



ROCK UNIVERSITY HIGH SCHOOL

A Charter School & Component Unit of the
School District of Janesville
Janesville, Wisconsin

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2022



ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

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Independent Auditors' Report

To the Governance Council of
Rock University High School

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rock University High School, a component unit of the School District of Janesville, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Rock University High School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rock University High School 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 (*Government Auditing Standards*). 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 Rock University High School 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.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Rock University High School at June 30, 2022 and the respective change in financial position for the year then ended and is not intended to be a complete presentation of the School District of Janesville. These financial statements do not purport to and do not present fairly the financial position of the School District of Janesville as of June 30, 2022 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

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

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 Rock University High School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rock University High School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 on our consideration of the Rock University High School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rock University High School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rock University High School's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 12, 2022

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Statement of Net Position
June 30, 2022

	Governmental Activities
Assets:	
Current assets	
Due from other governments	\$ 70,707
Capital assets	
Depreciable, net of accumulated depreciation	59,991
Total assets	130,698
Liabilities:	
Current liabilities	
Accounts payable	8,581
Accrued wages	64,214
Fringe benefits and withholdings	20,627
Due to school district	206,643
Total liabilities	300,065
Net Position (Deficit):	
Net investment in capital assets	59,991
Restricted for other activities	2,054
Unrestricted	(231,412)
Total net position (deficit)	\$ (169,367)

The accompanying notes to financial statements are an integral part of these statements.

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Statement of Activities
Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
General	\$ 431,633	\$ 1,932	\$ 66,805	\$ (362,896)
Special	97,231	-	-	(97,231)
Cocurricular	692	-	2,310	1,618
Total instruction	<u>529,556</u>	<u>1,932</u>	<u>69,115</u>	<u>(458,509)</u>
Support services:				
Student support	33,088	-	-	(33,088)
Instructional support	29,876	-	22,512	(7,364)
General and school administration	137,433	-	53,913	(83,520)
Business and ancillary services	3,086	-	1,429	(1,657)
Other support services	10,821	-	-	(10,821)
Total support services	<u>214,304</u>	<u>-</u>	<u>77,854</u>	<u>(136,450)</u>
Total activities	<u>\$ 743,860</u>	<u>\$ 1,932</u>	<u>\$ 146,969</u>	<u>(594,959)</u>

General Revenues:

Allocation from the school district not restricted to specific functions 529,010

Changes in net position (65,949)

Net Position - Beginning of fiscal year (103,418)

Net Position - End of fiscal year \$ (169,367)

The accompanying notes to financial statements are an integral part of these statements.

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Gifts Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Due from school district	\$ -	\$ 2,054	2,054
Due from other governments	70,707	-	70,707
Total assets	\$ 70,707	\$ 2,054	\$ 72,761
 Liabilities and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	8,581	-	8,581
Accrued wages	64,214	-	64,214
Fringe benefits and withholdings	20,627	-	20,627
Due to school district	208,697	-	208,697
Total liabilities	302,119	-	302,119
 Fund Balances (Deficit):			
Restricted	-	2,054	2,054
Unassigned	(231,412)	-	(231,412)
Total fund balances (deficit)	(231,412)	2,054	(229,358)
Total liabilities and fund balances (deficit)	\$ 70,707	\$ 2,054	\$ 72,761

The accompanying notes to financial statements are an integral part of these statements.

ROCK UNIVERSITY HIGH SCHOOL

A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Total fund balances (deficit) - governmental funds \$ (229,358)

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in governmental funds:

Cost of the assets	332,074	
Accumulated depreciation	<u>(272,083)</u>	
		59,991

Total net position (deficit) - governmental activities \$ (169,367)

The accompanying notes to financial statements are an integral part of these statements.

ROCK UNIVERSITY HIGH SCHOOL

A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended Jun 30, 2022

	<u>General Fund</u>	<u>Special Revenue Gifts Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Local	\$ 529,627	\$ 6,127	\$ 535,754
Federal	142,157	-	142,157
Total revenues	<u>671,784</u>	<u>6,127</u>	<u>677,911</u>
Expenditures:			
Instruction:			
General	404,485	253	404,738
Special	97,231	-	97,231
Cocurricular	3	689	692
Total instruction	<u>501,719</u>	<u>942</u>	<u>502,661</u>
Support services:			
Student support	33,032	56	33,088
Instructional support	29,876	-	29,876
General and school administration	137,433	-	137,433
Business and ancillary services	11	3,075	3,086
Other support services	831	-	831
Total support services	<u>201,183</u>	<u>3,131</u>	<u>204,314</u>
Instructional service payments	24,968	-	24,968
Total expenditures	<u>727,870</u>	<u>4,073</u>	<u>731,943</u>
Net change in fund balances	<u>(56,086)</u>	<u>2,054</u>	<u>(54,032)</u>
Fund Balances (Deficit) - Beginning of year	(175,326)	-	(175,326)
Fund Balances (Deficit) - End of year	<u><u>\$ (231,412)</u></u>	<u><u>\$ 2,054</u></u>	<u><u>\$ (229,358)</u></u>

The accompanying notes to financial statements are an integral part of these statements.

ROCK UNIVERSITY HIGH SCHOOL

A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances to the
Statement of Activities
Year Ended June 30, 2022**

Net change in fund balances - governmental funds \$ (54,032)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	<u>(11,917)</u>	(11,917)
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Change in net position of governmental activities	<u><u>\$ (65,949)</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Notes to Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies

Rock University High School (“School”) is a charter school and component unit of the School District of Janesville (“District”). The School’s charter is held by the District and organized pursuant to §118.40(2m)(a), Wis. Stat., which authorizes the District to enter into a contract to operate a charter school within the District.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the School are discussed below.

Reporting Entity

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. They do not, and do not purport to, present fairly the financial position of the District as of June 30, 2022, and its changes in financial position, for the year ended in conformity with GAAP.

This report includes all activity of the School. The reporting entity for the School consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The School has not identified any organizations that meet this criteria.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
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Notes to Financial Statements

June 30, 2022

(Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The School does not allocate indirect expenses to functions in the statement of activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally-dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the School are organized into funds, which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund balance, revenues and expenditures. Major individual governmental funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the School or meets the following criteria:

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

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A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Notes to Financial Statements

June 30, 2022

(Continued)

The School reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the School. It is used to account for all financial resources of the School except those required to be accounted for in other funds. This fund includes activities associated with providing education programs to students with disabilities.

Special Revenue Fund - Gifts Fund – This fund is used to account for gifts and donations received by the School restricted for specific activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Notes to Financial Statements

June 30, 2022

(Continued)

All Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

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

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

The School has not adopted an investment policy. The School, as part of the District, is covered under an investment policy adopted by the District. Please refer to the District's financial statements for information regarding the adopted investment policy. This policy does not address custodial credit risk associated with the District's or the School's deposits or investments.

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A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Notes to Financial Statements

June 30, 2022

(Continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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.

Capital Assets

Government–Wide Statements

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Buildings and improvements	20-40 Years
Land improvements	20-30 Years
Equipment	2-25 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Notes to Financial Statements

June 30, 2022

(Continued)

Equity Classifications

Government–Wide Statements

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

- a) Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position – All other net position that do not meet the definitions of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are as follows:

- a) Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b) Restricted – Consists of fund balances with constraints placed on their use either by
 - 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c) Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund

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Notes to Financial Statements

June 30, 2022

(Continued)

balance amounts are committed through a formal action (resolution or motion) of the Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board that originally created the commitment.

- d) Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following: 1) The School has adopted a financial policy authorizing the School director to assign amounts for a specific purpose and 2) all remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e) Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The School considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the School would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

2. Stewardship, Compliance, and Accountability

Deficit Fund Balance

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances at year-end.

The general fund had a deficit of \$231,412. This deficit is anticipated to be funded by future District allocations.

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Notes to Financial Statements
June 30, 2022
(Continued)

3. Detailed Notes on All Funds

Receivables

All receivables on the balance sheet are expected to be collected within one year.

Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Equipment	\$ 332,074	\$ -	\$ -	\$ 332,074
Less accumulated depreciation	260,166	11,917	-	272,083
Governmental activities capital assets, net of accumulated depreciation	\$ 71,908	\$ (11,917)	\$ -	\$ 59,991

Depreciation expense was charged to functions as follows:

Governmental Activities

Instruction:

Regular \$ 1,927

Support Services:

Other support 9,990

Total governmental activities depreciation expense **\$ 11,917**

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Notes to Financial Statements

June 30, 2022

(Continued)

4. Other Information

Risk Management

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

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred.

Effect of New Accounting Standards on Financial Statements

GASB has approved the following statements:

- Statement No. 91, *Conduit debt obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*
- Statement No. 96, *Subscription Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

**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***

Independent Auditors' Report

To the Governance Council of
Rock University High School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major funds of Rock University High School (the School), a Charter School and Component Unit of the School District of Janesville, Wisconsin, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 12, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Milwaukee, Wisconsin
December 12, 2022

ROCK UNIVERSITY HIGH SCHOOL
A Charter School & Component Unit of the School District of Janesville
Janesville, Wisconsin

Schedule of Findings and Responses
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to the financial statements? Yes X No

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

None noted