



**RANDOLPH SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended June 30, 2024

Randolph School District
For the Year Ended June 30, 2024
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For the Year Ended June 30, 2024
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Randolph School District
Randolph, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Required Supplementary Information (Continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The combining nonmajor fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not required part of the financial statements. Such information is the responsibility of management and were 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 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 nonmajor fund financial statements and the schedules 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 December 10, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 10, 2024

BASIC FINANCIAL STATEMENTS

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF NET POSITION
June 30, 2024**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 4,332,624	\$ 25,177	\$ 4,357,801
Receivables:			
Taxes	937,566	-	937,566
Accounts	6,099	-	6,099
Due from Other Governments	513,385	4,365	517,750
Inventories	-	9,412	9,412
Total Current Assets	<u>5,789,674</u>	<u>38,954</u>	<u>5,828,628</u>
Capital Assets:			
Land	389,680	-	389,680
Construction Work in Progress	204,400	-	204,400
Capital Assets being Depreciated	23,035,259	146,410	23,181,669
Less: Accumulated Depreciation	<u>(5,260,094)</u>	<u>(143,679)</u>	<u>(5,403,773)</u>
Total Capital Assets	<u>18,369,245</u>	<u>2,731</u>	<u>18,371,976</u>
Total Assets	<u>24,158,919</u>	<u>41,685</u>	<u>24,200,604</u>
DEFERRED OUTFLOWS OF RESOURCES			
WRS Pension	<u>2,631,216</u>	<u>46,594</u>	<u>2,677,810</u>
Total Deferred Outflows of Resources	<u>2,631,216</u>	<u>46,594</u>	<u>2,677,810</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 26,790,135</u></u>	<u><u>\$ 88,279</u></u>	<u><u>\$ 26,878,414</u></u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 501,588	\$ -	\$ 501,588
Due to Other Governments	47	-	47
Accrued Liabilities	517,872	1,274	519,146
Accrued Interest - Due Within One Year	84,425	-	84,425
Other Liabilities - Lunch Deposits	-	6,507	6,507
Long-Term Obligations - Current Portion	<u>841,506</u>	<u>-</u>	<u>841,506</u>
Total Current Liabilities	<u>1,945,438</u>	<u>7,781</u>	<u>1,953,219</u>
Non Current Liabilities:			
Long-Term Obligations	6,643,078	-	6,643,078
WRS Pension Liability	<u>313,030</u>	<u>5,543</u>	<u>318,573</u>
Total Non Current Liabilities	<u>6,956,108</u>	<u>5,543</u>	<u>6,961,651</u>
Total Liabilities	<u>8,901,546</u>	<u>13,324</u>	<u>8,914,870</u>
DEFERRED INFLOWS OF RESOURCES			
WRS Pension	<u>1,672,459</u>	<u>29,616</u>	<u>1,702,075</u>
Total Deferred Inflows of Resources	<u>1,672,459</u>	<u>29,616</u>	<u>1,702,075</u>
NET POSITION			
Net Investment in Capital Assets	10,884,661	2,731	10,887,392
Restricted For:			
Common School Funds	9,299	-	9,299
Debt Service	296,033	-	296,033
Long-Term Capital Trust Fund	999,133	-	999,133
Special Revenue	155,033	-	155,033
Community Service Fund	38,649	-	38,649
Food Service	-	42,608	42,608
Unrestricted	<u>3,833,322</u>	<u>-</u>	<u>3,833,322</u>
Total Net Position	<u>16,216,130</u>	<u>45,339</u>	<u>16,261,469</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 26,790,135</u></u>	<u><u>\$ 88,279</u></u>	<u><u>\$ 26,878,414</u></u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities						
Instruction:						
Regular Instruction	\$ 3,636,883	\$ 892,801	\$ 275,613	\$ (2,468,469)		\$ (2,468,469)
Special Education Instruction	897,909	-	422,586	(475,323)		(475,323)
Vocational Instruction	414,642	-	3,135	(411,507)		(411,507)
Other Instruction	719,173	303,400	545,650	129,877		129,877
Support Services:						
Pupil Services	372,758	-	235,348	(137,410)		(137,410)
Instructional Staff Services	1,132,390	33	294,715	(837,642)		(837,642)
General Administration Services	365,170	-	-	(365,170)		(365,170)
Building Administrative Services	475,046	575	-	(474,471)		(474,471)
Business Administrative Services	758,716	-	90,840	(667,876)		(667,876)
Central Services	34,205	-	3,226	(30,979)		(30,979)
Insurance and Judgements	84,066	-	-	(84,066)		(84,066)
Other Support Services	415,712	-	24,605	(391,107)		(391,107)
Community Services	23,000	-	-	(23,000)		(23,000)
Unallocated Depreciation	425,153	-	-	(425,153)		(425,153)
Interest on Debt	305,058	-	-	(305,058)		(305,058)
Total Governmental Activities	10,059,881	1,196,809	1,895,718	(6,967,354)		(6,967,354)
Business-Type Activities						
Food Service Program	285,188	115,185	154,268	-	\$ (15,735)	(15,735)
Total Business-Type Activities	285,188	115,185	154,268	-	(15,735)	(15,735)
Total Primary Government	\$ 10,345,069	\$ 1,311,994	\$ 2,049,986	(6,967,354)	(15,735)	(6,983,089)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				1,020,326	-	1,020,326
Property Taxes, Levied for Debt Service				2,131,437	-	2,131,437
Other Taxes				49,000	-	49,000
Federal and State Aid not Restricted to Specific Purpose				5,308,740	-	5,308,740
Other Sources				121	-	121
Interest and Investment Earnings				134,074	-	134,074
Miscellaneous				36,478	-	36,478
Total General Revenues				8,680,176	-	8,680,176
Special Item - Gain (Loss) on Disposal of Assets				(103,075)	-	(103,075)
Changes in Net Position				1,609,747	(15,735)	1,594,012
Net Position - Beginning				14,606,383	61,074	14,667,457
Net Position - Ending				\$ 16,216,130	\$ 45,339	\$ 16,261,469

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

	General Fund	Debt Service	Long Term Capital Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 2,638,910	\$ 296,033	\$ 1,203,533	\$ 194,148	\$ 4,332,624
Receivables:					
Taxes	937,566	-	-	-	937,566
Accounts	6,099	-	-	-	6,099
Due from Other Governments	513,338	-	-	-	513,338
Total Assets	<u>\$ 4,095,913</u>	<u>\$ 296,033</u>	<u>\$ 1,203,533</u>	<u>\$ 194,148</u>	<u>\$ 5,789,627</u>
LIABILITIES					
Accounts Payable	\$ 297,188	\$ -	\$ 204,400	\$ -	\$ 501,588
Accrued Liabilities	179,895	-	-	466	180,361
Accrued Wages Payable	337,511	-	-	-	337,511
Total Liabilities	<u>814,594</u>	<u>-</u>	<u>204,400</u>	<u>466</u>	<u>1,019,460</u>
FUND BALANCES					
Restricted	9,299	296,033	999,133	193,682	1,498,147
Unassigned	3,272,020	-	-	-	3,272,020
Total Fund Balances	<u>3,281,319</u>	<u>296,033</u>	<u>999,133</u>	<u>193,682</u>	<u>4,770,167</u>
Total Liabilities and Fund Balances	<u>\$ 4,095,913</u>	<u>\$ 296,033</u>	<u>\$ 1,203,533</u>	<u>\$ 194,148</u>	<u>\$ 5,789,627</u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balance, governmental funds	\$ 4,770,167
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	18,369,245
Net pension are not due and payable in the current period and, therefore, are either deferred or not reported in the fund financial statements.	
Net WRS Pension Liability	(313,030)
Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the Statement of Net Position and are being amortized with pension expenses in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not current financial resources or uses and, therefore, are not reported in the fund financial statements.	
Deferred Outflows of Resources	2,631,216
Deferred Inflows of Resources	(1,672,459)
Some long term liabilities (including notes and bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
General Obligation Debt	(7,400,000)
Unamortized Premium on Long-Term Obligations	(84,584)
Accrued Interest on Long-Term Debt	(84,425)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 16,216,130</u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	General Fund	Debt Service	Long Term Capital Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,020,326	\$ 2,131,437	\$ -	\$ 49,000	\$ 3,200,763
Local	208,228	-	24,169	-	232,397
Interdistrict	891,801	-	-	-	891,801
Intermediate	33,532	-	-	-	33,532
State	5,758,921	-	-	-	5,758,921
Federal	1,412,126	-	-	-	1,412,126
Other	37,226	-	-	206,684	243,910
Total Revenues	<u>9,362,160</u>	<u>2,131,437</u>	<u>24,169</u>	<u>255,684</u>	<u>11,773,450</u>
EXPENDITURES					
Current					
Instruction:					
Regular	3,647,667	-	-	-	3,647,667
Vocational	417,322	-	-	-	417,322
Special	903,297	-	-	-	903,297
Other	498,209	-	-	202,898	701,107
Support Services:					
Pupil Services	375,505	-	-	-	375,505
Instructional Staff Services	588,616	-	-	-	588,616
General Administration Services	371,572	-	-	-	371,572
Building Administrative Services	475,046	-	-	-	475,046
Business Administrative Services	884,180	-	-	-	884,180
Central Services	34,205	-	-	-	34,205
Insurance and Judgements	84,066	-	-	-	84,066
Other Support Services	771,469	-	-	-	771,469
Capital outlay	462,983	-	204,400	-	667,383
Community services	-	-	-	23,236	23,236
Debt Service:					
Principal	-	1,795,000	-	-	1,795,000
Interest and Fees	-	312,616	-	-	312,616
Total Expenditures	<u>9,514,137</u>	<u>2,107,616</u>	<u>204,400</u>	<u>226,134</u>	<u>12,052,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(151,977)</u>	<u>23,821</u>	<u>(180,231)</u>	<u>29,550</u>	<u>(278,837)</u>
Net Change in Fund Balances	<u>(151,977)</u>	<u>23,821</u>	<u>(180,231)</u>	<u>29,550</u>	<u>(278,837)</u>
Fund Balances - Beginning	3,433,296	272,212	1,179,364	164,132	5,049,004
Fund Balances - Ending	<u>\$ 3,281,319</u>	<u>\$ 296,033</u>	<u>\$ 999,133</u>	<u>\$ 193,682</u>	<u>\$ 4,770,167</u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

Net change in fund balances - total governmental funds: \$ (278,837)

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.

This is the amount by which current year capital outlays were less than depreciation in the current period.	656,047 <u>(535,049)</u>	120,998
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The Statement of Activities reports losses arising from the disposal of capital assets. Losses on disposal do not appear in the governmental funds. This is the amount of loss on disposal of current year capital assets. (103,825)

Repayment of long-term obligations are expenditures in the governmental funds, but reduce the liabilities in the Statement of Net Position.

Bonds	1,795,000	
Right to use leased assets	<u>2,466</u>	1,797,466

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

(Increase) Decrease in Accrued Interest	7,558	
Amortization of Debt Premium	6,506	
(Increase) Decrease in WRS Pension Amounts	<u>59,881</u>	<u>73,945</u>

Change in net position of governmental activities \$ 1,609,747

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2024**

	<u>Food Service</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 25,177
Due from Other Governments	4,365
Inventories	9,412
Total Current Assets	<u>38,954</u>
Non Current Assets:	
Capital Assets	
Furniture and Equipment	146,410
Less Accumulated Depreciation	<u>(143,679)</u>
Net Capital Assets	<u>2,731</u>
Total Non Current Assets	<u>2,731</u>
Total Assets	<u>41,685</u>
DEFERRED OUTFLOWS OF RESOURCES	
WRS Pension	46,594
Total Deferred Outflows of Resources	<u>46,594</u>
 Total Assets and Deferred Outflows of Resources	 <u><u>\$ 88,279</u></u>
LIABILITIES	
Current Liabilities:	
Accrued Liabilities	\$ 1,274
Lunch Deposits	6,507
Total Current Liabilities	<u>7,781</u>
Noncurrent Liabilities:	
WRS Pension Liability	5,543
Total Noncurrent Liabilities	<u>5,543</u>
Total Liabilities	<u>13,324</u>
DEFERRED INFLOWS OF RESOURCES	
WRS Pension	29,616
Total Deferred Inflows of Resources	<u>29,616</u>
NET POSITION	
Net Investment in Capital Assets	2,731
Restricted for:	
Food Service	42,608
Total Net Position	<u>45,339</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u><u>\$ 88,279</u></u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2024**

	<u>Food Service</u>
OPERATING REVENUES	
Food Sales	\$ 115,185
State Sources	5,093
Federal Sources	127,095
Commodities	22,080
Total Operating Revenues	<u>269,453</u>
OPERATING EXPENSES	
Salaries and Wages	111,653
Employer Paid Benefits	37,435
Purchased Services	13,126
Food, Supplies and Materials	122,263
Depreciation	711
Total Operating Expenses	<u>285,188</u>
Operating Income (Loss)	<u>(15,735)</u>
Change in Net Position	<u>(15,735)</u>
Net Position - Beginning	<u>61,074</u>
Net Position - Ending	<u><u>\$ 45,339</u></u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2024**

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 115,642
Cash received from other governmental payments	132,188
Cash payments to and on behalf of employees	(148,941)
Cash payments to suppliers for goods and services	<u>(122,721)</u>
Net cash flows from operating activities	<u>(23,832)</u>
Net change in cash and cash equivalents	(23,832)
Cash and cash equivalents - beginning of year	<u>49,009</u>
Cash and cash equivalents - end of year	<u><u>\$ 25,177</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (15,735)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	711
WRS Pension Adjustments	(394)
Changes in assets and liabilities:	
Inventory	(9,412)
Accrued Liabilities	541
Lunch Deposits	457
Net cash provided (used) by operating activities	<u><u>\$ (23,832)</u></u>
Noncash operating activities:	
Donated food commodities	<u><u>\$ 22,080</u></u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2024**

	<u>Private-Purpose Trust Funds</u>
ASSETS	
Cash and Investments	\$ 882,673
Total Assets	<u>\$ 882,673</u>
NET POSITION	
Restricted for Employee Benefits	\$ 882,673
Total Net Position	<u>882,673</u>
Total Liabilities and Net Position	<u>\$ 882,673</u>

See accompanying notes to the financial statements.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended June 30, 2024**

	Private-Purpose Trust Funds
ADDITIONS	
Gifts	\$ 93,031
Interest and Gains on Investments	52,433
Total Additions	<u>145,464</u>
DEDUCTIONS	
Gifts and Scholarships	<u>88,956</u>
Total Deductions	<u>88,956</u>
Change in Net Position	<u>56,508</u>
Net Position - Beginning	826,165
Net Position - Ending	<u><u>\$ 882,673</u></u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Introduction

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 government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District operates as a common school district under Chapter 120 of the Wisconsin Statutes. The District is governed by an elected seven-member school board, provides elementary, secondary, vocational, and special education services for kindergarten through grade 12, and is comprised of all or parts of eight taxing districts.

As described in detail below, the financial reporting entity consists of the primary government, and organizations for which the primary government is financially responsible. All of the accounts of the District comprise the primary government.

This report includes all of the funds of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially responsible, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. If a primary government appoints a voting majority of an organization's officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exist. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The report does not contain any component units.

B. Basis of Financial Statement 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 for fiduciary funds, which are presented in the fund financial statements by type. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange 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 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
Notes to the Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Financial Statement Presentation (continued)

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the District-wide financial statements. The emphasis of fund financial statements is on the major governmental funds; each is displayed in a separate column. All remaining funds are aggregated and reported as nonmajor governmental funds. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

The District reports the following major governmental funds:

General Fund – The general fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Long Term Capital Improvement Fund – Long Term Capital Improvement Funds are 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 reports the following major proprietary fund:

Food Service Fund – The school nutrition services fund is used to account for the District's food service, generally, the school breakfast and lunch programs.

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Financial Statement Presentation (continued)

The District reports the following nonmajor governmental funds:

Special Revenue Funds – Special revenue funds are used to account and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed to expenditures for specific purposes. The District reports the Special Revenue Gift Fund and the Community Service Fund as special revenue funds.

The District reports the following fiduciary funds:

Private-Purpose Trust Funds – Private-Purpose Trust funds accounts for assets held that were accumulated from donations that are used to pay scholarships. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) Assets are not generated from the government's own-source revenues or from the government-mandated or voluntary nonexchange transactions, c) Assets are administered through a qualified trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

C. Measurement Focus and Basis of Accounting

The district-wide and fiduciary Statement of Net Position and Statement of Activities are presented 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.

Non-exchange 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 lease liabilities and financed purchase arrangements are reported as other financing sources.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principle ongoing operation. The principle operating revenue is charges to students for meals. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property taxes are recognized as revenue in the period for which the taxes are levied. 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.

State general and categorical aids and other entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, expenditure-driven grant programs, public charges for services, and investment income.

Charges for services provided to other educational agencies and private parties are recognized as revenue when services are provided. Charges for special educational services are not reduced by anticipated state special education aid entitlements.

For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the period in which the funds are first permitted to be used. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, deferred inflows of resources is removed from the combined balance sheet and revenue is recognized. Resources that are received prior to incurring qualifying expenditures are reported as a liability and recognized as revenue in subsequent periods when eligibility requirements have been met.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

1. Summary of Significant Accounting Policies (Continued)

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 the date of acquisition.

The District has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the District's individual major funds, and in the aggregate for non-major and fiduciary funds.

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.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in current transactions between willing parties. Fair values are based on quoted market prices. As discussed in Note 3, investments in the Wisconsin Local Government Investment Pool (LGIP) are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases and decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

See Footnote 3 for additional information.

Accounts Receivable

All accounts receivable are shown as 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.

Taxes

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

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Continued)

D. Assets and Liabilities (continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory in the general fund and governmental activities consist of expendable supplies held for consumption. The costs are recorded as expenditures under the purchase method. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

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.

Capital Assets

District-wide Statements

In the district-wide financial statements, capital assets are reported at actual costs 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 fair market value at the time received.

All capital assets, or groups of assets, that meet the District's capitalization threshold of \$5,000 are capitalized and updated for additions. Assets that are returned are taken off on an annual basis. All improvements to capital assets are capitalized while the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful are expensed.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Computer equipment	5 years
Other equipment	5-20 years
Site improvements	20 years
Buildings	50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

1. Summary of Significant Accounting Policies (Continued)

D. Assets and Liabilities (continued)

Pensions

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position of 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.

Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the district-wide statements. Long-term debt consists primarily of notes, bonds or loans payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

E. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The deferred outflows of resources are for the WRS pension system.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources are for the WRS pension system.

The net position of the District is significantly impacted by the combined effect of deferred outflows and inflows of resources from the pension plans.

1. Summary of Significant Accounting Policies (Continued)

F. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not liquidated with expendable available financial resources, a liability is recorded in the district-wide Statement of Net Position. The related expenditure is recognized when the liability is liquidated. There were no significant claims or judgments at year-end.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as operating transfers in the fund statements.

During the fiscal year ended June 30, 2024, the general fund transferred \$690,186 to the special education fund. These transfers were used to cover any costs not covered by direct revenues. In the district-wide statements, these amounts were eliminated. On the fund financial statements, the special education fund is reported together with the general fund under GASB Statement No. 54, therefore eliminating the presentation of the transfer.

I. Equity Classifications

District-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

1. Summary of Significant Accounting Policies (Continued)

I. Equity Classifications (continued)

Fund Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – includes amounts that cannot be spend because they are either (a) not in a spendable form (which includes items that are not expected to be converted to cash – e.g., inventories or prepaid amounts) or (b) legally or contractually required to be maintained intact (e.g., the corpus of an endowment fund).
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board of Education takes action to remove or change the constraint.
- Assigned – includes amounts the Board intends to use for a specific purpose but are neither restricted nor committed; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.
- Unassigned – includes amounts that are available for any purpose; these amounts are reported only in the general fund.

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 nonspendable. The fund balance for the spendable portion of permanent funds and balance, if any, in the special revenue gift fund, debt service fund, food service fund, private-purpose trust fund, 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 a majority vote of the Board.

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

J. Change in Accounting Principle

Effective July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District did not have any accounting changes or error corrections requiring disclosure in the financial statements.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

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 on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities in the basic financial statements 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 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.

3. Cash and Investments

For all the District's cash and investments shown below, the market value at the balance sheet date is substantially the same as the fair value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the District's deposits were higher than the June 30, 2024 balances as detailed below. This means that the District's risk and exposure could be higher at these times.

Depository	Fair Value	Carrying Amount	Associated Risk
Local Financial Institutions	\$ 4,584,888	\$ 4,005,360	Custodial credit
Certificates of Deposit	537,730	537,730	Custodial credit, interest rate
Local Government Investment Pool	501,193	501,193	Credit, interest rate
	<u>\$ 5,623,811</u>	<u>\$ 5,044,283</u>	
United Coop Preferred Stock		165,000	
United WI Grain Producers Stock		31,191	
Total Cash and Investments Reported in the Statements of Net Position		<u>\$ 5,240,474</u>	

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

3. Cash and Investments (Continued)

A reconciliation of cash and investments as shown on the statements is as follows:

Statement of Net Position:	
Governmental Activities	\$ 4,332,624
Business-Type Activities	25,177
Statement of Fiduciary Net Position:	
Private-Purpose Trust	882,673
Total	<u>\$ 5,240,474</u>

Investments Authorized by Wisconsin State Statutes

Investment of District funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts dealer.
- Bonds issued by the Wisconsin Aerospace Authority.

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. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of June 30, 2024, the District's investment in the Wisconsin Local Government Investment Pool and stock was not rated.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

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. The LGIP investments have an average maturity of 13 days. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Fair Value	Less than 12 Months
Certificates of Deposit	\$ 537,730	\$ 537,730
Local Government Investment Pool	501,193	501,193
	<u>\$ 1,038,923</u>	<u>\$ 1,038,923</u>

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 is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for the purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2024, the fair value of the District's share of the LGIP's assets was substantially equal carrying amount.

Investment allocation in the LGIP as of June 30, 2024 was: 98% in U.S. Governmental Securities and 2% in Certificates of Deposit, Commercial Paper, and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations monthly.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would 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 risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment of collateral securities that are in possession of another party. The District does not have an investment policy for custodial credit risk.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

3. Cash and Investments (Continued)

Deposits are insured by the Federal Depository Insurance Company (FDIC) in the amount of \$250,000 for all time and savings accounts and \$250,000 for all demand accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

As of June 30, 2024, \$2,507,245 of the District's deposits with financial institutions were in excess of FDIC or State Deposit Guarantee coverage.

4. Fair Value Measurement

The Districts investments are measured and recorded using fair value guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the District's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

	Assets at Fair Value as of June 30, 2024	
	Fair Value	Level 3
Preferred Stock	\$ 196,191	\$ 196,191
Totals	\$ 196,191	\$ 196,191

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

5. Capital Assets

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

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
Government Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 389,680	\$ -	\$ -	\$ 389,680
Construction Work in Progress	294,412	204,400	(294,412)	204,400
Total Capital Assets, not being depreciated	<u>684,092</u>	<u>204,400</u>	<u>(294,412)</u>	<u>594,080</u>
<i>Capital Assets, being depreciated:</i>				
Buildings	20,506,446	304,872	-	20,811,318
Site Improvements	922,257	13,000	(24,352)	910,905
Furniture and Equipment	3,494,825	428,187	(2,609,976)	1,313,036
Total Capital Assets, being depreciated	<u>24,923,528</u>	<u>746,059</u>	<u>(2,634,328)</u>	<u>23,035,259</u>
Total Capital Assets	<u>25,607,620</u>	<u>950,459</u>	<u>(2,928,740)</u>	<u>23,629,339</u>
Less Accumulated Depreciation:				
Building	3,510,303	427,618	-	3,937,921
Site Improvements	643,132	21,451	(24,352)	640,231
Furniture and Equipment	3,102,113	85,980	(2,506,151)	681,942
Total Accumulated Depreciation	<u>7,255,548</u>	<u>535,049</u>	<u>(2,530,503)</u>	<u>5,260,094</u>
Total Capital Assets, being depreciated, net	<u>17,667,980</u>	<u>211,010</u>	<u>(103,825)</u>	<u>17,775,165</u>
Governmental Activities Capital Assets, net	<u>\$ 18,352,072</u>	<u>\$ 415,410</u>	<u>\$ (398,237)</u>	<u>\$ 18,369,245</u>
Business-Type Activities				
Depreciable Capital Assets	\$ 146,410	\$ -	\$ -	\$ 146,410
Less Accumulated Depreciation	<u>(142,968)</u>	<u>(711)</u>	<u>-</u>	<u>(143,679)</u>
Net Business-Type Capital Assets	<u>\$ 3,442</u>	<u>\$ (711)</u>	<u>\$ -</u>	<u>\$ 2,731</u>
Non-Depreciable Capital Assets	\$ 684,092	\$ 204,400	\$ (294,412)	\$ 594,080
Total Depreciable Capital Assets	25,069,938	746,059	(2,634,328)	23,181,669
Total Accumulated Depreciation	<u>(7,398,516)</u>	<u>(535,760)</u>	<u>2,530,503</u>	<u>(5,403,773)</u>
Total Capital Assets Net of Depreciation	<u>\$ 18,355,514</u>	<u>\$ 414,699</u>	<u>\$ (398,237)</u>	<u>\$ 18,371,976</u>

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

5. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 7,340
Vocational instruction	736
Special education instruction	1,567
Other instruction	1,794
General administration services	3,381
Business administration	90,962
Other support services	4,116
Depreciation not charged to a specific function	425,153
Total depreciation for governmental activities	<u>\$ 535,049</u>

Capital outlay was charged to governmental functions as follows:

Regular instruction	\$ 26,387
Other instruction	19,400
Business administration services	563,967
Other support services	46,293
Subtotal	<u>656,047</u>
Work-in-Progress completion	<u>294,412</u>
Total Additions	<u>\$ 950,459</u>

6. Long-Term Obligations

Long-term liability balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
General obligation bonds	\$ 7,370,000	\$ -	\$ (1,530,000)	\$ 5,840,000	\$ 565,000
General obligation refunding bonds	1,825,000	-	(265,000)	1,560,000	270,000
Unamortized bond premium	91,090	-	(6,506)	84,584	6,506
Per statement of net position	<u>\$ 9,286,090</u>	<u>\$ -</u>	<u>\$ (1,801,506)</u>	<u>\$ 7,484,584</u>	<u>\$ 841,506</u>

Total interest paid and expensed for the year ended June 30, 2024 was as follows:

	Expense	Paid
Long-term debt	<u>\$ 292,158</u>	<u>\$ 299,716</u>

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

6. Long-Term Obligations (Continued)

Long-Term General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2024 is comprised of the following individual issues:

Description	Issue Date	Interest Rate	Date of Maturity	Ending Balance
General obligation improvement bonds	7/13/2015	2.5%-3.25%	3/1/2033	\$ 5,840,000
General obligation refunding bonds	4/12/2017	2.5%-3.0%	3/1/2032	1,560,000
Total general obligation debt				<u>\$ 7,400,000</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest at June 30, 2024 follows:

Governmental Activities			
General Obligation Bonds			
Years	Principal	Interest	Total
2025	\$ 835,000	\$ 189,419	\$ 1,024,419
2026	870,000	155,412	1,025,412
2027	910,000	140,662	1,050,662
2028	860,000	123,750	983,750
2029	810,000	106,012	916,012
2030-2033	3,115,000	210,012	3,325,012
	<u>\$ 7,400,000</u>	<u>\$ 925,267</u>	<u>\$ 8,325,267</u>

The equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$382,562,919. The legal debt limit and margin of indebtedness as of June 30, 2024 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$382,562,919)	\$ 38,256,292
Deduct long-term debt applicable to debt margin	<u>(7,400,000)</u>
Margin of indebtedness	<u>\$ 30,856,292</u>

Cash Defeasances

The District issued general obligation bonds in 2015. In 2023, the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation debt. As a result, a portion of the general obligation bonds are considered to be decreased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance.

6. Long-Term Obligations (Continued)

Cash Defeasances (continued)

Additionally, the District issued general obligation bonds in 2017. In 2017, the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation debt. As a result, a portion of the general obligation bonds are considered to be decreased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance.

On March 15, 2024 the District made defeasance payments on the July 13, 2015 improvement bond in the amount of \$995,000 plus other financing fees for a total of \$1,007,900. On the District's financial statements, the \$995,000 payment is defeased for the bonds and is removed from the bonds' liability. The total savings from the defeasance is \$310,928.

Total of defeased debt outstanding at June 30, 2024 is \$2,040,000 for the 2015 general obligation bonds and \$1,310,000 for the 2017 general obligation bonds, which are scheduled to be called on March 1, 2026. The risk-free monetary assets of the trust cannot be replaced.

7. Defined Benefit Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

7. Defined Benefit Pension Plan (Continued)

The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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 \$273,416 in contributions from the employer.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

7. Defined Benefit Pension Plan (Continued)

Contribution rates as of June 30, 2024 are as follows:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At June 30, 2024, the District reported a liability (asset) of \$318,573 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.0214267%, which was an decrease of 0.00049355% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$220,377.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,284,485	\$ (1,701,308)
Net differences between projected and actual earnings on pension plan investments	1,110,177	-
Changes in assumptions	138,857	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,028	(767)
Employer contributions subsequent to the measurement date	141,263	-
Total	<u>\$ 2,677,810</u>	<u>\$ (1,702,075)</u>

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

7. Defined Benefit Pension Plan (Continued)

\$141,263 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$ 171,418
2026	179,984
2027	696,926
2028	(213,856)
2029	-
Total	<u>\$ 834,472</u>

Actuarial Assumptions. The total pension liability (asset) in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

7. Defined Benefit Pension Plan (Continued)

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 and Expected Returns¹
As of December 31, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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: 2.7%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities.

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

7. Defined Benefit Pension Plan (Continued)

Single Discount Rate. A single discount rate of 6.80% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% 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 District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 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%)
District's proportionate share of the net pension liability (asset)	\$ 3,079,166	\$ 318,573	\$ (1,613,130)

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>.

Allocation of Pension Plan. Pension amounts are allocated between the Governmental Activities and Business-Type Activities based on the percentage of required contributions of each opinion unit.

8. Net Position

Governmental activities net position reported on the government-wide statement of net position at June 30, 2024 includes the following:

Capital Assets Net of Depreciation	\$ 18,369,245
Less: Related Long-term Debt Outstanding	(7,400,000)
Less: Bond Premiums	(84,584)
Total Net Investment in Capital Assets	<u>\$ 10,884,661</u>

Randolph School District
Notes to the Financial Statements
For the Year Ended June 30, 2024

9. Fund Balances

Governmental fund balances reported on the financial statements as of June 30, 2024 include the following:

Restricted	
Debt Service	\$ 296,033
Long Term Capital Trust	999,133
Special Revenue	155,033
Community Service	38,649
Common School Fund Carryover	9,299
Total Restricted	<u>1,498,147</u>
Unassigned	<u>3,272,020</u>
Total Governmental Fund Balance	<u><u>\$ 4,770,167</u></u>

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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

11. Limitation on 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.

12. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023, GASB Statement No. 102, *Certain Risk Disclosures*, effective for periods beginning after June 15, 2014, and GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for periods beginning after June 15, 2025. When these statements become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,020,563	\$ 1,020,563	\$ 1,020,326	\$ (237)
Local	168,100	168,100	208,228	40,128
Interdistrict	926,000	926,000	891,801	(34,199)
Intermediate	17,600	17,600	3,985	(13,615)
State	5,496,064	5,502,966	5,517,264	14,298
Federal	1,226,855	998,855	1,237,396	238,541
Other	18,000	18,000	37,226	19,226
Total Revenues	<u>8,873,182</u>	<u>8,652,084</u>	<u>8,916,226</u>	<u>264,142</u>
EXPENDITURES				
Current				
Instruction:				
Regular	3,674,655	3,647,148	3,647,667	(519)
Vocational	435,179	435,179	417,322	17,857
Other	510,780	510,780	498,209	12,571
Support Services:				
Pupil Services	283,015	286,015	264,878	21,137
Instructional Staff Services	587,809	584,611	551,225	33,386
General Administration Services	375,393	380,884	371,572	9,312
Building Administrative Services	450,881	450,881	475,046	(24,165)
Business Administrative Services	1,064,922	962,522	857,377	105,145
Central Services	23,500	27,700	30,979	(3,279)
Insurance and Judgements	82,000	88,450	84,066	4,384
Other Support Services	411,368	455,368	763,498	(308,130)
Capital Outlay	93,536	355,536	416,178	(60,642)
Total Expenditures	<u>7,993,038</u>	<u>8,185,074</u>	<u>8,378,017</u>	<u>(192,943)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>880,144</u>	<u>467,010</u>	<u>538,209</u>	<u>71,199</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(688,010)</u>	<u>(688,010)</u>	<u>(690,186)</u>	<u>(2,176)</u>
Total Other Financing Sources and Uses	<u>(688,010)</u>	<u>(688,010)</u>	<u>(690,186)</u>	<u>(2,176)</u>
Net Change in Fund Balance	192,134	(221,000)	(151,977)	69,023
Fund Balance - Beginning	3,433,296	3,433,296	3,433,296	-
Fund Balance - Ending	<u>\$ 3,625,430</u>	<u>\$ 3,212,296</u>	<u>\$ 3,281,319</u>	<u>\$ 69,023</u>

See accompanying notes to the required supplementary information.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intermediate	\$ 27,450	\$ 27,450	\$ 29,547	\$ 2,097
State	231,493	241,657	241,657	-
Federal	221,106	221,106	174,730	(46,376)
Total Revenues	480,049	490,213	445,934	(44,279)
EXPENDITURES				
Current				
Instruction:				
Special	984,175	984,175	903,297	80,878
Support Services:				
Pupil Services	47,292	47,292	110,627	(63,335)
Instructional Staff Services	62,012	62,012	63,128	(1,116)
Business Administrative Services	13,336	11,826	8,720	3,106
Central Services	3,350	3,350	3,226	(6,576)
Other Support Services	6,000	6,000	5,890	(11,890)
Capital Outlay	41,232	41,232	41,232	-
Total Expenditures	1,157,397	1,155,887	1,136,120	1,067
Excess (Deficiency) of Revenues Over Expenditures	(677,348)	(665,674)	(690,186)	(43,212)
OTHER FINANCING SOURCES (USES)				
Transfers In	665,674	665,674	690,186	24,512
Total Other Financing Sources and Uses	665,674	665,674	690,186	24,512
Net Change in Fund Balance	(11,674)	-	-	(18,700)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ (11,674)	\$ -	\$ -	\$ (18,700)

See accompanying notes to the required supplementary information.

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**RECONCILIATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Special Education Fund</u>
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 8,916,226	\$ 445,934
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>445,934</u>	<u>(445,934)</u>
The general fund revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - governmental funds	<u>\$ 9,362,160</u>	<u>\$ -</u>
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 8,378,017	\$ 1,136,120
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,136,120</u>	<u>(1,136,120)</u>
The general fund expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - governmental funds	<u>\$ 9,514,137</u>	<u>\$ -</u>

See accompanying notes to the required supplementary information.

RANDOLPH SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM SCHEDULES
June 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2023	0.02142670%	\$ 318,573	\$ 4,020,806	7.92%	98.85%
2022	0.02192025%	1,161,269	3,883,100	29.91%	95.72%
2021	0.02212734%	(1,783,504)	3,844,430	(46.39%)	(106.02%)
2020	0.02234420%	(720,479)	3,525,442	(20.44%)	(105.26%)
2019	0.0226710%	806,564	3,498,596	23.05%	(102.96%)
2018	0.02292672%	(680,721)	3,305,742	(20.59%)	96.45%
2017	0.0233933%	192,817	3,326,755	5.80%	(102.93%)
2016	0.02377973%	386,416	3,344,047	11.56%	99.12%
2015	0.02348941%	(576,964)	3,306,422	(17.45%)	98.20%

* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED
Last 10 Fiscal Years**

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2024	\$ 276,944	\$ (276,944)	\$ -	\$ 4,059,882	6.82%
2023	264,397	(264,397)	-	4,013,448	6.59%
2022	254,734	(254,734)	-	3,920,703	6.50%
2021	257,272	(257,272)	-	3,869,673	6.65%
2020	238,975	(238,975)	-	3,658,670	6.53%
2019	229,407	(229,407)	-	3,511,788	6.53%
2018	216,276	(216,276)	-	3,260,572	6.63%
2017	217,718	(217,718)	-	3,286,174	6.63%
2016	224,758	(224,758)	-	3,398,768	6.61%
2015	229,224	(229,224)	-	3,366,638	6.81%

**The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

See accompanying notes to the required supplementary information.

Randolph School District
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

1. Budget Schedule

The District's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the department level.

Budget amounts include appropriations authorized in the original budget, any Board approved amendments, appropriations of restricted resources received for funding specific expenditures, and designated portion of the beginning balance of the General Fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures.

2. Excess of Actual Expenditures Over Budget

The District's General Fund reported functions that had an excess of actual expenditures over budget of \$5,000 or more for the year ended June 30, 2024 as follows:

Fund	Function	Amount
General	Building Administrative Services	\$ 24,165
General	Other Support Services	308,130
General	Capital Outlay	60,642
Special Education	Pupil Services	63,335
Special Education	Central Services	6,576
Special Education	Other Support Services	11,890

3. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the preceding year.

Change of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

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

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

Randolph School District
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

3. Wisconsin Retirement System Schedules (Continued)

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

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

Randolph School District
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

3. Wisconsin Retirement System Schedules (Continued)

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

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

*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.

Randolph School District
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

3. Wisconsin Retirement System Schedules (Continued)

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

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:					
Retirement Age:	2.1%	2.1%	2.1%	2.1%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:					
	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

*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.

SUPPLEMENTARY INFORMATION

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024**

	<u>Special Revenue Funds</u>		Total Non-Major Governmental Funds
	Special Revenue Gift Fund	Community Service Fund	
ASSETS			
Cash and Investments	\$ 155,033	\$ 39,115	\$ 194,148
Total Assets	<u>\$ 155,033</u>	<u>\$ 39,115</u>	<u>\$ 194,148</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	\$ -	\$ 466	\$ 466
Total Liabilities	<u>-</u>	<u>466</u>	<u>466</u>
Fund Balances:			
Restricted	155,033	38,649	193,682
Total Fund Balances	<u>155,033</u>	<u>38,649</u>	<u>193,682</u>
Total Liabilities and Fund Balances	<u>\$ 155,033</u>	<u>\$ 39,115</u>	<u>\$ 194,148</u>

**RANDOLPH SCHOOL DISTRICT
RANDOLPH, WISCONSIN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	<u>Special Revenue Funds</u>		
	<u>Special Revenue Gift Fund</u>	<u>Community Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Taxes	\$ -	\$ 49,000	\$ 49,000
Other	206,684	-	206,684
Total Revenues	<u>206,684</u>	<u>49,000</u>	<u>255,684</u>
EXPENDITURES			
Current			
Instruction:			
Other	202,898	-	202,898
Community services	-	23,236	23,236
Total Expenditures	<u>202,898</u>	<u>23,236</u>	<u>226,134</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>3,786</u>	<u>25,764</u>	<u>29,550</u>
Net Change in Fund Balances	<u>3,786</u>	<u>25,764</u>	<u>29,550</u>
Fund Balances - Beginning	151,247	12,885	164,132
Fund Balances - Ending	<u>\$ 155,033</u>	<u>\$ 38,649</u>	<u>\$ 193,682</u>

SINGLE AUDIT



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

To the Board of Education
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 (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item #2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Randolph School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 10, 2024



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

To the Board of Education
Randolph School District
Randolph, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item #2024-002. Our opinion on each major federal program is not modified with respect to this matter. *Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs.

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.

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 that might be material weaknesses or significant 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 a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2024-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit 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 schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 10, 2024

Randolph School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Administering Agency Pass-Through Agency Award Description	Assistance Listing Number	Pass-Through Entity I.D. Number	Accrued Receivable July 1, 2023	Revenues Grantor Reimbursements	Expenditures	Accrued Receivable June 30, 2024	Passed to Subrecipients
<u><i>U.S. DEPARTMENT OF AGRICULTURE</i></u>							
Passed through: Wisconsin Department of Public Instruction Child Nutrition Cluster:							
National School Lunch Program	10.555	2024-144634-DPI-NSL-547	\$ -	\$ 104,430	\$ 104,430	\$ -	\$ -
Summer Food Service Program	10.559	2024-144634-DPI-SFSP-586	4,261	2,892	2,892	4,261	-
Food Distribution	10.555	Not Available	-	22,080	22,080	-	-
Food Service Aid-Breakfast	10.553	2024-144634-DPI-SB-SEVERE-546	-	19,773	19,773	-	-
Total Child Nutrition Cluster			4,261	149,175	149,175	4,261	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			4,261	149,175	149,175	4,261	-
<u><i>U.S. DEPARTMENT OF EDUCATION</i></u>							
Direct Federal Aid:							
Rural Education Achievement Program	84.358A	N/A	-	-	24,605	24,605	-
Wisconsin Well Be's School Based Mental Health Consortium	84.184X	N/A	-	461,354	821,844	360,490	541,205
Passed through:							
Wisconsin Department of Public Instruction Title I-A	84.010A	2024-144634-DPI-TI-A-141	-	72,328	72,328	-	-
Title II-A - Part A Quality Teachers and Principals	84.367A	2024-144634-DPI-TIIA-365	-	12,767	12,767	-	-
Title IV-A - Student Support and Acad Enrich Grants	84.424A	2024-144634-DPI-TIIIA-391	9,850	19,850	10,000	-	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D	2022-144634-DPI-ESSERFII-163	112,338	112,338	-	-	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund III	84.425U	2022-144634-DPI-ESSERFII-165	363,785	588,408	224,623	-	-
COVID-19 - ARPA LETRS Fund 10	84.425U	2024-144634-DPI-LETRS-165	-	-	4,000	4,000	-
Total ESSER			476,123	700,746	228,623	4,000	-
Special Education Cluster:							
IDEA Flow Through (EIS)	84.027A	2024-144634-DPI-FLOW-341	102,284	211,843	120,942	11,383	-
IDEA Preschool	84.173A	2024-144634-DPI-PRESCH-347	-	5,506	5,506	-	-
Total Special Education Cluster			102,284	217,349	126,448	11,383	-
Passed Through CESA 5 Carl Perkins	84.048	2024-144634-DPI-CTE-400	-	3,485	3,485	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION			588,257	1,487,879	1,300,100	400,478	541,205
<u><i>U.S. DEPARTMENT OF JUSTICE</i></u>							
Direct Federal Aid: School Violence Prevention Program (SVPP)	16.710	N/A	20,088	20,088	15,512	15,512	-
TOTAL U.S. DEPARTMENT OF JUSTICE			20,088	20,088	15,512	15,512	-
<u><i>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i></u>							
Passed through:							
Wisconsin Department of Health Services School Based Service - Medicaid	93.778	Not Available	-	95,425	99,999	4,574	-
Passed Through CESA 5 Crisis Response	93.354	Not Available	6,607	6,607	-	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			6,607	102,032	99,999	4,574	-
Total-All Federal Awards			\$ 619,213	\$ 1,759,174	\$ 1,564,786	\$ 424,825	\$ 541,205

See notes to the schedules of expenditures of federal and state awards

Randolph School District
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2024

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Entity I.D. Number	Accrued Receivable July 1, 2023	Revenues State Reimbursements	Expenditures Grantor	Accrued Receivable June 30, 2024
Wisconsin Department of Public Instruction:						
Entitlement Programs:						
Special Education and School Age Parents						
Direct State Payments	255.101	144634-100	\$ -	\$ 240,409	\$ 240,409	\$ -
Passed-Through by CESA 5			9,015	38,562	29,547	-
General Equalization	255.201	144634-116	-	4,739,411	4,739,411	-
Total Entitlement Programs:			9,015	5,018,382	5,009,367	-
Cost Reimbursement Programs:						
State Lunch	255.102	144634-107	-	2,187	2,187	-
Breakfast Program	255.344	144634-108	-	10,437	10,437	-
Morning Milk	255.115	144634-109	-	2,236	2,236	-
Total Cost Reimbursement Programs:			-	14,860	14,860	-
Other Aids:						
Common School Fund	255.103	144634-104	-	38,902	38,902	-
Sparsity Aid	255.162	144634-181	-	192,463	192,463	-
Achievement Gap Reduction Program	255.504	144634-160	-	111,035	111,035	-
Early College Credit Program	255.445	144634-178	-	121	121	-
Career and Technical Education Incentive	255.950	144634-152	-	6,423	6,423	-
Per Pupil Aid	255.945	144634-113	-	347,256	347,256	-
Assessments of Reading Readiness	255.956	144634-166	-	3,194	3,194	-
Peer Review and Mentoring Grants	255.301	144634-141	25,000	25,000	-	-
School Based Mental Health Grant	255.297	144634-177	-	15,445	38,912	23,467
High Cost Special Education Aid	255.210	144634-119	-	1,248	1,248	-
School Breakfast	255.344	144634-108	-	670	670	-
Passed through CESA 5						
Youth Apprenticeship Local Grants	Not Available	Not Available	-	500	500	-
Total Other Aids:			25,000	742,257	740,724	23,467
Total-All State Awards			\$ 34,015	\$ 5,775,499	\$ 5,764,951	\$ 23,467

See notes to the schedules of expenditures of federal and state awards

Randolph School District
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Note 1 Reporting Entity

The accompanying schedules of expenditures of Federal and State Awards include the federal and state grant activity of the Randolph School District (the “District”).

Note 2 Basis of Presentation

The accounting records for the grant programs are maintained on the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in preparation of the financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*.

Note 3 Food Distribution

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed (\$22,080).

Note 4 Medical Assistance

Expenditures presented for the Medicaid SBS Benefit represent only the federal funds for the program that the District receives from the Wisconsin Department of Health Services. District records should be consulted to determine the total amount expended for this program.

Note 5 De Minimis Cost Rate

The District did not elect to use the 10% de minimis indirect cost rate.

Randolph School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

* Material weakness identified? Yes

* Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weakness identified? No

* Significant deficiency(ies) identified? None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

Assistance Listing Number

Name of Program or Cluster

84.184X

Wisconsin Well Be's School-Based Mental Health Consortium

Dollar threshold for distinguishing Types A and B programs: \$750,000

Auditee qualified as low-risk auditee? No

State Awards

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

Internal control over major programs:

* Material weakness identified? Yes

* Significant deficiencies identified? None Reported

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

Randolph School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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

Identification of major state programs:

<u>ID Number</u>	<u>Name of State Program or Cluster</u>
255.201	General Equalization Aid
255.162	Sparsity Aid
255.945	Per Pupil Aid

Dollar threshold for distinguishing Types A and B programs: \$250,000

Section II – Financial Statement Findings

Finding #2024-001 – Material Audit Adjustments

Condition:	As part of our audit, we proposed adjusting journal entries that were material to the District's financial statements.
Effect:	Financial reports generated by the accounting system may not accurately present the financial statement account balances as required under applicable accounting standards. Specifically, the adjustments were to adjust Fund 72 liability accounts to revenue and expenses, reclassify debt issuance costs, and adjust accruals.
Cause:	While District staff maintains financial records which accurately report revenues and expenditures throughout the year, certain year-end accruals and reclassifications which were considered material for proper financial statement presentation in accordance with applicable accounting standards, were proposed by us through the audit process.
Criteria:	Financial closing and year-end reconciliation procedures should identify and adjust the financial records to ensure the financial statements are fairly stated. Material adjusting journal entries not prepared by the District prior to the audit or not otherwise provided by the District are considered an internal control deficiency.
Recommendation:	We recommend the District review the process for year-end closing and reconciliation procedures and determine if any additional documentation should be included for these types of non-routine yearend adjustments.
Response:	The District understands the need for these specific adjustments and will work internally to update procedures as necessary to identify and record such adjustments in the future.

Section III – Federal Award Findings and Questioned Costs

Finding #2024-002: #84.184X – Wisconsin Well Be's School-Based Mental Health Consortium
Federal Grantor Agency: U.S. Department of Education
Compliance Requirement: Subrecipient Monitoring

Condition:	During our audit procedures, it was determined that although the District did sufficiently monitor subrecipient awards, there was no formal written agreement between the District and the subrecipient to document the terms and conditions of the subrecipient awards.
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Randolph School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

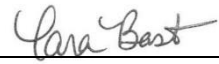
Section III – Federal Award Findings and Questioned Costs (Continued)

Effect:	The District's system of monitoring is not formal or uniform which could result in misunderstandings and miscommunication between the District and the subrecipients.
Cause:	The District does not have a formal written agreement between the District and the sub-recipients.
Criteria:	It is necessary under U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance") and under most federal grant agreements that any federal funds passed through to a subrecipient be appropriately monitored and that the subrecipient is properly informed of the grant requirements.
Recommendation:	We recommend that the District have written agreements signed by all parties that fully explain the federal grant requirements and include other appropriate language to protect the District and to further document the District's compliance regarding subrecipient monitoring.
Response:	The District will implement a formal written agreement between the District and subrecipients.

Section IV – State Award Findings and Questioned Costs

See Finding #2024-001 – Material Audit Adjustments

Section V – Other Issues

- | | | |
|----|--|---|
| 1. | Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. | Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| | Department of Public Instruction | Yes |
| | Department of Health Services | No |
| | Department of Workforce Development | No |
| | Department of Justice | N/A |
| 3. | Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |
| 4. | Name and signature of partner | 
Tara Bast, CPA |
| 5. | Date of report: | December 10, 2024 |

Randolph School District
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2024

Finding #2023-001 – Preparation of the District’s Financial Statements

Condition: The District does not have management personnel with the 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, including the recording of material audit adjustments.

Recommendation: We recommend 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: The auditor determined that since the auditor is preparing the financial statements, they were aware that the District required assistance at the beginning of the audit process, and that the District has a designated individual with appropriate skill, knowledge, and experience to oversee the services, a finding is no longer warranted for financial statement preparation.

Finding #2023-002 – 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 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 and management’s knowledge of matters relating to the District’s operations.

Current Status: The auditor determined that the District has implemented the necessary controls that resolve this finding.

Randolph School District
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2024

Finding #2023-003 – Financial Reporting for Federal and State Assistance

Condition:	The Uniform Guidance and the State Single Audit Guidelines requires the District to prepare the 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 schedule of expenditures of federal awards, the District contracts with its auditor to compile the data from these records and prepare the single audit report for the District.
Recommendation:	We recommend District personnel continue reviewing the schedules of expenditures of federal and state awards by competent staff and approve them before issuance. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all federal and state programs are properly reported in the District's single audit report.
Current Status:	The auditor determined that since the auditor is preparing the schedule of expenditures of federal and state awards, they were aware that the District required assistance at the beginning of the audit process, and that the District has a designated individual with appropriate skill, knowledge, and experience to oversee the services, a finding is no longer warranted for financial reporting for federal and state assistance.