<u>\$ 153,457</u>	<u>\$ 157,181</u>
LIABILITIES AND FUND BALANCES			
Liabilities	\$ 15	\$ 0	\$ 15
Fund Balances			
Restricted	<u>3,709</u>	<u>153,457</u>	<u>157,166</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,724</u>	<u>\$ 153,457</u>	<u>\$ 157,181</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, 2022

	Community Service Fund	Special Revenue Trust Fund	Total Governmental Funds
REVENUES			
Property taxes	\$ 30,000	\$ 0	\$ 30,000
Other local sources		190,160	190,160
Other sources		8,836	8,836
Total Revenues	<u>30,000</u>	<u>198,996</u>	<u>228,996</u>
EXPENDITURES			
Other instruction		169,249	169,249
Other support services		8,910	8,910
Community services	26,291		26,291
Total Expenditures	<u>26,291</u>	<u>178,159</u>	<u>204,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,709</u>	<u>20,837</u>	<u>24,546</u>
Net Change in Fund Balance	3,709	20,837	24,546
FUND BALANCE - Beginning of Year	<u>0</u>	<u>132,620</u>	<u>132,620</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,709</u>	<u>\$ 153,457</u>	<u>\$ 157,166</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE TRUST FUND
AS OF JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 153,457	\$ 132,620
TOTAL ASSETS	<u>\$ 153,457</u>	<u>\$ 132,620</u>
LIABILITIES AND FUND BALANCES		
Liabilities	\$ 0	\$ 0
Fund Balances		
Restricted	<u>153,457</u>	<u>\$ 132,620</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 153,457</u>	<u>\$ 132,620</u>

**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, 2022 AND 2021**

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 190,160	\$ 190,160	\$ 0	\$ 51,902	\$ 51,902
Other sources		8,836	8,836			
Total Revenues	<u>0</u>	<u>198,996</u>	<u>198,996</u>	<u>0</u>	<u>51,902</u>	<u>51,902</u>
EXPENDITURES						
Instruction						
Other instruction		169,249	(169,249)			
Total Instruction	<u>0</u>	<u>169,249</u>	<u>(169,249)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services						
Operations and maintenance					62,361	(62,361)
Other support services		8,910	(8,910)			
Total Support Services	<u>0</u>	<u>8,910</u>	<u>(8,910)</u>	<u>0</u>	<u>62,361</u>	<u>(62,361)</u>
Total Expenditures	<u>0</u>	<u>178,159</u>	<u>(178,159)</u>	<u>0</u>	<u>62,361</u>	<u>(62,361)</u>
Net Change in Fund Balance	0	20,837	20,837	0	(10,459)	(10,459)
FUND BALANCE - Beginning of Year	<u>132,620</u>	<u>132,620</u>	<u>0</u>	<u>143,079</u>	<u>143,079</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 132,620</u>	<u>\$ 153,457</u>	<u>\$ 20,837</u>	<u>\$ 143,079</u>	<u>\$ 132,620</u>	<u>\$ (10,459)</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

COMPARATIVE BALANCE SHEETS
COMMUNITY SERVICE FUND
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and investments	\$ 3,724	\$ 79
TOTAL ASSETS	<u>\$ 3,724</u>	<u>\$ 79</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued payroll and related items	\$ 15	\$ 79
Total Liabilities	<u>15</u>	<u>79</u>
Fund Balances		
Restricted for community service	<u>3,709</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,724</u>	<u>\$ 79</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, 2022 AND 2021

	2022			2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 30,000	\$ 30,000	\$ 0	\$ 20,000	\$ 20,000	\$ 0
EXPENDITURES						
Community service	30,000	26,291	3,709	20,000	20,000	
Total Expenditures	30,000	26,291	3,709	20,000	20,000	0
Net Change in Fund Balance	0	3,709	3,709	0	0	0
FUND BALANCE - Beginning of Year	0	0	0	0	0	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 3,709	\$ 3,709	\$ 0	\$ 0	\$ 0

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, 2022

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, 2021	Revenues		Expenditures	Accrued Receivable (Deferred Revenue) June 30, 2022
					Grantor Reimbursement	Local Share		
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction								
Child Nutrition Cluster								
Food Distribution	10.555	2022-144634-DPI-NSL-547						
July 1, 2021 - June 30, 2022				\$ 0	\$ 19,513	\$ 0	\$ 19,513	\$ 0
Summer Food Service Program	10.559	2022-144634-DPI-SFSP-561					2,863	2,863
July 1, 2021 - June 30, 2022								
School Breakfast Program	10.553	2022-144634-DPI-SB-SEVERE-546						
July 1, 2020 - June 30, 2021				1,253	1,253			
July 1, 2021 - June 30, 2022					38,004		38,004	
National School Lunch Program	10.555	2022-144634-DPI-NSL-547						
July 1, 2020 - June 30, 2021				4,103	4,103			
July 1, 2021 - June 30, 2022					233,583		233,583	
Total Child Nutrition Cluster				<u>5,356</u>	<u>296,456</u>	<u>0</u>	<u>293,963</u>	<u>2,863</u>
Total U.S. Department of Agriculture				<u>5,356</u>	<u>296,456</u>	<u>0</u>	<u>293,963</u>	<u>2,863</u>
U.S. DEPARTMENT OF EDUCATION								
Rural Education Achievement Program	84.358A	N/A					36,857	36,857
July 1, 2021 - June 30, 2022								
Wisconsin Department of Public Instruction								
ESEA Title I-A	84.010	2022-144634-DPI-TIA-141						
July 1, 2020 - June 30, 2021			80,849	11,572	11,572			
July 1, 2021 - June 30, 2022			79,456				79,456	79,456
ESEA Title II-A	84.367	2022-144634-DPI-TIIA-365						
July 1, 2021 - June 30, 2022			16,047				16,047	16,047
ESEA Title IV-A Student Support and Enrichment Grant	84.424	2022-144634-DPI-TIVA-381						
July 1, 2021 - June 30, 2022			10,000		8,984		10,000	1,016

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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, 2021	Revenues			Expenditures	Accrued Receivable (Deferred Revenue) June 30, 2022
					Grantor Reimbursement	Local Share			
U.S. DEPARTMENT OF EDUCATION (CONTINUED)									
Wisconsin Department of Public Instruction (Continued)									
IDEA Preschool Entitlement July 1, 2021 - June 30, 2022	84.173A	2022-144634-DPI-PRESCH-347	8,477	\$ 0	\$ 8,477	\$ 0	\$ 8,477	\$ 0	
IDEA Flow Through Entitlement July 1, 2020 - June 30, 2021	84.027A	2022-144634-DPI-FLOW-341	125,179	80,794	80,794				
July 1, 2021 - June 30, 2022			157,586	80,794	8,459		97,065	88,606	
Total Special Education Cluster				<u>80,794</u>	<u>97,730</u>	<u>0</u>	<u>105,542</u>	<u>88,606</u>	
Elementary and Secondary School Emergency Fund II March 13, 2020 - September 30, 2023	84.425D	2022-144634-DPI-ESSERFII-163	341,107	76,853	149,432		72,579		
Pass-through CESA #5 Tech prep/school-to-work grant July 1, 2021 - March 2, 2022	84.048	2022-144634-DPI-CTE-400			3,171		3,171		
Total U.S. Department of Education				<u>169,219</u>	<u>307,746</u>	<u>0</u>	<u>323,651</u>	<u>185,124</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Medicaid July 1, 2021 - June 30, 2022	93.778	44228800			119,207		119,207		
Total U.S. Department of Health and Human Services				<u>0</u>	<u>119,207</u>	<u>0</u>	<u>119,207</u>	<u>0</u>	
TOTAL FEDERAL AWARDS				<u>\$ 174,575</u>	<u>\$ 723,409</u>	<u>\$ 0</u>	<u>\$ 736,822</u>	<u>\$ 187,988</u>	

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Administering Agency Pass-Through Agency Award Description	State I.D. Number	State Pass Through ID Number	Receivable (Fund Balance) July 1, 2021	Revenues		Expenditures	Receivable (Fund Balance) June 30, 2022
				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	\$ 191,933	\$ 0	\$ 191,933	\$ 0
Transit of Aid CESA #5			6,699	43,816		37,117	
Total Special Education and School Age Parents			6,699	235,749	0	229,050	0
Equalization Aids	255.201	144634-116	67,486	4,481,786		4,414,300	
Total Major Programs			74,185	4,717,535	0	4,643,350	0
Nonmajor State Entitlement and Grant Programs							
State School Lunch Aid	255.102	144634-107		7,063		7,063	
Common School Fund Library Aids	255.103	144634-104		27,651		27,651	
Pupil Transportation Aid	255.107	144634-102		10,420		10,420	
Per Pupil Aid	255.945	144634-113		368,774		368,774	
WI School Day Milk Program	255.115	144634-109		980		980	
Sparsity Aid	255.212	144634-162		195,845		195,845	
School Breakfast Program	255.344	144634-108		2,162		2,162	
Early College Credit Program	255.445	144634-178		1,125		1,125	
Special Education Transition Incentive Grant	255.960	144634-168		956		956	
SAGE Grant	255.504	144634-160		100,778		100,778	
Educator Effectiveness	255.940	144634-154	3,680	7,600		3,920	
Peer Review and Mentoring	255.301	144634-141	17,250	17,250		25,000	25,000
Assessments of Reading Readiness	255.956	144634-166		703		703	
TEACH	N/A			24,841		24,841	
Personal Property	N/A			31,835		31,835	
Safety Grant	N/A						
DNR PILT Land	N/A			8,279		8,279	
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		1,200		1,200	
Total Nonmajor Entitlement and Grant Programs			21,802	808,334	0	812,404	25,872
TOTAL STATE AWARDS			<u>\$ 95,987</u>	<u>\$ 5,525,869</u>	<u>\$ 0</u>	<u>\$ 5,455,754</u>	<u>\$ 25,872</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

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

2021-2022 eligible costs under the State Special Education Program are \$718,096.

NOTE 3 DE MINIMIS COST RATE

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

MILLER, BRUSSELL, EBEN 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2022.

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. We identified certain deficiencies in internal control, described in the accompanying summary of auditor's results as items 2022-001 and 2022-002.

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
November 28, 2022

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 STATE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Board of Education
Randolph School District
Randolph, Wisconsin

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Randolph School District's (the "District") compliance with the types of compliance requirements described in the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction, that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2022. The District's major state programs are identified in the accompanying summary of the auditor's results.

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 state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major 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 the Wisconsin Department of Public Instruction in the *Wisconsin Public School District Audit Manual*. Our responsibilities under those standards 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 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 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*, and the Wisconsin Public School District Audit Manual will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Wisconsin Public School District Audit Manual, 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 2022-002 and 2022-003 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 Wisconsin Public School District Audit Manual. Accordingly, this report is not suitable for any other purpose.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
November 28, 2022

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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 the preparation of the District's financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Financial Statement Significant Deficiencies (Continued)

2022-001 Preparation of the District's Financial Statements (Continued)

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 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 2022-001.

2022-002 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 2022-002.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION III -STATE AWARD FINDINGS AND QUESTIONED COSTS

State Awards Significant Deficiencies

See 2022-002 above.

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.

Criteria: Having staff with expertise in state programs audit reporting to prepare the District's state programs audit reports is an internal control intended to prevent, detect, and correct a potential misstatement in the schedules of expenditures of federal and state awards, or accompanying notes to the schedule.

Cause: The additional cost associated with hiring staff sufficiently experienced to prepare the District's state programs audit reports, 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 state program 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 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.

Management Views and Corrective Action Plan: See corrective action plan 2022-003.

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?

No

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

SUMMARY OF AUDITOR'S RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

SECTION IV - OTHER ISSUES (continued)

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comments, excess revenue, or excess expense reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines?

Department of Public Instruction

No

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

No

Miller, Brussell, Ebben & Glaeske, LLC

Craig Corning
Portage, Wisconsin
November 28, 2022

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

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

2021-001 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.

2021-002 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**

2021-003 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

Mr. Brian Zacho
District Administrator
Mr. Ryan Cashman
Director of Business Services

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022

Wisconsin Department of Public Instruction

The Randolph School District respectfully submits the following corrective action plan for the year ended June 30, 2022.

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, 2022

The findings from the June 30, 2022 summary of auditor's results are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency 2022-001 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 2022-002 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 2022-003 Financial Reporting for State Assistance

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



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

Mr. Brian Zacho
District Administrator
Mr. Ryan Cashman
Director of Business Services

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 Ryan Cashman at 920-326-2427 ext. 1104 or e-mail cashmanr@rsdwi.org.

Sincerely yours,

Ryan Cashman
Director of Business Services
Randolph School District