

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Reedsville Public Schools
Reedsville, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsville Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Reedsville Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsville Public Schools, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Reedsville Public Schools' 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 Reedsville Public Schools' ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reedsville Public Schools' 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 Reedsville Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

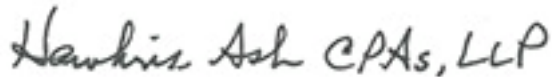
Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 on our consideration of the Reedsville Public Schools' 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 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 Reedsville Public Schools' internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin
December 13, 2022

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN
BASIC
FINANCIAL STATEMENTS**

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

REEDSVILLE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and investments	\$ 5,728,232
Receivables	
Taxes	1,185,244
Due from other governments	148,096
Prepays	11,168
Wisconsin Retirement System net pension	1,911,226
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	51,500
Capital assets being depreciated	<u>12,974,079</u>
TOTAL ASSETS	<u>22,009,545</u>
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	3,587,288
Wisconsin Retirement System LRLIF	110,489
OPEB healthcare	<u>150,993</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,848,770</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>25,858,315</u>
LIABILITIES	
Accounts payable	8
Accrued liabilities	
Payroll, payroll taxes, insurance	528,365
Unearned revenue	16,068
Current portion of long-term obligations	49,875
Noncurrent portion of long-term obligations	<u>1,514,696</u>
TOTAL LIABILITIES	<u>2,109,012</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	4,502,055
Wisconsin Retirement System LRLIF	45,299
OPEB healthcare	<u>651,617</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,198,971</u>
NET POSITION	
Net investment in capital assets	13,025,579
Restricted for	
Special revenue	456,916
Capital projects	4,241,706
Other activities	1,919,803
Unrestricted	<u>(1,093,672)</u>
TOTAL NET POSITION	<u>18,550,332</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 25,858,315</u>

The accompanying notes are an integral part of these statements.

REEDSVILLE PUBLIC SCHOOLS

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 2,415,794	\$ -	\$ -	\$ (2,415,794)
Vocational instruction	461,657	-	-	(461,657)
Special instruction	604,753	-	443,922	(160,831)
Other instruction	605,330	28,155	-	(577,175)
Total instruction	4,087,534	28,155	443,922	(3,615,457)
Support services				
Pupil services	395,622	-	-	(395,622)
Instructional staff services	356,305	-	36,409	(319,896)
General administration services	252,535	-	-	(252,535)
Building administration services	776,066	-	-	(776,066)
Business services	2,136,415	7,784	611,083	(1,517,548)
Central services	40,720	-	-	(40,720)
Insurance	85,355	-	-	(85,355)
Interest and other	21,674	-	-	(21,674)
Other support services	163,579	-	-	(163,579)
Community services	222,011	-	-	(222,011)
Total support services	4,450,282	7,784	647,492	(3,795,006)
Non-program transactions	1,516,700	-	-	(1,516,700)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 10,054,516	\$ 35,939	\$ 1,091,414	(8,927,163)
General revenues				
Taxes				
Property taxes				4,335,018
Other taxes				8,482
State and federal aids not restricted to specific functions				6,110,343
Interest and investment earnings				4,457
Miscellaneous				984,757
Total general revenues				11,443,057
CHANGE IN NET POSITION				2,515,894
NET POSITION - BEGINNING OF YEAR				16,034,438
NET POSITION - END OF YEAR				\$ 18,550,332

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

REEDSVILLE PUBLIC SCHOOLS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL FUND	DEBT SERVICE FUND REFERENDUM APPROVED	LONG-TERM CAPITAL IMPROVEMENT TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 1,691,949	\$ -	\$ 3,304,211	\$ 732,072	\$ 5,728,232
Receivables					
Taxes	1,185,244	-	-	-	1,185,244
Due from other funds	-	-	680,000	-	680,000
Due from other governments	135,921	-	-	12,175	148,096
Prepays	11,168	-	-	-	11,168
TOTAL ASSETS	<u>3,024,282</u>	<u>-</u>	<u>3,984,211</u>	<u>744,247</u>	<u>7,752,740</u>
LIABILITIES					
Accounts payable	8	-	-	-	8
Accrued payroll liabilities	514,597	-	-	13,768	528,365
Due to other funds	680,000	-	-	-	680,000
Unearned revenue	-	-	-	16,068	16,068
TOTAL LIABILITIES	<u>1,194,605</u>	<u>-</u>	<u>-</u>	<u>29,836</u>	<u>1,224,441</u>
FUND BALANCES					
Nonspendable	11,168	-	-	-	11,168
Restricted	8,577	-	3,984,211	714,411	4,707,199
Unassigned	1,809,932	-	-	-	1,809,932
TOTAL FUND BALANCES	<u>1,829,677</u>	<u>-</u>	<u>3,984,211</u>	<u>714,411</u>	<u>6,528,299</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,024,282</u>	<u>\$ -</u>	<u>\$ 3,984,211</u>	<u>\$ 744,247</u>	

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital asset	\$ 23,289,461	
Governmental accumulated depreciation	<u>(10,263,882)</u>	13,025,579

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements:

1,061,649

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in fund statements:

(500,624)

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

WRS liability	(336,749)	
Net OPEB obligation	<u>(1,227,822)</u>	<u>(1,564,571)</u>

Total net position - governmental activities

\$ 18,550,332

The accompanying notes are an integral part of these statements.

REEDSVILLE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	GENERAL FUND	DEBT SERVICE FUND REFERENDUM APPROVED	LONG-TERM CAPITAL IMPROVEMENT TRUST	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property taxes	\$ 2,956,335	\$ 1,127,165	\$ -	\$ 260,000	\$ 4,343,500
Other local sources	44,939	651	3,345	302,293	351,228
Interdistrict sources	587,963	-	-	-	587,963
Intermediate sources	26,077	-	-	-	26,077
State sources	5,644,289	-	-	18,039	5,662,328
Federal sources	1,038,414	-	-	474,938	1,513,352
Other sources	85,962	-	-	-	85,962
TOTAL REVENUES	10,383,979	1,127,816	3,345	1,055,270	12,570,410
EXPENDITURES					
Current					
Instruction					
Regular instruction	2,569,796	-	-	-	2,569,796
Vocational instruction	493,030	-	-	-	493,030
Special instruction	641,323	-	-	-	641,323
Other instruction	491,918	-	-	256,669	748,587
Total instruction	4,196,067	-	-	256,669	4,452,736
Support services					
Pupil services	418,892	-	-	-	418,892
Instructional staff services	360,615	-	-	-	360,615
General administration services	271,802	-	-	-	271,802
Building administration services	361,323	-	-	-	361,323
Business services	2,136,115	-	151,084	398,547	2,685,746
Central services	40,720	-	-	-	40,720
Insurance	85,355	-	-	-	85,355
Other support services	249,452	-	-	-	249,452
Community services	-	-	-	233,054	233,054
Total support services	3,924,274	-	151,084	631,601	4,706,959
Non-program transactions	1,516,700	-	-	-	1,516,700
Debt service					
Principal	-	2,342,000	-	-	2,342,000
Interest	-	26,250	-	-	26,250
Other	-	1,017	-	-	1,017
Total debt service	-	2,369,267	-	-	2,369,267
Capital outlay	43,200	-	-	8,652	51,852
TOTAL EXPENDITURES	9,680,241	2,369,267	151,084	896,922	13,097,514
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	703,738	(1,241,451)	(147,739)	158,348	(527,104)
OTHER FINANCING (USES) SOURCES					
Net transfer (to) from other funds	(680,000)	-	680,000	-	-
NET CHANGE IN FUND BALANCE	23,738	(1,241,451)	532,261	158,348	(527,104)
FUND BALANCE - BEGINNING OF YEAR	1,805,939	1,241,451	3,451,950	556,063	7,055,403
FUND BALANCE - END OF YEAR	\$ 1,829,677	\$ -	\$ 3,984,211	\$ 714,411	\$ 6,528,299

The accompanying notes are an integral part of these statements.

REEDSVILLE PUBLIC SCHOOLS**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds \$ (527,104)

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

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

Capital outlay reported in fund statements	\$ 51,852	
Capital outlay reported as other expenses in fund statements	684,216	
Depreciation expense reported in the statement of activities	<u>(494,305)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		241,763

Wisconsin Retirement System pension asset, deferred inflows of resources, liability, and deferred outflows of resources changes:	413,020
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Wisconsin Retirement System LRLIF deferred inflows of resources, liability, and deferred outflows of resources changes:	(38,571)
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OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes:	79,193
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

Amount of long-term debt principal payments in the current year is:	2,342,000
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In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.

Amount of interest and other debt costs paid during the current period is	\$ 27,267	
Amount of interest and other debt costs accrued during the current period is	<u>(21,674)</u>	
Interest paid is greater than interest accrued by:		<u>5,593</u>

Change in net position - governmental activities	\$ <u>2,515,894</u>
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The accompanying notes are an integral part of these statements.

REEDSVILLE PUBLIC SCHOOLS

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2022

	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>
ASSETS	
Cash and investments	\$ 108,479
TOTAL ASSETS	<u>108,479</u>
 NET POSITION	
Restricted for	
Individuals and organizations	108,479
TOTAL NET POSITION	<u>\$ 108,479</u>

The accompanying notes are an integral part of these statements.

REEDSVILLE PUBLIC SCHOOLS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	PRIVATE PURPOSE TRUST FUND <u>SCHOLARSHIPS</u>
ADDITIONS	
Investment income	\$ 214
Contributions	<u>4,450</u>
TOTAL ADDITIONS	<u>4,664</u>
DEDUCTIONS	
Disbursements	<u>17,111</u>
CHANGE IN NET POSITION	(12,447)
NET POSITION - BEGINNING OF YEAR	<u>120,926</u>
NET POSITION - END OF YEAR	<u>\$ 108,479</u>

The accompanying notes are an integral part of these statements.

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies

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

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

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

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

Basis of Presentation

District-Wide Statements

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

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

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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

The District reports the following major governmental funds:

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

Referendum Approved Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Long-Term Capital Improvement Trust - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District has one fiduciary fund which accounts for a private purpose trust.

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

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

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

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

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

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2021 tax levy is used to finance operations of the District's fiscal year ended June 30, 2022. All property taxes are considered due on January 1, when an enforceable lien may be assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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

Due To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

reported as due to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenues and expenses.

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Capital Assets - Capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at estimated acquisition value at the date of donation.

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

	Capitalization <u>Threshold</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>
Buildings	\$5,000	Straight-line	50 years
Land improvements	\$5,000	Straight-line	10-20 years
Furniture and equipment	\$5,000	Straight-line	5-20 years
Computer and related technology	\$5,000	Straight-line	5 years

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

Other Post Employment Benefits (OPEB) - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has three items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, Wisconsin Retirement System local retiree life insurance fund (LRLIF), and OPEB healthcare reported in the government-wide statement of net position. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has three types of items, Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare which qualify for reporting in this category. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in its actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

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

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

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 2 - Cash and Investments

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

As of June 30, 2022, the District had the following investment:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Certificates of deposit	Less than one year	\$ 32,394
Certificates of deposit	More than one year	62,967
Total		<u>\$ 95,361</u>

Determining Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has no items requiring recurring fair value measurements.

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

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District does not have an investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have an investment policy that would further limit its investment choices. The State of Wisconsin Local Government Investment Pool and money market fund are not rated.

Custodial Credit Risk - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2022, \$1,843,397 of the District's bank balance of \$6,128,201 was

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 2 - Cash and Investments - Continued

exposed to custodial credit risk as uninsured, pledged collateral, collateralized by municipal securities held by the bank in the bank's name. There was \$3,384,804 that was uninsured and uncollateralized.

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 51,500	\$ -	\$ -	\$ 51,500
Capital assets being depreciated:				
Land improvements	597,739	92,140	-	689,879
Buildings and improvements	20,046,828	512,905	-	20,559,733
Equipment	1,857,326	131,023	-	1,988,349
Total capital assets being depreciated	<u>22,501,893</u>	<u>736,068</u>	<u>-</u>	<u>23,237,961</u>
Less accumulated depreciation for:				
Land improvements	(518,274)	(10,508)	-	(528,782)
Buildings and improvements	(7,688,399)	(443,920)	-	(8,132,319)
Equipment	(1,562,904)	(39,877)	-	(1,602,781)
Total accumulated depreciation	<u>(9,769,577)</u>	<u>(494,305)</u>	<u>-</u>	<u>(10,263,882)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>12,732,316</u>	<u>241,763</u>	<u>-</u>	<u>12,974,079</u>
Capital assets, net of accumulated depreciation	<u>\$ 12,783,816</u>	<u>\$ 241,763</u>	<u>\$ -</u>	<u>\$ 13,025,579</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 366
Vocational instruction	8,544
Other instruction	5,082
Instructional staff services	1,865
Building administration services	446,986
Business services	<u>31,462</u>
Total	<u>\$ 494,305</u>

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 4 - Long-Term Obligations

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 2,342,000	\$ -	\$ (2,342,000)	\$ -	\$ -
Wisconsin Retirement System					
LRLIF	328,080	8,669	-	336,749	-
OPEB healthcare	1,523,989	114,939	(411,106)	1,227,822	49,875
Total	<u>\$ 4,194,069</u>	<u>\$ 123,608</u>	<u>\$ (2,753,106)</u>	<u>\$ 1,564,571</u>	<u>\$ 49,875</u>

In prior years, the general and food service funds liquidated vested employee benefits. Interest cost incurred during the year totaled \$20,657 and total paid during the year aggregated \$26,250.

General Obligation Debt Limit Calculation - The 2021 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$402,588,887. The legal debt limit and margin of indebtedness as of June 30, 2022, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes follows:

Debt limit (10 percent of \$402,588,887)	\$ 40,258,889
Applicable long-term debt	-
Amount available in debt service fund	-
Margin of indebtedness	<u>\$ 40,258,889</u>

NOTE 5 - Wisconsin Retirement System Pension

General Information about the Pension Plan

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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,

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System Pension - Continued

1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System Pension - Continued

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 \$243,832 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At June 30, 2022, the District reported a liability (asset) of (\$1,911,226) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2021, the District's proportion was 0.02371195%, which was a decrease of .00035213% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense (revenue) of (\$164,442).

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,087,490	\$ 222,641
Net differences between projected and actual earnings on pension plan investments	-	4,275,574
Changes in assumptions	356,569	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,968	3,840
Employer contributions subsequent to the measurement date	139,261	-
Total	\$ 3,587,288	\$ 4,502,055

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System Pension - Continued

\$139,261 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to Pension will be recognized in pension expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2023	\$ (89,374)
2024	(518,850)
2025	(227,767)
2026	(218,037)
Thereafter	-

Actuarial Assumptions - The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.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, 2021. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System Pension - Continued

expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns
As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund	115	6.6	4
Variable Fund Asset Class			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations
New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.5%

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

Single Discount Rate - A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System Pension - Continued

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 1,356,150	\$ (1,911,226)	\$ (4,263,130)

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>.

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund

General Information about the Other Post Employment Benefits

Plan Description - The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

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

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

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

Employers are required to pay the following contributions based on employee contributions for active members to provide them with basic coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund – Continued

must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2022 are:

Coverage Type	Employer Contribution
50% post retirement coverage	40% of employee contribution
25% post retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2021 are as listed below:

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$1,091 in contributions from the employer.

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

At June 30, 2022, the District reported a liability (asset) of \$336,749 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.056976%, which was a decrease of 0.002667% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense (revenue) of \$40,279.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 17,130
Net differences between projected and actual earnings on OPEB plan investments	4,380	-
Changes in assumption	101,743	16,322
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,823	11,847
Employer contributions subsequent to the measurement date	543	-
Total	\$ 110,489	\$ 45,299

\$543 was reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2023	\$ 14,926
2024	14,418
2025	12,855
2026	17,233
Thereafter	5,215

Actuarial Assumptions - The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study,

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Intern Credit	45	1.68
US Long Credit Bonds	Bloomberg US Long Credit	5	1.82
US Mortgages	Bloomberg US MBS	50	1.94
Inflation			2.3
Long-term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate - A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
District's proportionate share of the net OPEB liability (asset)	\$ 456,847	\$ 336,749	\$ 246,380

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 7 - Interfund Balance and Activity

Interfund receivable and payable balances on June 30, 2022, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Long-term capital improvement trust	General	\$ 680,000

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Interfund transfers at June 30, 2022 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Long-term capital improvement trust	\$ 680,000

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 8 - Post Employment Benefits Other Than Pensions

General Information about the Post Employment Benefits Other Than Pensions

Plan Description - The other post employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Administrators with 20 years of service will receive contributions towards their medical and dental premiums. Contributions will be at the rate in effect upon retirement for a duration determined by the retiree's years of service, not to exceed 7 years for 35 or more years of service.

Teachers at least age 55 with 20 years of service in the District with 10 years in prior to June 30, 2012, will receive contributions towards their medical premiums. Contributions will be at the rate in effect upon retirement for a duration determined by the retiree's years of service as of June 30, 2012, not to exceed Medicare-eligibility. Teachers with less than 10 years of service prior to June 30, 2012, will receive a contribution of \$45,000 into a Health Reimbursement Arrangement paid in monthly installments over a period of 3 years. These payments may be used towards payment of premiums of the District's group medical plan or for other eligible expenses.

Support staff at least age 55 with 25 years of service in the District will receive contributions towards their medical premiums. Contributions will be at the rate in effect upon retirement for a duration determined by the retiree's years of service as of June 30, 2012, but not to exceed Medicare-eligibility.

Employees Covered - As of the June 30, 2021 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>74</u>
Total	<u>82</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2022, contribution rates for Plan members were \$87 - \$174 per participant per month and \$637 - \$1,275 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$0 and the District contributed \$49,875 to the plan.

Actuarial Assumptions - The net OPEB healthcare liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Actuarial Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal - Level %
Discount Rate:	2.25%
Mortality:	Wisconsin 2018 Mortality Table
Medical Care Cost Trend:	6.5% decreasing by .1% per year to 5%, and level thereafter

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2019. Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System experience from 2015 - 2017.

Discount Rate - A discount rate of 2.25% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability. The discount rate did incorporate a municipal bond rate.

Changes in the OPEB Healthcare Liability

	OPEB Healthcare Liability
Beginning balance	<u>\$ 1,523,989</u>
Changes for the year:	
Service cost	80,479
Interest	34,460
Changes of benefit terms	(82,456)
Differences between expected and actual experience	(227,833)
Changes of assumptions or other input	(35,480)
Benefit payments	<u>(65,337)</u>
Net changes	<u>(296,167)</u>
Ending balance	<u>\$ 1,227,822</u>

Sensitivity of the OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate -

The following presents the OPEB healthcare liability calculated using the healthcare cost trend rate of 6.5 percent decreasing to 5 percent, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.5 percent decreasing to 4 percent) or 1-percentage-point higher (7.5 percent decreasing to 6 percent) than the current rate:

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

	1% Decrease (5.5% decreasing to 4%)	Healthcare Cost Trend Rates (6.5% decreasing to 5%)	1% Increase (7.5% decreasing to 6%)
OPEB healthcare liability	\$ 1,172,740	\$ 1,227,822	\$ 1,288,396

Sensitivity of the OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the OPEB healthcare liability calculated using the discount rate of 2.25 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
OPEB healthcare liability	\$ 1,277,481	\$ 1,227,822	\$ 1,178,526

Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB Healthcare

For the year ended June 30, 2022, the District recognized OPEB healthcare expense (revenue) of (\$29,318).

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 604,656
Changes in assumptions	101,118	46,961
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	49,875	-
Total	\$ 150,993	\$ 651,617

\$49,875 reported as deferred outflow related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a decrease on the net OPEB healthcare liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 8 - Post Employment Benefits Other Than Pensions - Continued

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2023	\$ (61,801)
2024	(61,801)
2025	(61,801)
2026	(61,801)
2027	(61,801)
Thereafter	\$ (241,494)

Payables to the OPEB Healthcare Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2022.

NOTE 9 - Fund Balance and Net Position

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

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Restricted</u>		
General	Common school fund	\$ 8,577
Trust	Specific expenses	\$ 285,349
Food service	DPI regulation	\$ 147,018
Community service	Specific expenses	\$ 24,549
Capital expansion	DPI regulation	\$ 257,495
Long-term capital improvement trust	DPI regulation	\$ 3,984,211
<u>Governmental Activities</u>		
<u>Restricted</u>		
Special revenue	Specific expenses and DPI regulation	\$ 456,916
Capital projects	DPI regulation	\$ 4,241,706
Other activities	Common school fund	\$ 8,577
Other activities	Wisconsin Retirement System pension	\$ 1,911,226

NOTE 10 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 11 - Commitments and Contingencies

The District has a service agreement with Cooperative Education Service Agency #7 for services to be provided to the District in 2022-2023. Expected costs are \$72,074.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 11 - Commitments and Contingencies - Continued

The District has a transportation agreement with estimated costs for the following school years:

2022-2023	\$ 485,771
2023-2024	494,181
2024-2025	515,626
2025-2026	538,143
2026-2027	<u>561,785</u>
	<u>\$2,595,506</u>

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

NOTE 12 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

NOTE 13 - Subsequent Events

On October 24, 2022, the District issued a \$500,000 promissory note to be used for the renovations to the elementary school.

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

REEDSVILLE PUBLIC SCHOOLS
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
REVENUES										
Property taxes	\$ 2,954,353	\$ -	\$ 2,954,353	\$ 2,954,353	\$ -	\$ 2,954,353	\$ 2,956,335	\$ -	\$ 2,956,335	\$ 1,982
Other local sources	10,700	-	10,700	10,700	-	10,700	44,939	-	44,939	34,239
Interdistrict sources	604,019	-	604,019	604,019	-	604,019	587,963	-	587,963	(16,056)
Intermediate sources	5,000	15,000	20,000	5,000	15,000	20,000	8,407	17,670	26,077	6,077
State sources	5,390,498	148,000	5,538,498	5,390,498	148,000	5,538,498	5,466,183	178,106	5,644,289	105,791
Federal sources	319,676	364,660	684,336	319,676	364,660	684,336	790,268	248,146	1,038,414	354,078
Other sources	10,000	-	10,000	10,000	-	10,000	85,962	-	85,962	75,962
TOTAL REVENUES	9,294,246	527,660	9,821,906	9,294,246	527,660	9,821,906	9,940,057	443,922	10,383,979	562,073
EXPENDITURES										
Current										
Instruction										
Regular instruction	2,647,155	-	2,647,155	2,647,155	-	2,647,155	2,569,796	-	2,569,796	77,359
Vocational instruction	431,235	-	431,235	431,235	-	431,235	493,030	-	493,030	(61,795)
Special instruction	-	749,708	749,708	-	749,708	749,708	-	641,323	641,323	108,385
Other instructor	543,809	-	543,809	543,809	-	543,809	491,918	-	491,918	51,891
Total instruction	3,622,199	749,708	4,371,907	3,622,199	749,708	4,371,907	3,554,744	641,323	4,196,067	175,840
Support services										
Pupil services	177,587	247,682	425,269	177,587	247,682	425,269	164,442	254,450	418,892	6,377
Instructional staff services	225,403	35,407	260,810	225,403	35,407	260,810	327,454	33,161	360,615	(99,805)
General administration services	242,704	-	242,704	242,704	-	242,704	271,802	-	271,802	(29,098)
Building administration services	349,904	-	349,904	349,904	-	349,904	361,273	50	361,323	(11,419)
Business services	1,757,320	-	1,757,320	1,757,320	-	1,757,320	2,075,526	60,589	2,136,115	(378,795)
Central services	67,400	-	67,400	67,400	-	67,400	40,720	-	40,720	26,680
Insurance	85,700	-	85,700	85,700	-	85,700	85,355	-	85,355	345
Other support services	211,437	-	211,437	211,437	-	211,437	249,452	-	249,452	(38,015)
Total support services	3,117,455	283,089	3,400,544	3,117,455	283,089	3,400,544	3,576,024	348,250	3,924,274	(523,730)
Non-program transactions	1,429,555	60,600	1,490,155	1,429,555	60,600	1,490,155	1,437,538	79,162	1,516,700	(26,545)
Capital outlay	59,300	-	59,300	59,300	-	59,300	43,200	-	43,200	16,100
TOTAL EXPENDITURES	8,228,509	1,093,397	9,321,906	8,228,509	1,093,397	9,321,906	8,611,506	1,068,735	9,680,241	(358,335)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,065,737	(565,737)	500,000	1,065,737	(565,737)	500,000	1,328,551	(624,813)	703,738	203,738
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(1,065,737)	565,737	(500,000)	(1,065,737)	565,737	(500,000)	(1,304,813)	624,813	(680,000)	(180,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,065,737)	565,737	(500,000)	(1,065,737)	565,737	(500,000)	(1,304,813)	624,813	(680,000)	(180,000)
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	23,738	-	23,738	23,738
FUND BALANCE - BEGINNING OF YEAR	1,805,939	-	1,805,939	1,805,939	-	1,805,939	1,805,939	-	1,805,939	-
FUND BALANCE - END OF YEAR	\$ 1,805,939	\$ -	\$ 1,805,939	\$ 1,805,939	\$ -	\$ 1,805,939	\$ 1,829,677	\$ -	\$ 1,829,677	\$ 23,738

REEDSVILLE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2022

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the budget hearing, the Board of Education may make alterations to the proposed budget.
5. After the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
6. Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
7. Encumbrance accounting is not used.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following expenditure classifications were in excess of \$1,000 over budget.

General/Special Education	Vocational instruction	\$ 61,795
General/Special Education	Instructional staff services	99,805
General/Special Education	General administration services	29,098
General/Special Education	Building administration services	11,419
General/Special Education	Business services	378,795
General/Special Education	Other support services	38,015
General/Special Education	Non-program transactions	26,545
General/Special Education	Transfer to other funds	180,000

REEDSVILLE PUBLIC SCHOOLS
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2022

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

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.02371195%	\$ (1,911,226)	\$ 4,057,559	-47.10%	106.02%
2020	0.02406408%	(1,502,353)	3,962,509	-37.91%	105.26%
2019	0.02429162%	(783,272)	3,827,691	-20.46%	102.96%
2018	0.02453511%	872,882	3,779,885	23.09%	96.45%
2017	0.02467047%	(732,495)	3,622,000	-20.22%	102.93%
2016	0.02507554%	206,682	3,560,955	5.80%	99.12%
2015	0.02594862%	421,660	3,551,841	11.87%	98.20%
2014	0.02718990%	(667,858)	3,580,242	-18.65%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 247,832	\$ (247,832)	\$ -	3,750,932	6.61%
2021	267,469	(267,469)	-	3,962,509	6.75%
2020	250,713	(250,713)	-	3,827,691	6.55%
2019	253,251	(253,251)	-	3,779,885	6.70%
2018	246,295	(246,295)	-	3,622,000	6.80%
2017	235,024	(235,024)	-	3,560,955	6.60%
2016	241,523	(241,523)	-	3,551,841	6.80%
2015	250,619	(250,619)	-	3,580,242	7.00%

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

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2022

Changes of benefit terms - there were no changes of benefit terms for any participating employer in WRS.

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

- * Lowering the long-term expected rate of return from 7% to 6.8%
- * Lowering the discount rate from 7% 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.

REEDSVILLE PUBLIC SCHOOLS
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2022

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

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2021	0.05697600%	\$ 336,749	\$ 3,386,000	9.95%	29.57%
2020	0.05964300%	328,080	3,105,000	10.57%	31.36%
2019	0.05856600%	249,385	3,031,000	8.23%	37.58%
2018	0.05789800%	149,396	2,899,000	5.15%	48.69%
2017	0.06030800%	181,441	2,536,124	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 1,091	\$ (1,091)	\$ -	\$ 4,366,300	0.02%
2021	1,189	(1,189)	-	3,105,000	0.04%
2020	1,058	(1,058)	-	3,031,000	0.03%
2019	1,115	(1,115)	-	2,899,000	0.04%
2018	1,145	(1,145)	-	2,536,124	0.05%

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

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

Notes to Required Supplementary Information for the Year Ended June 30, 2022

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

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

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

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

REEDSVILLE PUBLIC SCHOOLS
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2022

SCHEDULE OF CHANGES IN THE TOTAL NET OPEB HEALTHCARE LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Healthcare Liability					
Service cost	\$ 80,479	\$ 63,976	\$ 76,814	\$ 80,118	\$ 80,118
Interest	34,460	48,833	68,479	62,242	60,984
Changes of benefit terms	(82,456)	-	-	-	-
Differences between expected and actual experience	(227,833)	-	(544,237)	-	-
Changes of assumptions or other input	(35,480)	84,390	44,099	(22,690)	-
Benefit payments	<u>(65,337)</u>	<u>(72,903)</u>	<u>(66,343)</u>	<u>(74,138)</u>	<u>(136,183)</u>
Net Changes in Total OPEB Healthcare Liability	(296,167)	124,296	(421,188)	45,532	4,919
Total OPEB Healthcare Liability - Beginning	<u>1,523,989</u>	<u>1,399,693</u>	<u>1,820,881</u>	<u>1,775,349</u>	<u>1,770,430</u>
Total OPEB Healthcare Liability - Ending	\$ 1,227,822	\$ 1,523,989	\$ 1,399,693	\$ 1,820,881	\$ 1,775,349
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 3,857,233	\$ 2,846,655	\$ 2,846,655	\$ 2,894,192	\$ 2,894,192
OPEB Healthcare Liability as a percentage of covered payroll	31.83%	53.54%	49.17%	62.92%	61.34%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	<u>(65,337)</u>	<u>(72,903)</u>	<u>(66,343)</u>	<u>(74,138)</u>	<u>(136,183)</u>
Contribution deficiency (excess)	<u>\$ (65,337)</u>	<u>\$ (72,903)</u>	<u>\$ (66,343)</u>	<u>\$ (74,138)</u>	<u>\$ (136,183)</u>
Covered payroll	\$ 3,857,233	\$ 2,846,655	\$ 2,846,655	\$ 2,894,192	\$ 2,894,192
Contributions as a percentage of covered payroll	1.69%	2.56%	2.33%	2.56%	4.71%
Actuarial valuation date	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

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

Notes to Required Supplementary Information for the Year Ended June 30, 2022

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % open amortization, 2.25% discount rate, Wisconsin 2018 mortality table.

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

Changes of assumptions - there were no changes in the assumptions.

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

SUPPLEMENTARY INFORMATION

REEDSVILLE PUBLIC SCHOOLS
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	CAPITAL EXPANSION	
ASSETS					
Cash and investments	\$ 285,349	\$ 151,926	\$ 37,302	\$ 257,495	\$ 732,072
Due from other governments	-	12,175	-	-	12,175
TOTAL ASSETS	<u>285,349</u>	<u>164,101</u>	<u>37,302</u>	<u>257,495</u>	<u>744,247</u>
LIABILITIES					
Accrued payroll liabilities	-	1,015	12,753	-	13,768
Unearned revenue	-	16,068	-	-	16,068
TOTAL LIABILITIES	<u>-</u>	<u>17,083</u>	<u>12,753</u>	<u>-</u>	<u>29,836</u>
FUND BALANCES					
Restricted	285,349	147,018	24,549	257,495	714,411
TOTAL FUND BALANCES	<u>285,349</u>	<u>147,018</u>	<u>24,549</u>	<u>257,495</u>	<u>714,411</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 285,349</u>	<u>\$ 164,101</u>	<u>\$ 37,302</u>	<u>\$ 257,495</u>	<u>\$ 744,247</u>

REEDSVILLE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	CAPITAL EXPANSION	
REVENUES					
Property taxes	\$ -	\$ -	\$ 260,000	\$ -	\$ 260,000
Other local sources	294,240	7,792	4	257	302,293
State sources	-	18,039	-	-	18,039
Federal sources	-	474,938	-	-	474,938
TOTAL REVENUES	<u>294,240</u>	<u>500,769</u>	<u>260,004</u>	<u>257</u>	<u>1,055,270</u>
EXPENDITURES					
Current					
Instruction					
Other instruction	256,669	-	-	-	256,669
Total instruction	<u>256,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,669</u>
Support service					
Business services	-	393,633	4,914	-	398,547
Community services	-	-	233,054	-	233,054
Total support services	<u>-</u>	<u>393,633</u>	<u>237,968</u>	<u>-</u>	<u>631,601</u>
Capital outlay	-	8,652	-	-	8,652
TOTAL EXPENDITURES	<u>256,669</u>	<u>402,285</u>	<u>237,968</u>	<u>-</u>	<u>896,922</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>37,571</u>	<u>98,484</u>	<u>22,036</u>	<u>257</u>	<u>158,348</u>
NET CHANGE IN FUND BALANCE	37,571	98,484	22,036	257	158,348
FUND BALANCES - BEGINNING OF YEAR	<u>247,778</u>	<u>48,534</u>	<u>2,513</u>	<u>257,238</u>	<u>556,063</u>
FUND BALANCES - END OF YEAR	<u>\$285,349</u>	<u>\$147,018</u>	<u>\$ 24,549</u>	<u>\$ 257,495</u>	<u>\$ 714,411</u>

REEDSVILLE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2021	REVENUES GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2022	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction								
Child Nutrition Cluster								
COVID-19 - School Breakfast Program								
July 1, 2020 - June 30, 2021	2021-364760-DPI-SB-546	10.553	N/A	\$ 4,434	\$ 4,434	\$ -	\$ -	\$ -
July 1, 2021 - June 30, 2022	2022-364760-DPI-SB-546		N/A	-	118,135	121,910	3,775	-
Food Distribution								
July 1, 2021 - June 30, 2022	None	10.555	N/A	-	27,260	27,260	-	-
COVID-19 - National School Lunch Program								
July 1, 2020 - June 30, 2021	2021-364760-DPI-NSL-547	10.555	N/A	12,390	12,390	-	-	-
July 1, 2021 - June 30, 2022	2022-364760-DPI-NSL-547		N/A	-	317,369	325,769	8,400	-
Total Child Nutrition Cluster				16,824	479,588	474,939	12,175	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				16,824	479,588	474,939	12,175	-
U.S. DEPARTMENT OF EDUCATION								
Title VI-B - Rural Education Achievement Program								
July 1, 2021 - June 30, 2022	None	84.358B	N/A	-	30,549	30,549	-	-
Wisconsin Department of Public Instruction								
Title IA Cluster								
Title IA - Grants to Local Educational Agencies								
July 1, 2020 - June 30, 2021	2021-364760-DPI-TIA-141	84.010A	N/A	51,096	51,096	-	-	-
July 1, 2021 - June 30, 2022	2022-364760-DPI-TIA-141		\$ 102,821	-	39,576	100,771	61,195	-
Total Title IA Cluster				51,096	90,672	100,771	61,195	-
Special Education Cluster								
Special Education - Grants to States (IDEA Part B)								
July 1, 2020 - June 30, 2021	2021-364760-DPI-IDEA-FT-341	84.027A	N/A	85,234	85,234	-	-	-
July 1, 2021 - June 30, 2022	2022-364760-DPI-FLOW-341		192,409	-	161,927	161,927	-	-
Special Education - Grants to States (ARPA)								
July 1, 2021 - June 30, 2022	2022-364760-DPI-FLOW-341	84.027X	N/A	-	30,482	30,482	-	-
Special Education - Preschool Grants (IDEA Preschool)								
July 1, 2021 - June 30, 2022	2021-364760-DPI-IDEA-P-347	84.173A	14,755	-	3,456	3,456	-	-
Special Education - Preschool Grants (ARPA)								
July 1, 2020 - June 30, 2021	2021-364760-DPI-IDEA-P-347	84.173X	N/A	14,635	14,635	-	-	-
July 1, 2021 - June 30, 2022	2022-364760-DPI-PRESCH-347		N/A	-	11,299	11,299	-	-
Total Special Education Cluster				99,869	307,033	207,164	-	-
Title II-A - Supporting Effective Instruction State Grants								
July 1, 2020 - June 30, 2021	2021-364760-DPI-TIIA-365	84.367A	N/A	9,213	9,213	-	-	-
July 1, 2021 - June 30, 2022	2022-364760-DPI-TIIA-365		17,618	-	14,543	17,618	3,075	-
Title-IV - Student Support and Academic Enrichment Grant								
July 1, 2020 - June 30, 2021	2021-364760-DPI-TIVA-A-381	84.424A	N/A	24,195	24,195	-	-	-
July 1, 2021 - June 30, 2022	2022-364760-DPI-TIVA-381		10,217	-	7,488	10,217	2,729	-
Education Stabilization Fund								
COVID-19 - Elementary and Secondary School Emergency Relief								
March 13, 2020 - September 30, 2022	2021-364760-DPI-ESSERF-160	84.425D	N/A	3,844	3,844	-	-	-
March 13, 2020 - September 30, 2022	2022-364760-DPI-ESSERFI-160		84,466	-	55,354	55,354	-	-
COVID-19 - Elementary and Secondary School Emergency Relief								
March 13, 2020 - September 30, 2023	2021-365824-DPI-ESSERF-163	84.425D	N/A	249,188	249,188	-	-	-
March 13, 2020 - September 30, 2023	2022-364760-DPI-ESSERFII-163		354,823	-	105,635	105,635	-	-
COVID-19 - Elementary and Secondary School Emergency Relief								
March 13, 2020 - September 30, 2024	2022-364760-DPI-ESSERFIII-165	84.425U	797,437	-	123,966	171,966	48,000	-
Total Education Stabilization Fund				253,032	537,987	332,955	48,000	-
Cooperative Educational Service Agency #7								
Career and Technical Education - Basic Grants to States (Perkins IV)								
July 1, 2020 - June 30, 2021	None	84.048	N/A	-	-	-	-	-
July 1, 2021 - June 30, 2022	None		N/A	-	3,495	3,495	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION				437,405	1,025,175	702,769	114,999	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Wisconsin Department of Health Services								
Medical Assistance								
July 1, 2021 - June 30, 2022	None	93.778	N/A	-	55,774	55,774	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	55,774	55,774	-	-
FEDERAL COMMUNICATIONS COMMISSION								
Universal Service Administrative Company								
Emergency Connectivity Fund								
July 1, 2021 - June 30, 2022	None	32.009	N/A	-	183,101	183,101	-	-
TOTAL FEDERAL COMMUNICATIONS COMMISSION				-	183,101	183,101	-	-
TOTAL FEDERAL AWARDS				\$ 454,229	\$ 1,743,638	\$ 1,416,583	\$ 127,174	\$ -

REEDSVILLE PUBLIC SCHOOLS
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022

	PASS-THROUGH		RECEIVABLE			RECEIVABLE	
AWARDING AGENCY	ENTITY	STATE	(UNEARNED	REVENUE		(UNEARNED	SUBRECIPIENT
PASS-THROUGH AGENCY	IDENTIFYING	I.D.	REVENUE)	GRANTOR		REVENUE)	PASS-THROUGH
AWARD DESCRIPTION	NUMBER	NUMBER	JULY 1, 2021	REIMBURSEMENTS	EXPENDITURES	JUNE 30, 2022	EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	364760-100	255.101	\$ -	\$ 190,994	\$ 190,994	\$ -	\$ -
State School Lunch Aid	364760-107	255.102	-	10,708	10,708	-	-
Common School Fund Library Aid	364760-104	255.103	-	36,409	36,409	-	-
General Transportation Aid	364760-102	255.107	-	43,326	43,326	-	-
Wisconsin School Day Milk Program	364760-109	255.115	-	1,962	1,962	-	-
General Aids Cluster							
Equalization Aid	364760-116	255.201	68,082	4,595,188	4,527,106	-	-
Sparsity Aid	364760-162	255.212	-	235,324	235,324	-	-
School Breakfast Program	364760-108	255.344	-	5,370	5,370	-	-
Early College Credit	364760-178	255.445	-	317	317	-	-
Per Pupil Aid	364760-113	255.945	-	456,330	456,330	-	-
High Cost Transportaion Aid	364760-114	255.947	-	74,780	74,780	-	-
Career and Technical Education Incentive	364760-151	255.950	-	-	18,566	18,566	-
Assessments of Reading Readiness	364760-166	255.956	-	1,551	1,551	-	-
Aid for Special Education Transition Grants	364760-168	255.960	-	4,782	4,782	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			68,082	5,657,041	5,607,525	18,566	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
Cooperative Educational Service Agency #6							
Youth Apprenticeship Grant	None	445.107	-	4,912	4,912	-	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			-	4,912	4,912	-	-
WISCONSIN DEPARTMENT OF ADMINISTRATION							
TEACH	None	None	-	30,000	30,000	-	-
TOTAL WISCONSIN DEPARTMENT OF ADMINISTRATION			-	30,000	30,000	-	-
WISCONSIN DEPARTMENT OF REVENUE							
Exempt Computer Aid	None	None	2,356	2,356	2,356	2,356	-
Exempt Personal Property Aid	None	None	-	40,118	40,118	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			2,356	42,474	42,474	2,356	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 70,438	\$ 5,734,427	\$ 5,684,911	\$ 20,922	\$ -

The accompanying notes are an integral part of these statements.

REEDSVILLE PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1 - Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Reedsville Public Schools. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable and are limited as to reimbursement.

NOTE 3 - Special Education and School Age Parents Program

2021-2022 eligible costs under the State Special Education Program are \$544,993.

NOTE 4 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**REEDSVILLE PUBLIC SCHOOLS
REEDSVILLE, WISCONSIN**

OTHER REPORTS



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

To the Board of Education
Reedsville Public Schools
Reedsville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsville Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Reedsville Public Schools' basic financial statements, and have issued our report thereon dated December 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Reedsville Public Schools' 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 Reedsville Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Reedsville Public Schools' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. We consider the 2022-001, 2022-002, and 2022-003 deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Reedsville Public Schools' 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and questioned costs as item 2022-004.

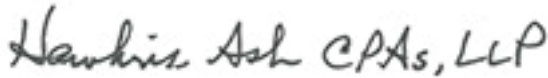
Reedsville Public Schools' Responses to Findings

Reedsville Public Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Reedsville Public Schools' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin
December 13, 2022



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

To the Board of Education
Reedsville Public Schools
Reedsville, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Reedsville Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Reedsville Public Schools' major federal and state programs for the year ended June 30, 2022. Reedsville Public Schools' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Reedsville Public Schools 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of Reedsville Public Schools 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 Reedsville Public Schools' 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 Reedsville Public Schools' federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control

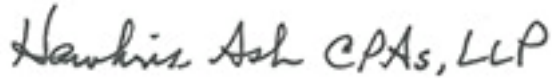
over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin
December 13, 2022

REEDSVILLE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness identified?	_____ Yes	<u> X </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> X </u> Yes	_____	None reported
Noncompliance material to the financial statements?	_____ Yes	<u> X </u> No	

Federal Awards

Internal control over financial reporting:			
Material weakness identified?	_____ Yes	<u> X </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ Yes	<u> X </u> No
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Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
80.027, 84.173	Special Education Cluster

State Assistance

Internal control over financial reporting:			
Material weakness identified?	_____ Yes	<u> X </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i> ?	_____ Yes	<u> X </u> No
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REEDSVILLE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2022

Identification of major state programs:

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

Dollar threshold used to distinguish between:

Type A and Type B federal programs:	\$750,000
Type A and Type B state programs:	\$250,000

Auditee qualified as a low-risk auditee? _____ Yes X No

Section II - Financial Statement Findings and Questioned Costs

2022-001 - Preparation of Financial Statements

Program: District-Wide

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

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

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

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

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2021-001.

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

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

2022-002 - Segregation of Duties

Program: District-Wide

Criteria: Segregation of accounting duties is necessary for adequate internal control.

REEDSVILLE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2022

Condition: Separation of accounting duties for adjusting journal entries, cash receipts, and cash disbursements is currently limited to obtain an adequate internal control system.

Questioned Costs: Not applicable.

Context: The number of personnel limits the separation of accounting duties.

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

Information: Systemic problem.

Prior Year Finding: This was a prior year audit finding numbered 2021-002.

Recommendation: Management should monitor the accounting internal controls or hire additional personnel to be able to properly separate accounting duties.

Management's Response: This weakness is impractical to entirely correct due to the limited resources and personnel available to our District. We will continue to use other controls, where practical, to compensate for this limitation.

2022-003 - Significant Audit Adjustments

Program: District-Wide

Criteria: Generally accepted accounting principles.

Condition: Significant audit adjustments were required to prevent the District's financial statements from being misstated.

Questioned Costs: Not applicable.

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

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

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2021-003.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect significant adjustments.

Management's Response: The District will incorporate financial reporting internal controls to detect significant adjustments, prevent misstated financial statements and increase the accuracy of the interim financial reports used by management.

REEDSVILLE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2022

Compliance and Other Matters

2022-004 - Actual Expenditures Over Budget

Program: General Fund

Criteria: Wisconsin Statute 120.16(2) prohibits spending more than budgeted expenditures.

Condition: The District spent \$358,335 more than their adopted budget.

Questioned Costs: Not applicable.

Context: The District did not monitor actual spending in comparison with budgeted amounts.

Effect: The District is not in compliance with Wisconsin Statutes.

Information: Isolated instance.

Prior Year Finding: This was not a prior year finding.

Recommendation: The District should monitor actual expenditures compared to the adopted budget and formally amend the budget to ensure total actual expenditures do not exceed total budgeted expenditures.

Management's Response: The District typically does not formally amend the original budget. In the future, we will review our budget calculations throughout the year and formally amend the budget if necessary.

Section III - Federal and State Award Findings and Questioned Costs

None



Reedsville Public Schools

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Elementary/Middle School (920)754-4345 Phone (920)754-4577 Fax

High School (920)754-4341 Phone (920)754-4344 Fax

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

JUNE 30, 2022

Summary Schedule of Prior Audit Findings

2021-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/13.

2021-002 - Segregation of Duties - Repeat. Initially occurred 6/30/99.

2021-003 - Significant Audit Adjustments - Repeat. Initially occurred 6/30/21.

Corrective Action Plan

2022-001 - Preparation of Financial Statements - Contact: Michael Nate, Superintendent. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.

2022-002 - Segregation of Duties - Contact: Michael Nate, Superintendent. Completion date: N/A. The segregation of duties weakness is impractical to completely correct due to the limited resources and staff available to our District. We will continue to use other controls, where practical, to compensate for this limitation.

2022-003 - Significant Audit Adjustments - Contact: Michael Nate, Superintendent. Completion date: June 30, 2023. The District will improve its financial reporting internal controls by reconciling accounts on a recurring basis to prevent significant audit adjustments. District management will review and approve the audit adjustments.

2022-004 - Actual Expenditures Over Budget - Contact: Michael Nate, Superintendent. Completion date: June 30, 2023. The District will review our budget calculations throughout the year and formally amend the budget if necessary.