

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2023



SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

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Independent Auditors' Report

To the Board of Education of
School District of Janesville

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, 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 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 District's basic financial statements. The supplementary information as listed in the table of contents, which includes the the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State Single Audit Guidelines is presented for purposes of additional analysis and is 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 supplementary information is 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 15, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 15, 2023

BASIC FINANCIAL STATEMENTS



SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Statement of Net Position

June 30, 2023

Assets:

Current assets

Cash and investments	\$	46,278,725
Taxes receivable		11,728,344
Accounts receivable		198,524
Due from employee benefit trust fund		2,348,384
Due from other governments		11,298,482
Prepaid expenses		886,581
Inventory		4,422
Total current assets		<u>72,743,462</u>

Capital assets

Nondepreciable		2,950,500
Depreciable, net of accumulated depreciation		126,366,817
Net capital assets		<u>129,317,317</u>

Total assets

202,060,779

Deferred outflows of resources:

Deferred charge on refunding		364,569
Deferred outflows related to pension		80,767,605
Deferred outflows related to OPEB		5,834,470
Total deferred outflows of resources		<u>86,966,644</u>

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

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Statement of Net Position

June 30, 2023

(Continued)

Liabilities:

Current liabilities

Accounts payable and accrued expenses	16,039,279
Due to employee benefit trust	2,811,031
Deposits payable	26,143
Unearned revenues	291,798
Accrued interest	298,114
Current portion of long-term obligations	10,500,155
Total current liabilities	<u>29,966,520</u>

Noncurrent liabilities

Long-term obligations, net of current portion	49,579,354
Net pension liability related to WRS	22,133,379
Total non-current liabilities	<u>71,712,733</u>

Total liabilities

101,679,253

Deferred inflows of resources:

Deferred inflows related to pension	46,400,235
Deferred inflows related to OPEB	2,801,942
Total deferred inflows of resources	<u>49,202,177</u>

Net Position:

Net investment in capital assets	115,650,786
Restricted for:	
Debt service	909,082
Community service	313,478
Capital improvement trust	12,676,826
Food service	3,988,437
Other activities	1,154,937
Unrestricted	3,452,447
Total net position	<u><u>\$ 138,145,993</u></u>

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

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Statement of Activities

Year Ended June 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Instruction:				
General	\$ 60,184,852	\$ 1,538,613	\$ 6,884,538	\$ (51,761,701)
Special	21,839,191	32,431	8,481,761	(13,324,999)
Vocational	3,751,856	1,903	91,588	(3,658,365)
Physical	3,286,256	20,975	3,167	(3,262,114)
Cocurricular	1,767,787	485,878	261,583	(1,020,326)
Total instruction	<u>90,829,942</u>	<u>2,079,800</u>	<u>15,722,637</u>	<u>(73,027,505)</u>
Support services:				
Student support	8,695,177	8,340	1,477,828	(7,209,009)
Instructional support	9,760,750	-	3,131,623	(6,629,127)
General and school administration	7,641,155	-	50,450	(7,590,705)
Business and ancillary services	28,914,063	1,050,283	5,868,194	(21,995,586)
Other support services	6,648,633	58,480	186,574	(6,403,579)
Interest and fees	1,161,232	-	-	(1,161,232)
Community service	281,749	-	151,487	(130,262)
Total support services	<u>63,102,759</u>	<u>1,117,103</u>	<u>10,866,156</u>	<u>(51,119,500)</u>
Total activities	<u>\$ 153,932,701</u>	<u>\$ 3,196,903</u>	<u>\$ 26,588,793</u>	<u>(124,147,005)</u>
 General Revenues:				
Taxes:				
Property taxes, levied for general purposes				29,737,513
Property taxes, levied for debt service				17,082,191
Property taxes, levied for specific purposes				175,000
Other				331,387
Federal and state aid not restricted to specific purposes:				
General				82,232,515
Other				1,693,953
Interest and investment earnings				936,191
Miscellaneous				957,890
Total general revenues				<u>133,146,640</u>
Changes in net position				<u>8,999,635</u>
Net Position - Beginning of fiscal year				129,146,358
Net Position - End of fiscal year				<u>\$ 138,145,993</u>

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

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue			Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
	General	Special Education	Debt Service	Capital Improvement Trust	Capital Projects		
Assets:							
Cash and investments	\$ 20,537,715	\$ 216,968	\$ 1,207,196	\$ 11,516,826	\$ 7,433,851	\$ 5,366,169	\$ 46,278,725
Taxes receivable	11,728,344	-	-	-	-	-	11,728,344
Accounts receivable	196,163	-	-	-	-	2,361	198,524
Due from other funds	-	-	-	1,160,000	763,725	-	1,923,725
Due from employee benefits trust fund	2,348,384	-	-	-	-	-	2,348,384
Due from other governments	8,287,699	2,645,721	-	-	-	365,062	11,298,482
Prepaid expenditures	863,607	10,241	-	-	-	12,733	886,581
Inventory	4,422	-	-	-	-	-	4,422
Total assets	\$ 43,966,334	\$ 2,872,930	\$ 1,207,196	\$ 12,676,826	\$ 8,197,576	\$ 5,746,325	\$ 74,667,187
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable	\$ 1,635,173	\$ 17,636	\$ -	\$ -	\$ 336,166	\$ 83,235	\$ 2,072,210
Accrued wages	7,870,640	2,102,475	-	-	-	152,394	10,125,509
Fringe benefits and withholdings	3,050,069	752,819	-	-	-	38,672	3,841,560
Due to other funds	1,923,725	-	-	-	-	-	1,923,725
Due to employee benefit trust fund	2,811,031	-	-	-	-	-	2,811,031
Deposits payable	26,143	-	-	-	-	-	26,143
Unearned revenues	230,590	-	-	-	-	61,208	291,798
Total liabilities	17,547,371	2,872,930	-	-	336,166	335,509	21,091,976
Deferred Inflows of Resources:							
Unavailable grant revenue	954,898	-	-	-	-	-	954,898
Fund Balances:							
Nonspendable	868,029	-	-	-	-	12,733	880,762
Restricted	46,036	-	1,207,196	12,676,826	7,861,410	5,398,083	27,189,551
Unassigned	24,550,000	-	-	-	-	-	24,550,000
Total fund balances	25,464,065	-	1,207,196	12,676,826	7,861,410	5,410,816	52,620,313
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,966,334	\$ 2,872,930	\$ 1,207,196	\$ 12,676,826	\$ 8,197,576	\$ 5,746,325	\$ 74,667,187

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

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds	\$	52,620,313
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		245,560,069
Accumulated depreciation		<u>(116,242,752)</u>
		129,317,317
Grant revenue that is unavailable is recorded as a deferred inflow in the governmental funds, but is not deferred on the statement of net position.		954,898
Deferred outflows of resources related to pensions and OPEB are applicable to future periods, and therefore, are not reported in the governmental funds.		86,602,075
Deferred inflows of resources related to pensions and OPEB are applicable to future periods, and therefore, are not reported in the governmental funds.		(49,202,177)
Long term liabilities, including bonds and notes payable, pension and OPEB liabilities and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(82,212,888)
Deferred charge on refunding do not relate to current financial resources and are not reported in the governmental funds.		364,569
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds.		(298,114)
Total net position - governmental activities	\$	<u>138,145,993</u>

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

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	Special Revenue			Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Special Education Fund	Debt Service Fund	Capital Improvement Trust Fund	Capital Projects Fund		
Revenues:							
Local	\$ 32,446,925	\$ -	\$ 17,184,884	\$ 167,007	\$ 259,250	\$ 2,194,271	\$ 52,252,337
Other school districts	4,910,786	27,146	-	-	-	-	4,937,932
Cooperative educational service agencies	8,000	-	-	-	-	-	8,000
State	79,253,497	5,558,802	-	-	-	80,081	84,892,380
Federal	9,976,463	3,475,156	-	-	-	5,559,208	19,010,827
Other	632,814	-	-	68,771	237,574	27,076	966,235
Total revenues	127,228,485	9,061,104	17,184,884	235,778	496,824	7,860,636	162,067,711
Expenditures:							
Instruction:							
General	50,084,798	-	-	-	-	716,238	50,801,036
Special	4,792,620	15,882,432	-	-	-	43,144	20,718,196
Vocational	3,660,248	-	-	-	-	12,157	3,672,405
Physical	3,179,307	-	-	-	-	306	3,179,613
Cocurricular	1,314,595	-	-	-	-	430,426	1,745,021
Total instruction	63,031,568	15,882,432	-	-	-	1,202,271	80,116,271
Support services:							
Student support	5,451,146	2,819,576	-	-	-	159,985	8,430,707
Instructional support	8,563,686	853,918	-	-	-	76,206	9,493,810
General and school administration	7,173,206	20,362	-	-	-	169,840	7,363,408
Business and ancillary services	16,323,672	1,172,806	-	-	5,713,070	5,944,500	29,154,048
Other support services	5,960,511	16,187	-	-	-	6,814	5,983,512
Debt service	2,624,487	-	17,419,778	-	-	-	20,044,265
Total support services	46,096,708	4,882,849	17,419,778	-	5,713,070	6,357,345	80,469,750
Community services	-	-	-	-	-	274,355	274,355
Instructional service payments	6,800,138	390,756	-	-	-	56,657	7,247,551
Other nonprogram transactions	310,029	-	-	-	-	17,798	327,827
Total expenditures	116,238,443	21,156,037	17,419,778	-	5,713,070	7,908,426	168,435,754
Excess (deficiency) of revenues over (under) expenditures	10,990,042	(12,094,933)	(234,894)	235,778	(5,216,246)	(47,790)	(6,368,043)
Other Financing Sources (Uses):							
Transfers in	-	12,094,933	-	1,160,000	-	1,082,680	14,337,613
Transfers out	(14,337,613)	-	-	-	-	-	(14,337,613)
Sales of capital assets	4,000	-	-	-	-	3,500	7,500
Contracts that transfer ownership	3,714,154	-	-	-	-	-	3,714,154
Total other financing sources (uses)	(10,619,459)	12,094,933	-	1,160,000	-	1,086,180	3,721,654
Net change in fund balances	370,583	-	(234,894)	1,395,778	(5,216,246)	1,038,390	(2,646,389)
Fund Balances - Beginning of fiscal year	25,093,482	-	1,442,090	11,281,048	13,077,656	4,372,426	55,266,702
Fund Balances - End of fiscal year	\$ 25,464,065	\$ -	\$ 1,207,196	\$ 12,676,826	\$ 7,861,410	\$ 5,410,816	\$ 52,620,313

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

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**

June 30, 2023

Total net change in fund balances - governmental funds \$ (2,646,389)

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 expenses.

Capital outlays	6,647,258	
Depreciation expense	(7,060,817)	
Net book value of assets disposed	<u>(16,700)</u>	(430,259)

In the statement of activities, grant revenue is recognized when earned. In the governmental funds, however, grant revenue is recognized when measurable and available for use.

857,125

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued:

Contracts that transfer ownership (3,714,154)

Principal repaid:

General obligation debt 16,065,000

Contracts that transfer ownership 2,505,143

14,855,989

Governmental funds report debt premiums and discounts as other financing sources (uses). However, in the statement of net position, these are deferred and reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest

Amortization of premium 395,720

Deferred charge on refunding (205,070)

190,650

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

Vested compensated absences 1,301,716

Net pension liability (56,474,863)

Total pension liability 88,007

Net OPEB liability 976,325

Accrued interest on debt 122,240

Deferred outflows of resources related to pensions 15,608,877

Deferred inflows of resources related to pensions 34,595,382

Deferred outflows of resources related to OPEB 29,511

Deferred inflows of resources related to OPEB (74,676)

(3,827,481)

Change in net position of governmental activities

\$ 8,999,635

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

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Statement of Fiduciary Net Position
June 30, 2023

	Employee Benefit Trust Fund	Custodial Fund
	Post-Employment Benefits	Athletic Conference
Assets:		
Cash and investments	\$ 8,625,091	\$ 27,502
Due from district	2,811,031	-
Total assets	\$ 11,436,122	\$ 27,502
Liabilities:		
Due to district	\$ 2,348,384	\$ -
Net Position:		
Restricted for post-employment benefits	9,087,738	-
Restricted for athletic conference	-	27,502
Total net position	\$ 9,087,738	\$ 27,502

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

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	<u>Employee Benefit Trust Fund</u>	<u>Custodial Fund</u>
	<u>Post-Employment Benefits</u>	<u>Athletic Conference</u>
Additions:		
Contributions	\$ 2,838,604	\$ -
Investment earnings	198,831	-
Athletic conference receipts	-	45,000
Total additions	<u>3,037,435</u>	<u>45,000</u>
Deductions:		
Other post-employment benefits	2,200,395	-
Athletic conference disbursements	-	50,694
Total deductions	<u>2,200,395</u>	<u>50,694</u>
Net change in net position	<u>837,040</u>	<u>(5,694)</u>
Net Position - Beginning of fiscal year	8,250,698	33,196
Net Position - End of fiscal year	<u>\$ 9,087,738</u>	<u>\$ 27,502</u>

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

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Notes to Financial Statements
June 30, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the School District of Janesville, Wisconsin ("District") conform to accounting principles generally accepted in the United States of America as applicable to governmental units ("GAAP"). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board ("GASB").

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District 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 primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit

Rock University High School is a charter school 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. Rock University High School's general fund is reported as a special revenue fund. Its other special revenues fund is accounted for within the District's other special revenues fund. Separately issued financial statements of the Rock University High School may be obtained from the District or Rock University High School.

SCHOOL DISTRICT OF JANESVILLE
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June 30, 2023
(Continued)

District-Wide and Fund Financial Statements

District-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 except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District 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 District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

The District reports the following major governmental funds:

General Fund

General Fund accounts for the District's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Fund

Special Education Fund is used to account for and report grants and local revenues used to provide special education services to district students.

Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

Capital Projects Funds

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

Capital Projects Fund - Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. This Fund is utilized for capital projects related to the 2020 capital referendum.

The District reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Food Service Fund
Community Service Fund
Gifts Fund

Rock University High School General Fund
Rock University High School Gifts Fund

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

In addition, the District reports the following fund types:

Employee Benefit Trust Funds

Employee Benefit Trust Fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans or other employee benefit plans.

Post-Employment Benefits

Custodial Fund

Custodial Fund is used to report fiduciary activities not required to be reported in pension and other post-employment benefit trust funds, investment trust funds, or private-purpose trust funds.

Athletic Conference

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Financial Statements

The district-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. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

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 District 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.

Property taxes are recorded in the year levied as receivables and revenue.

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

Intergovernmental aids and grants are recognized as revenues in the period the District is entitled the resources and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, grant revenues, charges for services, and interest. Other general revenues such as student fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above. Charges for special education services are not reduced by anticipated state special education aid entitlement.

Fiduciary Funds

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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Notes to Financial Statements
June 30, 2023
(Continued)

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

Deposits and Investments

Investment of District funds is restricted by Wisconsin 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, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace 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.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. This section gives broad authority to use such funds to acquire various kinds of investments including stocks, bonds, and debentures.

The District has adopted an investment policy. That policy follows the state statute for allowable investments.

No policy exists for the following risks:

Custodial credit risk

Interest rate risk

Concentration of credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. 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 differing funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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(Continued)

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission but invests its funds in accordance with applicable Wisconsin statutes. The WISC has characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. As June 30, 2023, the District's share of the WISC's assets was substantially equal to the amount reported.

See Note 3 for further information.

Receivables

General accounts receivable have been adjusted for all known uncollectable accounts. No allowance is necessary at year end.

Property taxes are levied by the District Board of Education in October or November based on the assessed values as of the prior January 1.

The aggregate amount of property taxes to be levied for school purposes is determined according to the provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Property taxes attach as an enforceable item as of January 1.

Property taxes are recognized in the fiscal year levied. The District considers all taxes as due prior to the end of the fiscal year. Full receipt of the entire levy is assured within 60 days of the District's fiscal year end.

Property taxes are collected by the local taxing units until January 31. Real estate tax collections after that date are made by the applicable county, which assumes all responsibility for delinquent real estate taxes.

Property tax calendar - 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

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Notes to Financial Statements
June 30, 2023
(Continued)

Inventories and Prepaid Expenditures

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures/expenses in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$5,000 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. The range of estimated useful lives by type of asset is as follows:

Buildings and building improvements	20-100 Years
Site improvements	20 Years
Furniture and equipment	5 -20 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.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

Compensated Absences

Under terms of employment, employees are granted vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The District's policy does not provide school year employees with paid vacations. However, year-round employees are provided paid vacation days. Employees are paid for their unused vacation days at retirement. Administrators may cash in up to one week's vacation annually.

For staff hired prior to July 1, 2015, with a minimum of 10 years of full-time service in the District and at least age 55, all unused sick leave accumulated upon retirement is converted to a dollar amount of \$147 per day. The total can be applied to additional months of coverage at the full premium rate at the time of retirement. Sick leave days accrued prior to July 1, 2015, can only be used to purchase additional months of health and prescription drug coverage. These days will not be converted for any other benefit at the time of early retirement. Sick leave days accrued after July 1, 2015, will be converted to a dollar amount of \$147 per day and placed into a tax-sheltered annuity at the time of early retirement.

For staff hired after July 1, 2015, with a minimum of 10 years of full-time service in the District and at least age 55, all unused sick leave accumulated upon retirement is converted to a dollar amount of \$147 per day to be applied to a 457 deferred compensation plan payable at retirement.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2023, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, contracts that transfer ownership, net pension obligation, other postemployment benefit obligations, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures.

For the district-wide statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

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Notes to Financial Statements
June 30, 2023
(Continued)

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

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 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. **Unrestricted Net Position** - All other net positions 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 District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed 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 balance amounts are committed through a formal action (resolution) of the District Board of Education. 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 District Board of Education that originally created the commitment.

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

- 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. The District has adopted a financial policy authorizing the Chief Financial Officer to assign amounts for a specific purpose. 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 District policy on general fund balance follows the following guidelines: (1) to maintain an assigned general fund balance of 17-23 percent of general and special education fund budgeted expenditures for the ensuing fiscal year, excluding claims expenses for self-funded insurance, (2) to maintain a self-funded dental plan claim stabilization reserve of not less than 10 percent of the expected claims cost for the ensuing fiscal year and (3) to limit the use of unassigned fund balance to funding the district's Other Post-Employment Benefits (OPEB) liability, reducing the district's property tax levy or to one-time expenditures such as the start-up cost of a new program or one-time cost of a capital expenditure. As such, the district's general fund balance has been classified in accordance with this policy. The District will generally use restricted amounts before unrestricted amounts when doing so does not result in loss of general state aid. As of June 30, 2023, the district is compliance with their fund balance policy.

See Note 3 for further information.

Fiduciary fund net position is classified as restricted for other post-employment benefits and athletic conference on the statement of fiduciary net position.

Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District OPEB Plan and additions to/deductions from the District OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan. For this purpose, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

Adoption of New Accounting Guidance

As of July 1, 2022, the District implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. This Statement establishes new criteria for identifying and classifying certain technology subscriptions and similar arrangements. Upon review of the District's arrangements, the District determined there were no material subscription based information technology arrangements, as defined by the Statement.

As of July 1, 2022, the District implemented GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. The clarification provided in this Statement was utilized in preparing the latest Other Post Employment Benefits (OPEB) valuation.

There is no impact to the beginning government-wide net position. See Note 3 for additional information.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general fund, special education fund, debt service fund, capital improvement trust fund, capital projects fund, food service fund, and community service fund. A budget has not been formally adopted for other special revenues fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all governmental funds.

Limitations on the District's Revenues

Wisconsin statutes limit the amount of revenues that school districts may derive from general school aids and property taxes. The annual revenue limit adjustment from these sources is determined by the legislature.

The limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

- A resolution of the school board or by a referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

SCHOOL DISTRICT OF JANESVILLE
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Notes to Financial Statements
June 30, 2023
(Continued)

3. Detailed Notes on All Funds

Deposits and Investments

The District's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Vaue	Associated Risks
Demand Deposits	\$ 49,114,458	\$ 49,458,383	Cusodial Credit Risk
Certificates of Deposit	1,669,899	1,669,899	Custodial Credit Risk; Interest Rate Risk
Stock	11,407	11,407	N/A
US Treasuries	3,996,337	3,996,337	Custodial Credit Risk; Interest Rate Risk; Investments Highly Sensitive to Interest Rate Changes Risk
Mutual funds	138,017	138,017	N/A
Petty cash	1,200	-	N/A
Total deposits and investments	<u>\$ 54,931,318</u>	<u>\$ 55,274,043</u>	

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investment:	\$ 46,278,725
Per statement of net position - fiduciary funds	
Employee Benefit Trust Fund	8,625,091
Custodial Fund	27,502
Total deposits and investments	<u>\$ 54,931,318</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

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Notes to Financial Statements
June 30, 2023
(Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Market Approach - uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

Investment Type	June 30, 2023			
	Level 1	Level 2	Level 3	Total
US Treasuries	\$ 3,996,337	\$ -	\$ -	\$ 3,996,337
Stocks	11,407	-	-	11,407
Mutual Funds	138,017	-	-	138,017
Total	\$ 4,145,761	\$ -	\$ -	\$ 4,145,761

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

As of June 30, 2023, the following deposit balances were exposed to custodial credit risk:

Uninsured and uncollateralized	\$ 42,674,844
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the District's name	6,441,118
Total	\$ 49,115,962

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District does not have any investments exposed to custodial credit risk.

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Notes to Financial Statements
June 30, 2023
(Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of June 30, 2023, the District's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u> <u>Less than 1</u>
US Treasuries	\$ 3,996,337	\$ 3,996,337
Certificates of Deposit	1,669,899	1,669,899
Total	<u>\$ 5,666,236</u>	<u>\$ 5,666,236</u>

See Note 1 for further information on deposit and investment policies.

Receivables

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

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Notes to Financial Statements
June 30, 2023
(Continued)

Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,341,533	\$ -	\$ -	\$ 1,341,533
Site improvements	703,841	-	-	703,841
Construction-in-progress	10,461,938	905,126	10,461,938	905,126
Total capital assets not being depreciated	<u>12,507,312</u>	<u>905,126</u>	<u>10,461,938</u>	<u>2,950,500</u>
Capital assets being depreciated:				
Site improvements	7,411,002	452,662	-	7,863,664
Buildings and improvements	193,135,700	15,297,118	-	208,432,818
Furniture and equipment	28,260,222	454,290	2,401,425	26,313,087
Total capital assets not being depreciated	228,806,924	16,204,070	2,401,425	242,609,569
Less accumulated depreciation	<u>(111,566,660)</u>	<u>(7,060,817)</u>	<u>2,384,725</u>	<u>(116,242,752)</u>
Net capital assets being depreciated	<u>117,240,264</u>	<u>9,143,253</u>	<u>16,700</u>	<u>126,366,817</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 129,747,576</u>	<u>\$ 10,048,379</u>	<u>\$ 10,478,638</u>	<u>\$ 129,317,317</u>

The Construction-in-progress reduction was a transfer to Buildings and improvements.

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

General	\$ 918,919
Special	2,726
Vocational	4,525
Physical	595

Support Services:

Instructional support	11,886
Business and ancillary services	5,927,923
Other support services	194,243
Total governmental activities depreciation expense	<u>\$ 7,060,817</u>

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Notes to Financial Statements
June 30, 2023
(Continued)

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects - Capital Improvement Trust Fund	General Fund	\$ 1,160,000
Capital Projects Fund	General Fund	<u>763,725</u>
	Total, fund financial statements	<u>\$ 1,923,725</u>

All amounts are due within one year.

The principal purpose of these interfund receivables and payables is for operations.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Special Revenue - Special Education Fund	General Fund	\$ 12,094,933	Operating subsidy
Special Revenue – Rock University High School	General Fund	1,082,680	Operating subsidy
Capital Projects - Capital Improvement Trust Fund	General Fund	<u>1,160,000</u>	For future capital projects
	Total, fund financial statements	<u>\$ 14,337,613</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The above transfer to the special education fund uses unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and Wisconsin Department of Public Instruction directives.

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Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 43,300,000	\$ -	\$ 16,065,000	\$ 27,235,000	\$ 8,920,000
(Discounts) / Premiums	2,298,230	-	395,720	1,902,510	-
Total bonds and notes payable	<u>45,598,230</u>	<u>-</u>	<u>16,460,720</u>	<u>29,137,510</u>	<u>8,920,000</u>
Other liabilities:					
Supplemental pension liability	88,007	-	88,007	-	-
Net OPEB liability	24,563,739	2,523,675	3,500,000	23,587,414	-
Compensated absences	4,313,203	355,428	1,657,144	3,011,487	-
Contracts that transfer ownership	3,134,087	3,714,154	2,505,143	4,343,098	1,580,155
Total other liabilities	<u>32,099,036</u>	<u>6,593,257</u>	<u>7,750,294</u>	<u>30,941,999</u>	<u>1,580,155</u>
Total governmental activities long-term liabilities	<u>\$ 77,697,266</u>	<u>\$ 6,593,257</u>	<u>\$ 24,211,014</u>	<u>\$ 60,079,509</u>	<u>\$ 10,500,155</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed 10 percent of the equalized value of taxable property within the District's jurisdiction. The 2022 equalized valuation of the District, as certified by the Wisconsin Department of Revenue in October 2022, is \$6,765,546,218. Total general obligation debt outstanding at year end was \$27,235,000.

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Notes to Financial Statements
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(Continued)

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the District. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

<u>Governmental Activities</u>					Balance
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	June 30, 2023
GO Refunding Bonds	09/15/2016	03/01/2028	1.50 - 4.00%	\$ 37,735,000	\$ 8,070,000
GO Promissory Note	07/13/2017	03/01/2027	2.00 - 3.00%	14,475,000	6,215,000
GO Refunding Bonds	08/12/2019	03/01/2030	1.70 - 2.25%	10,075,000	7,245,000
GO Promissory Note	03/04/2021	03/01/2031	1.00 - 4.00%	22,500,000	5,705,000
Total governmental activities, general obligation debt					<u>\$ 27,235,000</u>

Debt service requirements to maturity are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Governmental Activities</u> <u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 8,920,000	\$ 855,138
2025	8,260,000	543,833
2026	3,885,000	264,928
2027	2,640,000	145,983
2028	1,350,000	76,568
2029-2031	2,180,000	73,375
Total	<u>\$ 27,235,000</u>	<u>\$ 1,959,825</u>

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(Continued)

Contracts That Transfer Ownership

The District recognizes financing arrangements that do not meet the requirements of a lease according to GASB 87 as contracts that transfer ownership.

<u>Governmental Activities</u>					Balance
Contract	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	June 30, 2023
Copiers	11/16/2018	12/19/2023	6.14%	\$ 798,819	\$ 91,340
Chromebooks	05/01/2021	07/20/2024	2.89%	3,066,000	1,409,024
Interactive Displays	03/01/2022	07/10/2026	2.57%	3,042,000	2,402,338
Laptops	07/15/2022	07/15/2024	3.48%	672,154	440,396
Total governmental activities, contracts that transfer ownership					<u>\$ 4,343,098</u>

Debt service requirements to maturity are as follows:

<u>Year Ended</u> <u>June 30,</u>	Governmental Activities Contracts That Transfer Ownership	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,580,155	\$ 119,497
2025	1,531,302	75,366
2026	608,008	31,653
2027	623,633	16,027
Total	<u>\$ 4,343,098</u>	<u>\$ 242,543</u>

Other Debt Information

Estimated payments of compensated absences, pensions, and other postemployment benefits obligation are not included in the debt service requirement schedules. The compensated absences, pensions, and other postemployment benefits obligation attributable to governmental activities will be liquidated primarily by the general fund.

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(Continued)

Net Position/Fund Balances

Net position reported on the district-wide statement of net position on June 30, 2023, includes the following:

Governmental Activities

Net investment in capital assets:

Capital assets, net of accumulated depreciation	\$	129,317,317
Less capital-related long-term debt outstanding		(19,990,000)
Plus unspent capital-related debt proceeds		7,861,410
Plus deferred charge on refunding		364,569
Less unamortized premium		(1,902,510)
Total net investment in capital assets	\$	<u>115,650,786</u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2023, include the following:

	General	Debt Service	Capital Improv. Trust	Capital Projects	Nonmajor Funds	Total
Fund Balances (Deficit):						
Nonspendable						
Prepaid expenditures	\$ 863,607	\$ -	\$ -	\$ -	\$ 12,733	\$ 876,340
Inventory	4,422	-	-	-	-	4,422
Restricted for:						
Debt service	-	1,207,196	-	-	-	1,207,196
Capital projects	-	-	12,676,826	7,861,410	-	20,538,236
Food service	-	-	-	-	3,977,304	3,977,304
Community service	-	-	-	-	311,878	311,878
Library purposes	46,036	-	-	-	-	46,036
Other activities	-	-	-	-	1,108,901	1,108,901
Unassigned	24,550,000	-	-	-	-	24,550,000
Total fund balances	<u>\$ 25,464,065</u>	<u>\$ 1,207,196</u>	<u>\$ 12,676,826</u>	<u>\$ 7,861,410</u>	<u>\$ 5,410,816</u>	<u>\$ 52,620,313</u>

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4. Other Information

Employees' Retirement System

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. WRS is administered by the Wisconsin Department of Employee Trust Funds ("ETF"). WRS 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 per year (880 hours for teachers and school district educational support employees), and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Vesting

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

Benefits Provided

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

Final average earnings is the average of the participant's three highest annual earnings period. 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 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.

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Post-Retirement Adjustments

The ETF Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with §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 %
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions

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

During the reporting period, the WRS recognized \$4,866,926 in contributions from the District.

Contribution rates for the plan year reported as of June 30, 2023, are:

Employee Category	Employee	Employer
General (including teachers, executives, & elected officials)	6.80 %	6.80 %

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Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On June 30, 2023, the District reported a liability of \$22,133,379 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. On December 31, 2022, the District's proportion was 0.41779195%, which was a decrease of 0.00827133% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$11,063,083.

On June 30, 2023, 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 projected and actual experience	\$ 35,251,616	\$ 46,312,709
Changes in assumptions	4,352,338	-
Net differences between projected and actual earnings on pension plan investments	37,599,500	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	269,047	87,526
Employer contributions subsequent to the measurement date	3,295,104	-
Total	\$ 80,767,605	\$ 46,400,235

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Notes to Financial Statements
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(Continued)

The amount reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date (\$3,295,104) will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Deferred Outflows of Resources and (Deferred Inflows of Resources) (net)
2024	\$ 1,302,934
2025	6,449,090
2026	6,633,206
2027	16,687,039

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %²
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
Variable Fund Asset			
U.S Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

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

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Single Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	<u>\$ 73,459,966</u>	<u>\$ 22,133,379</u>	<u>\$ (13,174,909)</u>

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>.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and 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.

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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 and proprietary funds as expenses when the related liabilities are incurred.

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 adverse effect on the District's financial position or results of operations.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The District has active construction projects as of June 30, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The District has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Fund	\$ 3,710,318
Special Education Fund	1,702
Other Special Revenues Fund	2,381
Capital Projects Fund	90,392
Food Service Fund	276,305

Other Postemployment Benefits

The District provides postemployment health insurance benefits for all eligible employees. Eligibility is based on certain age and service requirements. The benefits are based on contractual agreements with employee groups or employee benefit policies. The District utilizes an employee benefits trust to fund these benefits. The District makes contributions to the trust and the trust pays the benefits to retirees. In some instances, retirees pay a portion of the benefit.

The number of participants currently eligible to receive benefits is 1,988.

General Information About the OPEB Plan

Plan Description

The District's defined benefit OPEB plan, District OPEB Plan, provides OPEB for all regular full-time employees of the District. The District OPEB Plan is a single-employer defined benefit OPEB plan.

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Benefits Provided

District OPEB Plan provides medical insurance and life insurance to those employees upon retirement. Retirement may be elected by eligible employees who have attained certain age and service requirements. Generally, staff who qualify for retiree benefits are entitled to a maximum of 36 months of paid health insurance premiums exclusive of sick days conversion or until age 65, whichever occurs first. The District pays the same contributions as is made on behalf of active employees.

Employees Covered by Benefit Terms

On June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	164
Inactive plan members entitled to but not yet receiving benefit payments	869
Active plan members	806
	<u>1,839</u>

Contributions

The funding policy of the plan states that the employer will fund 100 percent of the contributions to the plan as determined by the actuarial valuation, including costs to administer the plan. During the year ended June 30, 2023, the plan recognized \$2,650,000 in contributions from the District.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	3.00%
Healthcare cost trend rates	7.00% decreasing by 0.10% per year, down to 4.50%, and level thereafter

Mortality rates were based on the Wisconsin Retirement System 2020 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60 percent).

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an experience study conducted in 2021 based on 2018-20 data.

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Discount Rate

The discount rate used to measure the total OPEB liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position will not be available to make all projected future benefit payments of current plan members. Therefore, a blended rate was used based on the long-term expected rate of return on OPEB plan investments and/or Bond Buyer 20-Bond Go Index was used to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2022	\$ 31,056,737	\$ 6,492,998	\$ 24,563,739
Changes for the fiscal year:			
Service cost	1,315,965	-	1,315,965
Interest	694,033	-	694,033
Changes of benefit terms	-	-	-
Differences between expected an	1,445,178	-	1,445,178
Changes in assumptions	(936,222)	-	(936,222)
Employer contributions	-	3,500,000	(3,500,000)
Net investment income	-	(4,721)	4,721
Benefit payments	(1,737,579)	(1,737,579)	-
Net changes	<u>781,375</u>	<u>1,757,700</u>	<u>(976,325)</u>
Balances as of June 30, 2023	<u>\$ 31,838,112</u>	<u>\$ 8,250,698</u>	<u>\$ 23,587,414</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	<u>\$ 26,418,334</u>	<u>\$ 23,587,414</u>	<u>\$ 21,179,847</u>

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Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.00% Decreasing to 3.50%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.50%)	1% Increase (8.00% Decreasing to 5.50%)
Net OPEB liability	\$ 22,164,549	\$ 23,587,414	\$ 25,181,735

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

For the year ended June 30, 2023, the District recognized OPEB expense (revenue) of \$1,718,840. On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,238,724	\$ 1,170,718
Changes of assumptions or other inputs	1,683,633	1,631,224
Net difference between project and actual investment earnings on pension plan investment	262,113	-
Contributions subsequent to the measurement date	2,650,000	-
Total	\$ 5,834,470	\$ 2,801,942

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June 30, 2023
(Continued)

Contributions subsequent to the measurement date (\$2,650,000) will be recognized as an addition to the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2023	\$ (145,561)
2024	26,433
2025	8,547
2026	347,693
2027	72,708
Thereafter	72,708

Payable to the OPEB Plan

On June 30, 2023, the District reported a payable of \$2,650,000 for the outstanding amount of contributions to District OPEB Plan required for the year ended June 30, 2023.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

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

REQUIRED SUPPLEMENTARY INFORMATION



SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Budgetary Comparison Schedule

General Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Local	\$ 31,893,121	\$ 32,182,392	\$ 32,446,925	\$ 264,533
Other school districts	4,965,000	4,885,000	4,910,786	25,786
Cooperative educational service agencies	7,000	7,000	8,000	1,000
State	78,884,434	79,190,179	79,253,497	63,318
Federal	17,726,087	17,071,491	9,976,463	(7,095,028)
Other	147,000	406,000	632,814	226,814
Total revenues	133,622,642	133,742,062	127,228,485	(6,513,577)
Expenditures:				
Instruction:				
General	51,895,606	52,021,011	50,084,798	(1,936,213)
Special	5,015,466	4,991,790	4,792,620	(199,170)
Vocational	3,688,396	3,713,323	3,660,248	(53,075)
Physical	3,235,272	3,267,698	3,179,307	(88,391)
Cocurricular	1,203,852	1,205,151	1,314,595	109,444
Total instruction	65,038,592	65,198,973	63,031,568	(2,167,405)
Support services:				
Student support	5,458,712	5,531,320	5,451,146	(80,174)
Instructional support	8,389,634	8,820,579	8,563,686	(256,893)
General and school administration	7,427,572	7,587,778	7,173,206	(414,572)
Business and ancillary services	22,750,656	22,331,294	16,323,672	(6,007,622)
Other support services	6,100,992	5,883,288	5,960,511	77,223
Debt service	2,630,000	2,630,000	2,624,487	(5,513)
Total support services	52,757,566	52,784,259	46,096,708	(6,687,551)
Instructional service payments	7,035,830	7,071,830	6,800,138	(271,692)
Other nonprogram transactions	110,000	313,000	310,029	(2,971)
Total expenditures	124,941,988	125,368,062	116,238,443	(9,129,619)
Excess (deficiency) of revenues over (under) expenditures	8,680,654	8,374,000	10,990,042	2,616,042
Other Financing Sources (Uses):				
Transfers out	(12,394,808)	(12,088,154)	(14,337,613)	(2,249,459)
Sales of capital assets	-	-	4,000	4,000
Contracts that transfer ownership	3,714,154	3,714,154	3,714,154	-
Total other financing sources (uses)	(8,680,654)	(8,374,000)	(10,619,459)	(2,245,459)
Net change in fund balances	\$ -	\$ -	370,583	\$ 370,583
Fund Balance - Beginning of fiscal year			25,093,482	
Fund Balance - End of fiscal year			\$ 25,464,065	

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Budgetary Comparison Schedule
Special Education Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other school districts	\$ 18,900	\$ 18,900	\$ 27,146	\$ 8,246
State	5,275,000	5,425,000	5,558,802	133,802
Federal	4,139,780	4,135,288	3,475,156	(660,132)
Total revenues	<u>9,433,680</u>	<u>9,579,188</u>	<u>9,061,104</u>	<u>(518,084)</u>
Expenditures:				
Instruction:				
Special	16,369,931	16,287,444	15,882,432	(405,012)
Support services:				
Student support	2,798,662	2,715,203	2,819,576	104,373
Instructional support	832,445	837,245	853,918	16,673
General and school administration	20,000	20,000	20,362	362
Business and ancillary services	1,485,200	1,485,200	1,172,806	(312,394)
Other support services	27,250	27,250	16,187	(11,063)
Total support services	<u>5,163,557</u>	<u>5,084,898</u>	<u>4,882,849</u>	<u>(202,049)</u>
Instructional service payments	295,000	295,000	390,756	95,756
Other nonprogram transactions	-	-	-	-
Total expenditures	<u>21,828,488</u>	<u>21,667,342</u>	<u>21,156,037</u>	<u>(511,305)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,394,808)</u>	<u>(12,088,154)</u>	<u>(12,094,933)</u>	<u>(6,779)</u>
Other Financing Sources:				
Transfers in	12,394,808	12,088,154	12,094,933	6,779
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of fiscal year			<u>-</u>	
Fund Balance - End of fiscal year			<u>\$ -</u>	

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Schedule of Changes in Net OPEB Liability

Year Ended June 30, 2023

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability:							
Servie cost	\$ 1,586,736	\$ 1,586,736	\$ 1,465,165	\$ 1,079,142	\$ 1,164,592	\$ 1,287,007	\$ 1,315,965
Interest	932,396	949,280	1,083,611	1,020,369	988,465	689,229	694,033
Changes of benefit terms	-	-	(1,286,790)	-	718,510	-	-
Differences between expected and actual exper	-	-	(1,201,324)	-	(1,260,392)	-	1,445,178
Changes of assumptions	-	(1,273,941)	(1,724,689)	600,970	2,420,505	-	(936,222)
Benefit payments	(2,097,761)	(1,814,898)	(1,952,399)	(1,834,467)	(1,587,911)	(1,816,777)	(1,737,579)
Net change in total OPEB liability	421,371	(552,823)	(3,616,426)	866,014	2,443,769	159,459	781,375
Total OPEB Liability - Beginning	31,335,373	31,756,744	31,203,921	27,587,495	28,453,509	30,897,278	31,056,737
Total OPEB Liability - Ending	<u>\$ 31,756,744</u>	<u>\$ 31,203,921</u>	<u>\$ 27,587,495</u>	<u>\$ 28,453,509</u>	<u>\$ 30,897,278</u>	<u>\$ 31,056,737</u>	<u>\$ 31,838,112</u>
Plan Fiduciary Net Position:							
Contributions - employer	\$ 1,200,000	2,483,750	2,592,468	1,183,147	3,075,000	2,500,000	3,500,000
Net investment income	8,750	31,431	52,185	116,605	84,710	5,251	(4,721)
Benefit payments	(2,097,761)	(1,814,898)	(1,952,399)	(1,834,467)	(1,587,911)	(1,816,777)	(1,737,579)
Net change in plan fiduciary net position	(889,011)	700,283	692,254	(534,715)	1,571,799	688,474	1,757,700
Plan Fiduciary Net Position - Beginning	4,263,914	3,374,903	4,075,186	4,767,440	4,232,725	5,804,524	6,492,998
Plan Fiduciary Net Position - Ending	<u>\$ 3,374,903</u>	<u>\$ 4,075,186</u>	<u>\$ 4,767,440</u>	<u>\$ 4,232,725</u>	<u>\$ 5,804,524</u>	<u>\$ 6,492,998</u>	<u>\$ 8,250,698</u>
Net OPEB Liability - Ending	<u>\$ 28,381,841</u>	<u>\$ 27,128,735</u>	<u>\$ 22,820,055</u>	<u>\$ 24,220,784</u>	<u>\$ 25,092,754</u>	<u>\$ 24,563,739</u>	<u>\$ 23,587,414</u>
Plan fiduciary net position as a percentage of total OPEB liability	10.63%	13.06%	17.28%	14.88%	18.79%	20.91%	25.91%

Notes to Schedule:

The District is required to present the last ten fiscal years data. However, standards allow the District to present as many years as are available until ten fiscal years are presented.

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Employer Contributions - OPEB
Year Ended June 30, 2023

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially contractual determined contribution ("ADC")	\$ 1,886,832	\$ 2,608,781	\$ 2,687,044	\$ 1,994,625	\$ 3,111,790
Contributions in relation to the actuarially determined contribution	1,200,000	2,483,750	2,592,468	1,183,147	3,075,000
Contribution deficiency (excess)	<u>\$ 686,832</u>	<u>\$ 125,031</u>	<u>\$ 94,576</u>	<u>\$ 811,478</u>	<u>\$ 36,790</u>
	<u>2022</u>	<u>2023</u>			
Actuarially contractual determined contribution ("ADC")	\$ 2,511,725	\$ 3,470,262			
Contributions in relation to the actuarially determined contribution	2,500,000	3,500,000			
Contribution deficiency (excess)	<u>\$ 11,725</u>	<u>\$ (29,738)</u>			

Notes to Schedule:

Most-recent valuation date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage
Amortization period	20 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	7.00% decreasing by 0.10% per year down to 4.50% and level thereafter
Investment rate of return	3.00%
Retirement age	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality	Wisconsin Retirement System 2020 Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

The District is required to present the last ten fiscal years data. However, standards allow the District to present as many years as are available until ten fiscal years are presented.

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Changes in Total Pension Liability and Related Ratios
Single Employer Defined Benefit Pension Plan
Year Ended June 30, 2023

<u>Fiscal Year Ending</u>	<u>Beginning Balance</u>	<u>Service Cost</u>	<u>Interest on Total Pension Liability</u>	<u>Changes in Benefit Terms</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Changes of Assumptions</u>	<u>Benefit Payments</u>	<u>Ending Balance</u>
June 30, 2017	\$ 603,865	\$ 25,768	\$ 16,696	\$ -	\$ -	\$ -	\$ (120,455)	\$ 525,874
June 30, 2018	525,874	25,768	15,632	-	-	(9,733)	(35,368)	522,173
June 30, 2019	522,173	24,070	16,838	-	120,159	(4,375)	(106,248)	572,617
June 30, 2020	572,617	12,950	19,724	-	-	4,461	(106,248)	503,504
June 30, 2021	503,504	13,450	15,867	(154,457)	(57,006)	(16,782)	(113,748)	190,828
June 30, 2022	190,828	325	3,102	-	-	-	(106,248)	88,007
June 30, 2023	88,007	-	-	-	(88,007)	-	-	-

Schedule of Covered Payroll
Single Employer Defined Benefit Pension Plan
Year Ended June 30, 2023

<u>Fiscal Year Ending</u>	<u>Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Total Pension Liability as a Percentage of Covered Payroll</u>
June 30, 2017	\$ 525,874	\$ 752,709	69.86%
June 30, 2018	522,173	752,709	69.37%
June 30, 2019	572,617	379,672	150.82%
June 30, 2020	503,504	379,672	132.62%
June 30, 2021	190,828	114,497	166.67%
June 30, 2022	88,007	114,497	76.86%
June 30, 2023	-	-	0.00%

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

**Schedule of District's Proportionate Share of Net Pension Liability (Asset) and Contributions
Wisconsin Retirement System
Year Ended June 30, 2023**

Plan Fiscal Year Ending	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
December 31, 2014	0.46092746%	\$ (11,321,639)	\$ 63,306,487	-17.88%	102.74%
December 31, 2015	0.45593821%	7,408,907	63,910,873	11.59%	98.20%
December 31, 2016	0.45350278%	3,737,946	66,266,305	5.64%	99.12%
December 31, 2017	0.45761507%	(13,587,134)	68,953,086	-19.70%	102.93%
December 31, 2018	0.45859775%	16,315,470	69,672,934	23.42%	96.45%
December 31, 2019	0.45195239%	(14,573,008)	70,257,784	-20.74%	102.96%
December 31, 2020	0.43764969%	(27,323,077)	70,518,047	-38.75%	105.26%
December 31, 2021	0.42606328%	(34,341,484)	72,152,193	-47.60%	106.02%
December 31, 2022	0.41779195%	22,133,379	74,875,770	29.56%	95.72%

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 4,431,867	\$ 4,431,867	\$ -	\$ 63,306,487	7.00%
June 30, 2016	4,345,939	4,345,939	-	63,910,873	6.80%
June 30, 2017	4,373,329	4,373,329	-	66,266,305	6.60%
June 30, 2018	4,688,809	4,688,809	-	68,953,086	6.80%
June 30, 2019	4,039,126	4,039,126	-	69,683,772	5.80%
June 30, 2020	4,133,454	4,133,454	-	70,683,995	5.85%
June 30, 2021	5,476,792	5,476,792	-	71,029,625	7.71%
June 30, 2022	4,876,971	4,876,971	-	73,710,415	6.62%
June 30, 2023	5,095,986	5,095,986	-	75,412,080	6.76%

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Notes to Required Supplementary Information
June 30, 2023

1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting. Budgets are adopted for all governmental funds except the other special revenues fund.

Budgets are adopted at the two-digit sub-function level in the general fund and at the first-digit function level for all other funds.

2. Wisconsin Retirement System Pension

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

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

Changes of assumptions.

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

The District is required to present the last ten fiscal years data. However, the standards allow the District to present as many years as are available until ten fiscal years are presented.

OTHER SUPPLEMENTARY INFORMATION



SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds					Total Nonmajor Funds
	Food Service Fund	Gifts Fund	Community Service Fund	Rock University High School General Fund	Rock University High School Gifts Fund	
Assets:						
Cash and investments	\$ 3,885,785	\$ 1,138,310	\$ 311,922	\$ 27,294	\$ 2,858	\$ 5,366,169
Accounts receivable	2,361	-	-	-	-	2,361
Due from other governments	261,916	-	-	103,146	-	365,062
Prepaid expenditures	11,133	-	1,600	-	-	12,733
Total assets	<u>\$ 4,161,195</u>	<u>\$ 1,138,310</u>	<u>\$ 313,522</u>	<u>\$ 130,440</u>	<u>\$ 2,858</u>	<u>\$ 5,746,325</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 35,594	\$ 28,165	\$ 44	\$ 19,432	\$ -	\$ 83,235
Accrued wages	65,771	3,584	-	83,039	-	152,394
Fringe benefits and withholdings	10,185	518	-	27,969	-	38,672
Unearned revenues	61,208	-	-	-	-	61,208
Total liabilities	<u>172,758</u>	<u>32,267</u>	<u>44</u>	<u>130,440</u>	<u>-</u>	<u>335,509</u>
Fund Balances:						
Nonspendable	11,133	-	1,600	-	-	12,733
Restricted	3,977,304	1,106,043	311,878	-	2,858	5,398,083
Total fund balances	<u>3,988,437</u>	<u>1,106,043</u>	<u>313,478</u>	<u>-</u>	<u>2,858</u>	<u>5,410,816</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,161,195</u>	<u>\$ 1,138,310</u>	<u>\$ 313,522</u>	<u>\$ 130,440</u>	<u>\$ 2,858</u>	<u>\$ 5,746,325</u>

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds					Total Nonmajor Funds
	Food Service Fund	Gifts Fund	Community Service Fund	Rock University High School General Fund	Rock University High School Gifts Fund	
Revenues:						
Local	\$ 1,101,761	\$ 760,908	\$ 326,487	\$ 2,730	\$ 2,385	\$ 2,194,271
State	80,081	-	-	-	-	80,081
Federal	5,427,261	-	-	131,947	-	5,559,208
Other	25,930	1,146	-	-	-	27,076
Total revenues	6,635,033	762,054	326,487	134,677	2,385	7,860,636
Expenditures:						
Instruction:						
General	-	201,322	-	514,897	19	716,238
Special	-	15,261	-	27,883	-	43,144
Vocational	-	12,157	-	-	-	12,157
Physical	-	306	-	-	-	306
Cocurricular	-	359,281	-	70,822	323	430,426
Total instruction	-	588,327	-	613,602	342	1,202,271
Support services:						
Student support	-	64,802	-	95,119	64	159,985
Instructional support	-	23,314	-	52,892	-	76,206
General and school administration	-	3,264	-	166,576	-	169,840
Business and ancillary services	5,932,676	10,567	-	1,082	175	5,944,500
Other support services	6,360	437	-	17	-	6,814
Total support services	5,939,036	102,384	-	315,686	239	6,357,345
Community services	-	-	274,355	-	-	274,355
Instructional service payments	-	-	-	56,657	-	56,657
Other nonprogram transactions	-	16,798	-	-	1,000	17,798
Total expenditures	5,939,036	707,509	274,355	985,945	1,581	7,908,426
Excess (deficiency) of revenues over (under) expenditures	695,997	54,545	52,132	(851,268)	804	(47,790)
Other Financing Sources:						
Transfers in	-	-	-	1,082,680	-	1,082,680
Sales of capital assets	3,500	-	-	-	-	3,500
Total other financing sources	3,500	-	-	1,082,680	-	1,086,180
Net change in fund balances	699,497	54,545	52,132	231,412	804	1,038,390
Fund Balances (deficit) - Beginning of fiscal year	3,288,940	1,051,498	261,346	(231,412)	2,054	4,372,426
Fund Balances - End of fiscal year	\$ 3,988,437	\$ 1,106,043	\$ 313,478	\$ -	\$ 2,858	\$ 5,410,816

SCHOOL DISTRICT OF JANESVILLE

Janesville, Wisconsin

Schedule of Charter School Authorizer Operating Costs

Year Ended June 30, 2023

Operating Activity:

General administration - wages and benefits	<u>\$ 63,197</u>
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Notes to Schedule:

This schedule reports the costs incurred by the District while fulfilling its duties as a charter school authorizer, pursuant to Chapter 118 of Wisconsin Statutes.

**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 Board of Education of
School District of Janesville

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, each major fund, and the aggregate remaining fund information of School District of Janesville (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 15, 2023

**Report on Compliance
for Each Major Federal and Major State Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance and the *State Single Audit Guidelines***

Independent Auditors' Report

To the Board of Education of
School District of Janesville

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

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

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

Basis for Opinion on Each Major Federal and Major State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's 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 the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and major state program as a whole.

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

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

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

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

Our 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 the *Guidelines*. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 15, 2023

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Awarding Agency/Pass-Through Agency/Award Description	Assistance Listing Number	Pass Through Agency	Passed Through Agency ID	Accrued Receivable June 30, 2022	Expenditures	Revenues	Accrued Receivable June 30, 2023
					Grantor Reimbursements	Grantor Reimbursements	
U.S. Department of Education							
Special Education Cluster							
<u>IDEA Flow Through Entitlement</u>	84.027		2023-532695-DPI-FLOW-341				
July 1, 2021 - June 30, 2022		WI DPI		\$ 1,826,403	\$ -	\$ 1,826,403	\$ -
July 1, 2022 - June 30, 2023		WI DPI		-	1,960,638	-	1,960,638
				<u>1,826,403</u>	<u>1,960,638</u>	<u>1,826,403</u>	<u>1,960,638</u>
<u>COVID-19 - ARPA IDEA Flow Through</u>	84.027X		2022-532695-DPI-FLOW-341ARPA				
July 1, 2021 - June 30, 2022		WI DPI		411,218	-	411,218	-
<u>IDEA Preschool Entitlement</u>	84.173		2023-532695-DPI-PRESCH-347				
July 1, 2021 - June 30, 2022		WI DPI		24,795	-	24,795	-
July 1, 2022 - June 30, 2023		WI DPI		-	82,578	-	82,578
				<u>24,795</u>	<u>82,578</u>	<u>24,795</u>	<u>82,578</u>
<u>COVID-19 - ARPA IDEA Preschool</u>	84.173X		2022-532695-DPI-PRESCH-347ARPA				
July 1, 2021 - June 30, 2022		WI DPI		55,475	-	55,475	-
Total Special Education Cluster				<u>2,317,891</u>	<u>2,043,216</u>	<u>2,317,891</u>	<u>2,043,216</u>
ESEA Title I, Part A							
<u>ESEA Title I-A Basic Grant</u>	84.010		2023-532695-DPI-TIA-141				
July 1, 2021 - June 30, 2022		WI DPI		1,337,019	-	1,337,019	-
July 1, 2022 - June 30, 2023		WI DPI		-	2,258,415	224,784	2,033,631
				<u>1,337,019</u>	<u>2,258,415</u>	<u>1,561,803</u>	<u>2,033,631</u>
<u>ESEA Title I-D, Subpart 2 Delinquent from Title I, Part A</u>	84.010		2023-532695-DPI-TID-144				
July 1, 2021 - June 30, 2022		WI DPI		30,411	-	30,411	-
July 1, 2022 - June 30, 2023		WI DPI		-	38,031	3,310	34,721
				<u>30,411</u>	<u>38,031</u>	<u>33,721</u>	<u>34,721</u>
Total ESEA Title I, Part A				<u>1,367,430</u>	<u>2,296,446</u>	<u>1,595,524</u>	<u>2,068,352</u>
<u>Carl Perkins Act Formula Allocation Grant</u>	84.048		2023-532695-CTE-400				
July 1, 2021 - June 30, 2022		WI DPI		64,145	-	64,145	-
July 1, 2022 - June 30, 2023		WI DPI		-	69,650	14,372	55,278
				<u>64,145</u>	<u>69,650</u>	<u>78,517</u>	<u>55,278</u>
<u>ESEA Title X-C Homeless Children</u>	84.196		2023-532695-DPI-EHCY-335				
July 1, 2021 - June 30, 2022		WI DPI		72,016	-	72,016	-
July 1, 2022 - June 30, 2023		WI DPI		-	78,423	6,966	71,457
				<u>72,016</u>	<u>78,423</u>	<u>78,982</u>	<u>71,457</u>

See accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Awarding Agency/Pass-Through Agency/Award Description	Assistance Listing Number	Pass Through Agency	Passed Through Agency ID	Accrued Receivable June 30, 2022	Expenditures	Revenues	Accrued Receivable June 30, 2023
					Grantor Reimbursements	Grantor Reimbursements	
<u>WI Charter Schools Program</u>	84.282		2023-532695-DPI-WCSP1-360				
July 1, 2021 - June 30, 2022		WI DPI		70,706	-	70,706	-
July 1, 2022 - June 30, 2023		WI DPI		-	131,947	28,801	103,146
				<u>70,706</u>	<u>131,947</u>	<u>99,507</u>	<u>103,146</u>
<u>ESEA Title III-A English Language Acquisition Formula</u>	84.365		2023-532695-DPI-TIIIA-391				
July 1, 2021 - June 30, 2022		WI DPI		90,368	-	90,368	-
July 1, 2022 - June 30, 2023		WI DPI		-	77,679	50,370	27,309
				<u>90,368</u>	<u>77,679</u>	<u>140,738</u>	<u>27,309</u>
<u>ESEA Title II-A Formula Teacher and Principal Training</u>	84.367		2023-532695-DPI-TIIA-365				
July 1, 2021 - June 30, 2022		WI DPI		198,405	-	198,405	-
July 1, 2022 - June 30, 2023		WI DPI		-	623,631	195,405	428,226
				<u>198,405</u>	<u>623,631</u>	<u>393,810</u>	<u>428,226</u>
<u>ESEA Title IV-A Student Support and Academic Enrichment Grants</u>	84.424		2023-532695-DPI-TIVA-381				
July 1, 2021 - June 30, 2022		WI DPI		76,424	-	76,424	-
July 1, 2022 - June 30, 2023		WI DPI		-	142,518	12,099	130,419
				<u>76,424</u>	<u>142,518</u>	<u>88,523</u>	<u>130,419</u>
Education Stabilization Fund Programs							
<u>COVID-19 - Elementary & Secondary School Emergency Relief Fund I</u>	84.425D		2021-532695-DPIESSERF-160				
July 1, 2021 - June 30, 2022		WI DPI		15,905	-	15,905	-
July 1, 2022 - June 30, 2023		WI DPI		-	13,787	13,787	-
				<u>15,905</u>	<u>13,787</u>	<u>29,692</u>	<u>-</u>
<u>COVID-19 - Elementary & Secondary School Emergency Relief Fund II</u>	84.425		2023-532695-DPI-ESSERFII-163				
July 1, 2021 - June 30, 2022		WI DPI		1,697,197	-	1,697,197	-
July 1, 2022 - June 30, 2023		WI DPI		-	3,047,754	813,062	2,234,692
				<u>1,697,197</u>	<u>3,047,754</u>	<u>2,510,259</u>	<u>2,234,692</u>
<u>COVID-19 - Elementary & Secondary School Emergency Relief Fund III</u>	84.425U		2023-532695-DPI-ESSERFIII-165				
July 1, 2021 - June 30, 2022		WI DPI		1,737	-	1,737	-
July 1, 2022 - June 30, 2023		WI DPI		-	2,673,547	128,290	2,545,257
				<u>1,737</u>	<u>2,673,547</u>	<u>130,027</u>	<u>2,545,257</u>
<u>COVID-19 - Governors Emergency Education Relief Fund</u>	84.425C		2021-532695-DPIGEERF-162				
July 1, 2021 - June 30, 2022		WI DPI		7,877	-	7,877	-
July 1, 2022 - June 30, 2023		WI DPI		-	22,528	22,528	-
				<u>7,877</u>	<u>22,528</u>	<u>30,405</u>	<u>-</u>
<u>COVID-19 - American Rescue Plan Homeless Children and Youth</u>	84.425W		2023-532695-DPI-ARPHCYI-168				
July 1, 2021 - June 30, 2022		WI DPI		14,060	-	14,060	-
July 1, 2022 - June 30, 2023				-	25,184	-	25,184
				<u>14,060</u>	<u>25,184</u>	<u>14,060</u>	<u>25,184</u>
Total Education Stabilization Fund Programs				<u>1,736,776</u>	<u>5,782,800</u>	<u>2,714,443</u>	<u>4,805,133</u>
Total U.S. Department of Education				<u>5,994,161</u>	<u>11,246,310</u>	<u>7,507,935</u>	<u>9,732,536</u>

See accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Awarding Agency/Pass-Through Agency/Award Description	Assistance Listing Number	Pass Through Agency	Passed Through Agency ID	Accrued Receivable June 30, 2022	Expenditures	Revenues	Accrued Receivable June 30, 2023
					Grantor Reimbursements	Grantor Reimbursements	
U.S. Department of Agriculture							
Child Nutrition Cluster							
<u>School Breakfast Program</u>							
July 1, 2021 - June 30, 2022	10.553	WI DPI	2023-532695-DPI-SB-SEVERE-546	27,712	-	27,712	-
July 1, 2022 - June 30, 2023				-	1,360,458	1,322,331	38,127
				<u>27,712</u>	<u>1,360,458</u>	<u>1,350,043</u>	<u>38,127</u>
National School Lunch Program							
<u>Donated Food Program</u>							
July 1, 2022 - June 30, 2023	10.555	WI DPI	N/A	-	550,952	550,952	-
National School Lunch Program							
<u>Donated Food Program</u>							
July 1, 2021 - June 30, 2022	10.555	WI DPI	2023-532695-DPI-NSL-547	62,136	-	62,136	-
July 1, 2022 - June 30, 2023				-	3,106,311	3,027,921	78,390
				<u>62,136</u>	<u>3,106,311</u>	<u>3,090,057</u>	<u>78,390</u>
Total National School Lunch Program				<u>62,136</u>	<u>3,657,263</u>	<u>3,641,009</u>	<u>78,390</u>
<u>NSL Area Eligible Snack Program</u>							
July 1, 2021 - June 30, 2022	10.555	WI DPI	2023-532695-DPI-SK_NSLAE-561	50	-	50	-
July 1, 2022 - June 30, 2023		WI DPI		-	61,669	61,592	77
				<u>50</u>	<u>61,669</u>	<u>61,642</u>	<u>77</u>
<u>COVID-19 - Summer Food Service Program for Children</u>							
July 1, 2021 - June 30, 2022	10.559	WI DPI	2023-532695-DPI-SFSP-561	139,935	-	139,935	-
July 1, 2022 - June 30, 2023		WI DPI		-	197,447	52,124	145,323
				<u>139,935</u>	<u>197,447</u>	<u>192,059</u>	<u>145,323</u>
<u>Fresh Fruit & Vegetable Program (FFVP)</u>							
July 1, 2022 - June 30, 2023	10.582	WI DPI	2023-532695-DPI-FFVP-594	-	150,425	150,425	-
Total Child Nutrition Cluster				<u>229,833</u>	<u>5,427,262</u>	<u>5,395,178</u>	<u>261,917</u>
Total U.S. Department of Agriculture				<u>229,833</u>	<u>5,427,262</u>	<u>5,395,178</u>	<u>261,917</u>
U.S. Department of Health and Human Services							
Medicaid Cluster							
<u>Medical Assistance Program</u>							
July 1, 2022 - June 30, 2023	93.778	WI DHS	44207900	-	1,363,377	1,363,377	-
				<u>-</u>	<u>1,363,377</u>	<u>1,363,377</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>-</u>	<u>1,363,377</u>	<u>1,363,377</u>	<u>-</u>
U.S. Department of Treasury							
<u>COVID-19 - Coronavirus State and Local Fiscal Recovery Fund</u>							
July 1, 2022 - June 30, 2023	21.027	WI DOA	132953	-	132,657	132,657	-
				<u>-</u>	<u>132,657</u>	<u>132,657</u>	<u>-</u>
Total U.S. Department of Treasury				<u>-</u>	<u>132,657</u>	<u>132,657</u>	<u>-</u>

See accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>Awarding Agency/Pass-Through Agency/Award Description</u>	<u>Assistance Listing Number</u>	<u>Pass Through Agency</u>	<u>Passed Through Agency ID</u>	<u>Accrued Receivable June 30, 2022</u>	<u>Expenditures Grantor Reimbursements</u>	<u>Revenues Grantor Reimbursements</u>	<u>Accrued Receivable June 30, 2023</u>
Federal Communications Commission							
<u>COVID-19 - Emergency Connectivity Fund</u>	32.009		ECF202107002				
July 1, 2021 - June 30, 2022		None		97,773	-	-	97,773
July 1, 2022 - June 30, 2023				-	857,125	-	857,125
Total Federal Communications Commission				<u>97,773</u>	<u>857,125</u>	<u>-</u>	<u>954,898</u>
Total Federal Awards				<u>\$ 6,321,767</u>	<u>\$ 19,026,731</u>	<u>\$ 14,399,147</u>	<u>\$ 10,949,351</u>

See accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Expenditures of State Awards
Year Ended June 30, 2023

<u>Awarding Agency/Pass-Through Agency/Award Description</u>	<u>State ID Number</u>	<u>Accrued Receivable June 30, 2022</u>	<u>Revenue/ Expenditures</u>	<u>Reimbursements</u>	<u>Accrued Receivable June 30, 2023</u>
Wisconsin Department of Public Instruction					
Special Education and School Age Parents	255.101	\$ -	\$ 5,418,890	\$ 5,418,890	\$ -
State School Lunch Program	255.102	-	42,710	42,710	-
Common School Fund Library Aid	255.103	-	566,966	566,966	-
Bilingual/Bicultural Program	255.106	-	38,492	38,492	-
Pupil Transportation Aid	255.107	-	22,077	22,077	-
Equalization Aid	255.201	-	69,693,549	69,693,549	-
High Cost Special Education Aid	255.210	-	33,127	33,127	-
School Based Mental Health Programs	255.297	32,303	105,291	45,475	92,119
Peer Review and Mentoring Grants	255.301	9,350	-	9,350	-
State School Breakfast Program	255.344	-	37,371	37,371	-
State Tuition Payments	255.401	-	327,569	327,569	-
Early College Credit Program	255.445	-	762	762	-
Achievement Gap Reduction Aid	255.504	-	790,698	790,698	-
Aid for High Poverty School District	255.926	-	488,863	488,863	-
Educator Effective Eval Sys Grants Public	255.940	-	68,160	68,160	-
Per Pupil Adjustment Aid	255.945	-	6,784,106	6,784,106	-
Career and Technical Education Incentives	255.950	37,977	21,163	59,140	-
Assessments of Reading Readiness	255.956	-	15,785	15,785	-
Robotics Lead Participation	255.959	3,927	2,892	6,819	-
Aid for Special Education Transition	255.960	-	41,083	41,083	-
		<u>83,557</u>	<u>84,499,554</u>	<u>84,490,992</u>	<u>92,119</u>
Wisconsin Department of Workforce Development					
Youth Apprenticeship Grant	445.149	-	8,000	8,000	-
Total state financial assistance		<u>\$ 83,557</u>	<u>\$ 84,507,554</u>	<u>\$ 84,498,992</u>	<u>\$ 92,119</u>

See accompanying notes to schedules of expenditures of federal and state awards.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Notes to Schedules of Expenditures of Federal and State Awards
June 30, 2023

1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (“Schedules”) include the federal and state award activity of the School District of Janesville (“District”) under programs of the federal and state government for the year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Guidelines. Because the Schedules presents only a selected portion of the operations of the District, they are not intended to and do not present the financial position or changes in net position of the District.

2. Summary of Significant Accounting Policies

Expenditures presented on the Schedules are reported on the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures.

Further, the Schedules are prepared following the principles contained in the Uniform Grant Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Special Education and School Age Parents Program

The aid received during fiscal year 2022-23 was based on a proration of the total net eligible expenditures incurred during fiscal year 2021-22 (\$17,127,808). The net eligible expenditures incurred during fiscal year 2022-23 (\$18,020,265) will be utilized in determining aid received in fiscal year 2023-24.

4. Oversight Agency

The District’s federal oversight agency for audit is the U.S. Department of Education. The District’s state cognizant agency is the Wisconsin Department of Public Instruction.

5. Pass-Through Agencies

The District received federal awards from the following pass-through agencies:

WI DPI	Wisconsin Department of Public Instruction
WI DHS	Wisconsin Department of Health Services
WI DOA	Wisconsin Department of Administration

6. Indirect Cost Rate

The District has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Findings and Questioned Costs
June 30, 2023

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	_____	<u>X</u>	no
Significant deficiency(ies) identified?	_____	yes	_____	<u>X</u>	none reported

Noncompliance material to financial statements noted?	_____	yes	_____	<u>X</u>	no
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Federal and State Awards

Internal control over major programs:

	Federal Programs	State Programs
Material weakness(es) identified?	_____ yes <u>X</u> no	_____ yes <u>X</u> no
Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes <u>X</u> none reported	_____ yes <u>X</u> none reported

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

Unmodified	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*?

_____	yes	_____	no	_____	yes	_____	no
		<u>X</u>				<u>X</u>	

Auditee qualified as low-risk auditee?

_____	yes	_____	no	_____	yes	_____	no
		<u>X</u>				<u>X</u>	

Dollar threshold used to distinguish between type A and type B programs:

\$750,000	\$250,000
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SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Findings and Questioned Costs
June 30, 2023
(continued)

Identification of major federal programs tested

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
32.009	Emergency Connectivity Fund
84.425	Education Stabilization Fund
93.778	Medicaid Cluster
84.367	Title II

Identification of major state programs:

<u>State Number</u>	<u>Name of State Program or Cluster</u>
255.201/255.926	General Aids Cluster
255.107	Pupil Transportation Aid
255.401	State Tuition Payments
255.940	Educator Effectiveness Grant
255.945	Per Pupil Adjustment Aid

**Section II – Financial Statement Findings Required to be Reported in Accordance With
Government Auditing Standards**

No findings were reported.

Section III - Federal and State Awards Findings and Questioned Costs

No findings were reported.

SCHOOL DISTRICT OF JANESVILLE
Janesville, Wisconsin

Schedule of Findings and Questioned Costs
June 30, 2023
(continued)

Section IV - Other Issues

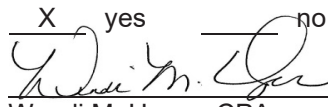
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? _____ yes X no

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

Department of Public Instruction	_____ yes	<u> X </u> no
Department of Workforce Development	_____ yes	<u> X </u> no
Department of Health Services	_____ yes	<u> X </u> no

Was a Management Letter or other document conveying audit comments issued as a result of this audit? X yes _____ no

Name and signature of partner



Wendi M. Unger, CPA

Date of report

December 15, 2023