

**GLENDAL - RIVER HILLS SCHOOL DISTRICT
FINANCIAL STATEMENTS**

June 30, 2024

GLENDALE - RIVER HILLS SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Glendale - River Hills School District
Milwaukee County, Wisconsin

Report on 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 Glendale-River Hills School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Glendale-River Hills School District as of June 30, 2024, and the respective changes in financial position, where applicable, and the respective budgetary comparisons for the General Fund and Special Education Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 error or fraud.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 management's discussion and analysis and Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Special Education, Schedule of Proportionate Share of Net Pension Liability (Asset) – Wisconsin Retirement System, Schedule of Contributions – Wisconsin Retirement System, Schedule of Changes in the Total Pension Liability and Related Ratios Supplemental Pension Plan, Schedule of Changes in Total OPEB Liability and Related Ratios Other Postemployment Benefits Plan, Schedule of Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund, Schedule of Contributions – Local Retiree Life Insurance Fund and Notes to the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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.

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 financial information listed in the table of contents as supplemental financial information; and the schedules of expenditures of federal awards and state awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and by the Wisconsin Department of Administration; are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental financial information and the schedules of expenditures of federal awards and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our reports dated October 4, 2024 on our consideration of the Glendale-River Hills School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 compliance.

SCHUMACHER SAMA, LLP



Wauwatosa, Wisconsin
March 4, 2025

**GLENDAL – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Management's Discussion and Analysis of the Glendale - River Hills School District financial performance provides an overall review of financial activities for the fiscal year ending June 30, 2024 and focuses on school district financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The District's overall financial status, as reflected in total net position, decreased by \$1,453,492.
- The General Fund (Fund 10) fund balance decreased from \$1,156,041 to \$(1,871,250). The original budget adopted in October 2023 projected a decrease in the General Fund balance of \$2,788,359. The final budget adopted in April 2024 projected an increase in the General Fund balance of \$2,408,413 after expected loan proceeds of \$6,000,000. General Fund revenues were \$247,419 above projected and expenditures were \$104,913 under projected. Other financing uses were \$5,540,617 under projected mainly due to the expected loan proceeds not occurring until after year end. Special Education revenues were \$103,572 over projected and expenditures were \$271,822 under projected. Transfers from the General Fund to the Special Education Fund were \$375,394 under projected.
- School board policy states that General Fund balance should be at or above 10% of prior year expenditures. The current fund balance of \$(1,871,250) is (11)% of expenditure (excluding transfers) and below the 10% requirement.
- Capital assets have been reported at \$15.3 million and accumulated depreciation of \$10.6 million for a net capital asset value of \$4.7 million. The amount listed represents the historical cost or estimated historical cost of all sites, site improvements, buildings and building improvements, furniture and equipment with a unit value of at least \$500. Capital assets are assigned as an expenditure function and annual and accumulated depreciation for each expenditure function has been incorporated into the financial statements (see Note 3 in the Notes to the Financial Statements).
- Total revenues for Governmental Funds were \$21.2 million. This amount includes \$14.9 million of local property taxes, \$2.7 million in state aid and \$1.6 million in federal aid.
- The district follows GASB #68, *Accounting and Financial Reporting for Pension* and GASB #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* for its membership in the Wisconsin Retirement System (WRS) pension plan. This allows the District to report its proportionate share of the WRS plan net pension asset and/or liability. As of June 30, 2024, a \$750,944 net pension liability is reported in the Statement of Net Position.
- The District follows GASB #73, *Accounting and Financial Reporting for Pensions* for its Supplemental Pension Plan. This allows the District to report its total supplemental pension liability. As of June 30, 2024, a \$721,898 supplemental pension liability is reported in the Statement of Net Position.
- The District follows GASB #75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*. This allows the District to report its actuarial liability related to post-employment health insurance benefits. As of June 30, 2024, a \$3,393,967 total OPEB post-employment health insurance liability is reported in the Statement of Net Position.
- The District follows GASB #75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This allows the District to report its actuarial liability related to post-employment life insurance benefits. As of June 30, 2024, a \$683,735 total OPEB post-employment life insurance liability is reported in the Statement of Net Position.
- The District follows GASB #87, *Leases*. Under this standard, the District recognizes a right-of-use leased asset, accumulated amortization, and a lease liability for their long-term leases.

**GLENDALE – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report consists of four parts:

1. Management's Discussion and Analysis
2. Basic Financial Statements (District-Wide and Fund Statements)
3. Notes to the Financial Statements
4. Required and Additional Supplementary Information

The basic financial statements consist of *District-Wide Financial Statements* and *Fund Statements* that present different views of the District's financial activities.

District-Wide Financial Statements

- The *Statement of Net Position* and *Statement of Activities* provide information on a district-wide basis. These statements present an aggregate view of the District's finances. These statements contain useful long-term information as well as information for the 2023-2024 fiscal year.
- The *Statement of Net Position* compares assets to liabilities to give an overall view of the financial health of the district.
- The *Statement of Activities* defines the District's expenses by function and illustrates the total that is offset by corresponding revenues (charges for services and/or operating grants and contributions). General revenue and any extraordinary credits are identified. The result is total net expense offset by general and miscellaneous revenue and recognizing the change in net assets for the District from the previous year.

Fund Financial Statements

- The remaining statements: *Balance Sheet - Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds* focuses on individual parts of the District. Fund statements generally report operations in more detail than the district-wide statements and support the *Statement of Net Position*.
- *The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual* is required Supplementary Information, which further explains and supports the financial statements by including a comparison of the District's budget data for the year.
- The *Notes to the Financial Statements* provide further explanation of some of the information in the statements and provide additional disclosure so statement users have a complete picture of the District's financial activities and position.
- *Required Supplementary Information* further explains and supports the financial statements by including a comparison of the District's budget data for the year and includes all reports in the financial statements through and including the financial notes.
- *Supplemental Information* provides information specific to nonmajor governmental funds.

**GLENDALE – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Table 1 - Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Fund Statements	Proprietary Fund Statements	Fiduciary Fund Statements
Scope	Entire District (except fiduciary funds)	The activity of the District that is not proprietary or fiduciary, such as instructional, support services and community services.	An activity the District operates similar to private businesses. <u>The District does not report any program for this designation.</u>	Assets held by the District on behalf of someone else.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Basis of Accounting and Measurement Focus	Accrual accounting Economic resources focus	Modified accrual accounting Current financial resources focus	Accrual accounting Economic resources focus	Accrual accounting Economic resources focus
Type of Asset and Liability Information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities are included.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets and liabilities, both financial and capital, short-term and long-term. <u>The District's fiduciary funds do not currently contain capital assets.</u>
Type of Inflow and Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and the related liabilities are due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received and paid.

**GLENDAL – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Table 2
Condensed Statement of Net Position
(in thousands of dollars)

	Governmental Activities		% Change 2022-2023
	2024	2023	
Current Assets	\$ 5,682.5	\$ 5,569.4	2.03%
Non-Current Assets	4,836.5	5,042.5	-4.09%
Deferred Outflows of Resources	7,631.2	10,727.9	-28.87%
Total assets and deferred outflows	\$ 18,150.2	\$ 21,339.8	-14.95%
Current Liabilities	\$ 5,198.4	\$ 3,639.2	42.84%
Non-Current Liabilities	6,447.4	8,407.5	-23.31%
Deferred Inflows of Resources	5,418.7	6,753.9	-19.77%
Total liabilities and deferred inflows	\$ 17,064.4	\$ 18,800.6	-9.23%
Net position			
Net investment in capital assets	\$ 3,727.8	\$ 3,801.7	-1.94%
Restricted	4,309.6	2,467.3	74.67%
Unrestricted	(6,951.7)	(3,729.7)	86.39%
Total net position	\$ 1,085.7	\$ 2,539.2	-57.24%

Note: totals may not add due to rounding.

Statement of Net Position (Table 2)

As of June 30, 2024, the District reported total assets and deferred outflows of \$18.2 million and total liabilities and deferred inflows of \$17.1 million. Net position amounts to \$1.1 million. Non-current asset reporting includes historical cost of sites, site improvements, buildings, building improvements, furniture and equipment, and right-of-use leased assets (all net of accumulated depreciation and amortization). Non-current liability reporting includes long-term obligations, WRS pension, supplementary pension, post-employment life insurance and OPEB health insurance liabilities.

**GLENDALE – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Changes in Net Position from Operating Results for Governmental Activities (Table 3)

Revenues

Table 3 Change in Net Position Governmental Activities <i>(in thousands of dollars)</i>				
	<u>2024</u>	<u>%</u>	<u>2023</u>	<u>%</u>
Revenues:				
Program revenues				
Charges for services	\$ 1,854.6	8.8%	\$ 1,505.0	8.0%
Operating grants & contributions	2,566.4	12.1%	1,749.9	9.3%
General revenues				
Property taxes	14,992.2	70.8%	13,555.8	72.4%
General federal and state aid	1,644.1	7.8%	1,743.7	9.3%
Other	115.9	0.5%	173.1	0.9%
Total revenues	\$ 21,173.1	100%	\$ 18,727.5	100%
Expenses:				
Instruction	\$ 13,442.3	59.4%	\$ 12,876.9	58.3%
Pupil & instructional services	3,380.0	14.9%	2,115.9	9.6%
Administration and business	4,557.1	20.1%	5,967.4	27.0%
Interest on debt	230.6	1.0%	156.2	0.7%
Food Service	569.3	2.5%	571.3	2.6%
Community Service	5.5	0.0%	1.9	0.0%
Other	441.9	2.0%	400.2	1.8%
Total expenses	\$ 22,626.6	100%	\$ 22,089.9	100%
Change in net position	\$ (1,453.5)		\$ (3,362.4)	
<i>Note: totals may not foot due to rounding.</i>				

- The District received \$21.2 million in revenue for the 2023-2024 fiscal year. Seventy-one percent (71%) of the District's total revenue came from local school property tax and prior year charge backs. The District received approximately twenty percent (20%) in the form of specific use State Grants, Federal Aid, and direct fees for services. Eight percent (8%) of the total came from other Federal and State Aid and one percent (1%) from other sources. The overall make-up of the sources of revenue did not vary significantly from the previous fiscal year.
- Individuals who directly participated or benefited from a program contributed \$1.9 million of the cost. Book and activity fees, admissions to athletic events, open enrollment tuition, and building rental fees are included as charges for services.
- Federal and State governments subsidized certain programs with specific grants and contributions of \$2.6 million. Special Education Aid and Transportation Aid are examples of operating grants and contributions.

**GLENDALE – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Expenses

- The District's total expenditure amount was \$22.6 million for fiscal year 2023-2024. Seventy-four percent (74%) was directed to pupil instruction and instructional services. Costs for teacher salaries/benefits, textbooks, and instructional supplies are examples of instructional services. Administration and business services account for twenty percent (20%) of total expenses. Examples of support services include Administration, transportation, staff development activities, district maintenance, property/casualty insurance/early retirement costs and short-term borrowing. The costs associated with Debt Service and other costs account for six percent (6%) of all District expenses.

Table 4 - Net Cost of Governmental Activities

	2024		2023	
	<u>Total Cost of Services</u>	<u>Net cost of Services</u>	<u>Total Cost of Services</u>	<u>Net cost of Services</u>
Instruction	\$ 13,442,313	\$ 10,768,876	\$ 12,876,928	\$ 10,683,066
Pupil/Instructional Services	3,379,950	2,256,302	2,115,854	1,691,652
Administrative Service	4,557,075	4,409,194	5,967,397	5,840,465
Food Service	569,317	93,307	571,330	62,466
Community Service	5,450	5,450	1,934	872
Other Support	441,885	441,885	400,243	400,243
Debt Service	230,626	230,626	156,225	156,225
Total	<u>\$ 22,626,616</u>	<u>\$ 18,205,640</u>	<u>\$ 22,089,911</u>	<u>\$ 18,834,989</u>

- The total cost of all governmental activities was \$22.6 million. (Table 4)
- The net cost of governmental activities was \$18.2 million. The net cost is the total cost less the program revenues. Refer to the Statement of Activities for the detailed adjustments made for the net cost of services.

General Fund Budgetary Comparison

The District adopts an interim budget in June for the subsequent year. Consistent with current state statutes and regulations, the original budget may be amended in October to reflect the actual revenue cap and state aid certification. The budget was then subsequently amended in April 2024. Actual results for 2023-2024 show a deficit of \$3.0 million in the General Fund.

Fund Balances

- The District shows a total for all fund balances of \$704,157 on June 30, 2024. (See Note 11 in the financial statements for the detail of total governmental fund balances).
- The General Fund balance shows a deficit of \$1,871,250. The district obtained a State Trust Fund loan of \$6.0 million in August 2024 to provide working capital to offset this deficit.
- The fund balances in the Community Service Fund of \$2,284,878, Food Service Fund of \$15,778, Gift Fund of \$18,756, Debt Service Fund of \$44,234 and the Long-Term Capital Improvement Fund of \$211,761 are restricted for each respective fund's purpose.

**GLENDAL – RIVER HILLS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Governmental Activities

A budget was adopted by the Board in October 2023 and revised in April 2024. Financial decisions, errors, delays in financial record keeping, and not closing on the expected loan until after year end resulted in the District overspending the General Fund budget by \$5,435,704. The Board has taken action to repair the financial position of the District and strengthen internal controls requiring adequate record keeping.

A majority of the District’s revenues are through local property taxes. The States revenue controls limit the District’s ability to set a tax levy above the calculated revenue limit without approval from the local taxpayers.

Right-of-Use Leased Assets, Capital Assets, and Debt Administration

Right-of-Use Leased Assets

- At June 30, 2024, the District reported \$203,287 of right-of-use leased assets and \$80,762 accumulated amortization.

Capital Assets

- At June 30, 2024, the District reported \$15.3 million of capital assets and \$10.6 million of accumulated depreciation.

Long Term Debt

- As of June 30, 2024, the District had \$1,108,641 in long-term obligations which included \$986,710 in general obligation promissory notes and bonds and \$121,931 in lease liabilities. (Note 6 in the Financial Statements details the long-term obligations).

General Obligation Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin State Statutes require that the first property tax receipts be segregated for use for annual debt service payment. The Glendale - River Hills School District complies with all these statutory requirements.

Decisions that Will Impact the Future of the District

The District closed on a \$6,000,000 State Trust Fund Loan in July 2024 that brought the District to a positive fund balance. The District passed a \$9 million operational referendum to exceed the revenue limit by \$4.5 million per year for the 24-25 and 25-26 fiscal years.

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions regarding this report or need additional financial information, please contact:

Michelle Brown, Director of Business Services
Glendale - River Hills School District
2600 West Mill Road
Glendale WI, 53290

Phone: (414) 351-7175

BASIC FINANCIAL STATEMENTS

GLENDALE - RIVER HILLS SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

ASSETS

Current Assets

Cash and investments	\$ 2,050,501
Accounts receivable	2,242,032
Due from other governments	1,389,932
Total Current Assets	<u>5,682,465</u>

Non-current Assets

Capital assets, net of accumulated depreciation	4,713,944
Right-of-use leased assets, net of accumulated amortization	122,525

Total Non-Current Assets	<u>4,836,469</u>
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Total Assets	<u>10,518,934</u>
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Deferred Outflows of Resources

Deferred outflows of resources from OPEB - life	318,741
Deferred outflows of resources from OPEB - health	476,364
Total deferred outflow of resources OPEB	<u>795,105</u>
Deferred outflows of resources from WRS pension	6,421,425
Deferred outflows of resources from supplemental pension	414,690
Total deferred outflow of resources from pensions	<u>6,836,115</u>
Total Deferred Outflows of Resources	<u>7,631,220</u>

Total Assets and Deferred Outflows of Resources	<u>\$ 18,150,154</u>
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LIABILITIES

Current Liabilities

Current portion of long-term obligation	\$ 211,818
Accounts payable and accrued expenses	2,236,556
Notes payable	2,750,000
Total Current Liabilities	<u>5,198,374</u>

Non-Current Liabilities

Net OPEB liability - Post employment health insurance	3,393,967
Net OBEB liability - Post employment life insurance	683,735
Total non-current net OPEB liability	<u>4,077,702</u>
Net pension liability - Supplemental pension	721,898
Net pension liability- Wisconsin Retirement System	750,944
Total non-current pension liabilities	<u>1,472,842</u>
Non-current portion of long-term obligations	896,823
Total Non-Current Liabilities	<u>6,447,367</u>

Total Liabilities	<u>11,645,741</u>
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Deferred Inflows of Resources

Deferred inflows of resources from OPEB - life	378,546
Deferred inflows of resources from OPEB - health	969,397
Total deferred inflows of resources OPEB	<u>1,347,943</u>
Deferred inflows of resources from WRS pension	4,011,319
Deferred inflows of resources from supplemental pension	59,405
Total deferred inflow of resources from pensions	<u>4,070,724</u>
Total Deferred Inflows of Resources	<u>5,418,667</u>

Total Liabilities and Deferred Inflows of Resources	<u>17,064,408</u>
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NET POSITION

Net investment in capital assets	3,727,828
Restricted	4,309,613
Unrestricted	(6,951,695)
Total Net Position	<u>1,085,746</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 18,150,154</u>
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See accompanying notes to the financial statements.

GLENDALE - RIVER HILLS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction				
Regular	\$ 9,106,298	\$ 1,389,539	\$ 339,618	\$ (7,377,141)
Special education	3,276,698	-	781,784	(2,494,914)
Vocational	94,010	17,441	-	(76,569)
Physical	525,324	97,460	-	(427,864)
Other	439,983	47,595	-	(392,388)
Total Instruction	13,442,313	1,552,035	1,121,402	(10,768,876)
Support Services				
Pupil services	2,316,852	-	432,694	(1,884,158)
Instructional support services	1,063,098	-	690,954	(372,144)
General administrative services	629,593	-	-	(629,593)
Building administrative services	(87,551)	-	(27,978)	59,573
Business administrative services	586,105	57,846	118,013	(410,246)
Operations and maintenance	2,953,282	-	-	(2,953,282)
Central services	296,112	-	-	(296,112)
Insurance and judgments	179,534	-	-	(179,534)
Debt service	230,626	-	-	(230,626)
Other support services	441,885	-	-	(441,885)
Food Service	569,317	244,678	231,332	(93,307)
Total Support Services	9,178,853	302,524	1,445,015	(7,431,314)
Community services	5,450	-	-	(5,450)
Total Activities	\$ 22,626,616	\$ 1,854,559	\$ 2,566,417	(18,205,640)
General Revenues				
Property taxes				
General purposes				13,034,668
Debt service				206,457
Community service				1,751,055
State and Federal aids not restricted to specific functions				1,644,091
Gifts				17,309
Investment income				24,800
Other revenue				73,768
Total General Revenues				16,752,148
CHANGE IN NET POSITION				(1,453,492)
Net Position, beginning of year				2,539,238
NET POSITION, end of year				\$ 1,085,746

See accompanying notes to the financial statements.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	<u>General Fund</u>	<u>Community Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ (460,427)	\$ 2,306,496	\$ 204,432	\$ 2,050,501
Taxes receivable	1,788,422	-	-	1,788,422
Accounts receivable	374,740	-	78,870	453,610
Due from other governments	1,386,455	-	3,477	1,389,932
Due from other funds	-	-	18,764	18,764
	<u>-</u>	<u>-</u>	<u>18,764</u>	<u>18,764</u>
Total Assets	<u>\$ 3,089,190</u>	<u>\$ 2,306,496</u>	<u>\$ 305,543</u>	<u>\$ 5,701,229</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 330,051	\$ 7,855	\$ 15,014	\$ 352,920
Notes payable	2,750,000	-	-	2,750,000
Payroll taxes and withholdings	1,752,076	13,763	-	1,765,839
Accrued interest payable	109,549	-	-	109,549
Due to other funds	18,764	-	-	18,764
	<u>4,960,440</u>	<u>21,618</u>	<u>15,014</u>	<u>4,997,072</u>
Total Liabilities	<u>4,960,440</u>	<u>21,618</u>	<u>15,014</u>	<u>4,997,072</u>
Fund Balances				
Restricted	75,044	2,284,878	290,529	2,650,451
Unassigned	(1,946,294)	-	-	(1,946,294)
	<u>(1,871,250)</u>	<u>2,284,878</u>	<u>290,529</u>	<u>704,157</u>
Total Fund Balances	<u>(1,871,250)</u>	<u>2,284,878</u>	<u>290,529</u>	<u>704,157</u>
Total Liabilities and Fund Balances	<u>\$ 3,089,190</u>	<u>\$ 2,306,496</u>	<u>\$ 305,543</u>	

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

Right-of-Use Leased Assets used in governmental activities are not financial resources and therefore are not reported in the funds.	122,525
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,713,944
The District's proportionate share of net pension assets (liabilities) as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements.	(3,337,991)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,116,889)
Net Position of Governmental Activities	<u>\$ 1,085,746</u>

See accompanying notes to the financial statements.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General Fund	Community Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local	\$ 13,542,425	\$ 1,777,293	\$ 466,033	\$ 15,785,751
Interdistrict	1,124,164	-	-	1,124,164
Intermediate	11,808	-	-	11,808
State	2,663,921	-	6,847	2,670,768
Federal	1,329,826	-	224,485	1,554,311
Other sources	49,886	176	10,179	60,241
Total Revenues	18,722,030	1,777,469	707,544	21,207,043
Expenditures				
Instruction				
Regular	7,405,579	-	6,407	7,411,986
Physical	527,335	-	-	527,335
Special education	2,865,789	-	-	2,865,789
Vocational	94,369	-	-	94,369
Other	257,527	-	15,884	273,411
Total Instruction	11,150,599	-	22,291	11,172,890
Support Services				
Pupil services	1,121,204	-	-	1,121,204
Instructional support services	1,031,817	-	-	1,031,817
General administrative services	624,673	-	-	624,673
Building administrative services	858,269	-	-	858,269
Business administrative services	586,105	-	-	586,105
Operations and Maintenance	2,903,901	-	-	2,903,901
Central services	296,122	-	-	296,122
Insurance and judgments	179,534	-	-	179,534
Other support services	433,565	5,939	-	439,504
Debt service				
Principal	39,144	-	177,038	216,182
Interest and fees	202,485	-	29,419	231,904
Community services	-	84,276	-	84,276
Food Service	-	-	569,318	569,318
Total Support Services	8,276,819	90,215	775,775	9,142,809
Non-Program				
General tuition payments	2,249,835	-	-	2,249,835
Other non-program services	156,057	5,450	-	161,507
Total Non-Program	2,405,892	5,450	-	2,411,342
Total Expenditures	21,833,310	95,665	798,066	22,727,041
Excess (deficiency) of revenues over expenditures	(3,111,280)	1,681,804	(90,522)	(1,519,998)
Other Financing Sources:				
Transfers (to) from other funds	-	-	-	-
Proceeds from finance leases	83,989	-	-	83,989
Total Other Financing Sources	83,989	-	-	83,989
NET CHANGE IN FUND BALANCES	(3,027,291)	1,681,804	(90,522)	(1,436,009)
Fund Balances, beginning of year	1,156,041	603,074	381,051	2,140,166
FUND BALANCES, end of year	\$ (1,871,250)	\$ 2,284,878	\$ 290,529	\$ 704,157

See accompanying notes to the financial statements.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (1,436,009)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report lease outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over lease terms as amortization expense.

Amortization expense reported in the Statement of Activities	\$ (40,223)	
Lease adjustment	<u>83,989</u>	43,766

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay reported in governmental fund statements	\$ 56,450	
Depreciation expense reported in the Statement of Activities	<u>(306,288)</u>	(249,838)

Debt proceeds provide 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. This is the amount by which repayments exceeded proceeds.

132,194

Net difference between pension system contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the statement of activities.

55,115

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.

1,280

Change in Net Position of Governmental Activities

\$ (1,453,492)

See accompanying notes to the financial statements.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Glendale - River Hills School District conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

The Glendale - River Hills School District is organized as a unified school district. The District, governed by a five- member elected school board, operates grades K4 through 8th grade and is comprised of two taxing districts. This report includes all of the funds of the Glendale - River Hills School District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

B. BASIS OF PRESENTATION

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. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 properly included among program revenues are reported instead as general revenues.

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.

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

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

B. BASIS OF PRESENTATION (continued)

Fund Financial Statements

Fund Financial Statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental, proprietary and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories. 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 or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise 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, proprietary funds, and fiduciary funds, and the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental Activities

Governmental funds are identified as either general, special revenue, debt service, capital projects, or permanent funds based upon the following guidelines:

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

B. BASIS OF PRESENTATION (continued)

Permanent Funds

Permanent Funds are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization.

Fiduciary Funds (Not Included in District-Wide Statements)

Private-Purpose Trust Funds

Private-purpose Trust Funds are used to account for resources legally held in trust for student scholarships, if any.

Custodial Funds

Custodial Funds are used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units.

Major Funds

The District reports the following major governmental funds:

- General Fund
- Community Service Fund

Nonmajor Funds

The District reports the following nonmajor funds:

- Food Service Fund
- Gift Fund
- Debt Service Fund
- Long-Term Capital Improvement Fund

C. BASIS OF ACCOUNTING

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

C. BASIS OF ACCOUNTING (continued)

The modified accrual basis of accounting is followed by the governmental funds and custodial funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., 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. 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 tax revenues are recognized as revenues in the fiscal year levied as the District considers the property taxes as due prior to June 30. The District considers the taxes as due on January 1 the date from which interest and penalties accrue for non-payment of a scheduled installment. Full receipt of the entire levy is assured within sixty days of the school's fiscal year end. Receipt of the balance of taxes levied within sixty days meets the requirements for availability in accordance with generally accepted accounting principles applicable to governmental entities.

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

The aggregate amount of property taxes to be levied for school purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing district for collection. Property taxes attach as an enforceable lien as of January 1. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2023 tax roll:

Real Property	
Lien date and levy date	October 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	March 31, 2024
Third installment due	May 31, 2024
Final settlement	August 31, 2024
Personal property taxes in full	January 31, 2024

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

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

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

C. BASIS OF ACCOUNTING (continued)

For governmental fund financial statements, unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

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 and liabilities 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.

D. MEASUREMENT FOCUS

On the district-wide Statement of Net Position and Statement of Activities governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the district-wide and enterprise fund financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

E. LONG-TERM OBLIGATIONS

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

All long-term debt to be repaid from governmental resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of notes payable, capital leases and accrued compensated absences.

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

F. CAPITAL ASSETS

District-Wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

F. CAPITAL ASSETS (continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The District uses a minimum capitalization limit of \$5,000. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Site Improvements	10-20 years
Buildings	45 years
Machinery and equipment	5-20 years
Computer and related technology	5 years
Textbooks	5 years
Library books	15 years

Fund Financial Statements

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

G. RIGHT-OF-USE LEASED ASSETS

The school has recorded right-of use leased assets as a result of implementing GASB #87, *Leases*. The right-of-use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right-of-use leased assets are amortized on a straight-line basis over the life of the related lease. In the fund financial statement lease payments are expensed when paid.

H. BUDGETS

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C.

Operating budgets are adopted each fiscal year for all governmental funds in accordance with section 65.90 of the Wisconsin Statutes. The legally adopted budget and budgetary expenditure control is exercised at the object level in the General Fund and at the fund level for all other funds. Reported budget amounts are as amended by School Board resolution. Appropriations lapse at year end unless specifically carried over.

I. ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

J. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

The District's policy does not allow accumulated vacation and sick pay benefits to vest. Unused accumulated vacation and sick pay benefits are forfeited upon retirement or termination of employment. These benefits are recorded as an expenditure in the year used. In certain isolated instances, employees are allowed to accrue vacation benefits, however, no accrued benefits existed at year end to be reported in the State of Net Position.

The District has an early retirement program where employees can elect to receive post-employment benefits including incentive payment benefits and health, dental and life insurance benefits. (See Note 7 and 8).

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

K. PENSIONS

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. OTHER POST-EMPLOYMENT BENEFITS (OPEB-LIFE)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB liability,
- Deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and
- OPEB expense (revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

N. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all of the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the district-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

O. INTERFUND TRANSACTIONS

Interfund transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, are reported as transfers.

P. EQUITY CLASSIFICATIONS

District-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and right-of-use leased assets, net of accumulated amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.
- b. Restricted - Consists of net position with constraints placed on 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 - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. GASB #54 requires the fund balance amounts to be reported in the following categories:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- c. Committed – Amounts than can be used only for the specified purposes determined by a formal action (resolution) of the School Board (the district's highest level of decision-making authority).
- d. Assigned – Amounts that are intended to be used for a particular purpose expressed by the School Board of other authorized committee or individual.
- e. Unassigned – All amounts not included in other spendable classifications.

It is the practice of the District to spend restricted amounts first, followed by committed, assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the fund balance classifications could be used.

The District has a minimum fund balance policy to maintain a general fund balance of not less than 10% of unrestricted resources of the subsequent year's general fund operational expenditures. As of June 30, 2024, the District has not met this fund balance goal. The general fund balance as of June 30, 2024 was -10% of operational expenditures.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 2 - Cash and Investments

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 per depositor at each financial institution. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principles losses may not be significant to individual organizations. This coverage has not been considered. At June 30, 2024, \$2,058,193 of the District's deposits are uninsured.

Fluctuating cash flows during the year due to tax collection, receipt of state aid and/or proceeds from borrowing may have resulted in the temporary balances exceeding insured amounts by substantially higher amounts than reported at the balance sheet date.

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

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

At June 30, 2024, the District had the following investments:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 months
Wisconsin Investment Series Cooperative			
Cash Management Series	Amortized Cost	\$ 222,464	\$ 222,464
Investment Series	Amortized Cost	32,819	32,819
		<u>\$ 255,283</u>	<u>\$ 255,283</u>

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 2 - Cash and Investments (continued)

PMA Financial Network is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network. The WISC is not registered with the Securities and Exchange Commission but invests its funds in accordance with applicable Wisconsin statutes.

The WISC values its invested funds using various fair value measurements as applicable, depending on the type of investment as shown in the table above. Measurement methods include cost, amortized cost and fair value hierarchy - level 2. The Wisconsin Investment Series Cooperative (WISC) is a money market fund. WISC funds are invested overnight leaving a zero balance at US Bank, the WISC custodian at the end of each day. Since there is a zero balance at the end of the day collateral is not required. Furthermore, the WISC Board of Commissioners, made up of representatives from participating public entities, provide additional oversight and input on behalf of their colleagues. The WISC (CMS & IS) are AAAM rated investment pools by Standard & Poors (S&P) which is the highest principal stability fund rating assigned by S&P Global Ratings and demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

Custodial credit risk for investments 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. *Credit risk* for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For investments, *interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to greater risk.

Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
Capital assets not being depreciated				
Sites	\$ 843,312	\$ -	\$ -	\$ 843,312
	<u>843,312</u>	<u>-</u>	<u>-</u>	<u>843,312</u>
Capital assets being depreciated				
Land improvements	510,256	-	-	510,256
Building	10,406,873	-	-	10,406,873
Equipment	3,491,262	56,450	-	3,547,712
Total Capital Assets Being Depreciated	<u>14,408,391</u>	<u>56,450</u>	<u>-</u>	<u>14,464,841</u>
Total Capital Assets	<u>15,251,703</u>	<u>56,450</u>	<u>-</u>	<u>15,308,153</u>
Less: Accumulated depreciation for				
Land improvements	232,563	19,138	-	251,701
Buildings	7,017,959	160,821	-	7,178,780
Equipment	3,037,399	126,329	-	3,163,728
Total Accumulated Depreciation	<u>10,287,921</u>	<u>306,288</u>	<u>-</u>	<u>10,594,209</u>
Net Capital Assets	<u>\$ 4,963,782</u>	<u>\$ (249,838)</u>	<u>\$ -</u>	<u>\$ 4,713,944</u>

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 3 - Capital Assets (continued)

Depreciation expense was charged to functions as follows:

Instruction	
Other	\$ 183,325
Support Services	
Instructional support services	95,579
General administration services	6,226
Building administration services	12,838
Other	8,320
	<u>\$ 306,288</u>

Note 4 – Right-of-Use Leased Assets

The District has four recorded right-of-use leased assets for leased equipment. The related leases are discussed in the Leases subsection of Note 6. The right-of-use leased assets are amortized on a straight-line basis over the terms of the related leases.

	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
Right-of-Use leased assets subject to amortization				
Equipment	<u>\$ 177,207</u>	<u>\$ 83,989</u>	<u>\$ 57,908</u>	<u>\$ 203,288</u>
Total Assets Being Amortized	<u>177,207</u>	<u>83,989</u>	<u>57,908</u>	<u>203,288</u>
Less: Accumulated Amortization for				
Equipment	<u>98,448</u>	<u>40,223</u>	<u>57,908</u>	<u>80,763</u>
Total Accumulated Amortization	<u>98,448</u>	<u>40,223</u>	<u>57,908</u>	<u>80,763</u>
Net Right-of-Use Leased Assets	<u>\$ 78,759</u>	<u>\$ 43,766</u>	<u>\$ -</u>	<u>\$ 122,525</u>

Amortization expense was charged to functions as follows:

Support Services	
Business administration services	<u>\$ 40,223</u>

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 5 - Tax and Revenue Anticipation Notes Payable

When needed, the district issues tax and revenue anticipation notes in advance of property tax collections. The fiscal year begins July 1, but tax collections from the municipalities are received beginning the following January. The District's short-term debt activity for the year ended June 30, 2024 is as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2024</u>
Tax and Revenue Anticipation Note	8/24/2023	4.00%	\$ 1,990,000	\$ -	\$ 1,990,000	\$ -
Tax and Revenue Anticipation Note	4/25/2024	4.50%	-	2,750,000	2,750,000	-
Tax and Revenue Anticipation Note	8/26/2024	5.00%	-	2,750,000	-	2,750,000
			<u>\$ 1,990,000</u>	<u>\$ 5,500,000</u>	<u>\$ 4,740,000</u>	<u>\$ 2,750,000</u>

Total short-term interest paid and expended during the year was \$146,405 and \$197,944, respectively.

Note 6 - Long-Term Obligations

A. Long-term liability activity for the year ended June 30, 2024 was as follows:

	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2024</u>	<u>Due Within One Year</u>
General Obligation Debt:					
Bonds and notes payable	\$ 920,000	\$ -	\$ 145,000	\$ 775,000	\$ 145,000
State Trust Fund loan payable	<u>243,749</u>	<u>-</u>	<u>32,039</u>	<u>211,710</u>	<u>32,937</u>
Total Bonds and Notes Payable	<u>1,163,749</u>	<u>-</u>	<u>177,039</u>	<u>986,710</u>	<u>177,937</u>
Other Liabilities:					
Lease liability	<u>77,086</u>	<u>83,989</u>	<u>39,144</u>	<u>121,931</u>	<u>33,881</u>
Total Other Liabilities	<u>77,086</u>	<u>83,989</u>	<u>39,144</u>	<u>121,931</u>	<u>33,881</u>
Total Long-term Liabilities	<u>\$ 1,240,835</u>	<u>\$ 83,989</u>	<u>\$ 216,183</u>	<u>\$ 1,108,641</u>	<u>\$ 211,818</u>

Total long-term interest paid and expended during the year was \$33,960 and \$32,683, respectively.

B. All general obligation bonds and notes payable are backed by the full faith and credit of the district. Bonds in the governmental funds will be retired by future property tax levies.

GLENDALE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 6 - Long-Term Obligations (continued)

C. Bonds and notes payable is comprised of the following individual issues:

<u>Type</u>	<u>Original Indebtedness</u>	<u>Government Activities</u>			<u>Balance 6/30/2024</u>
		<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	
Bond payable	\$ 1,570,000	2016	1.2-2.65%	3/1/2029	\$ 775,000
State trust fund loan	\$ 338,584	2020	2.75%	3/15/2030	211,710
Total bonds and notes					<u><u>\$ 986,710</u></u>

D. Debt service requirements to maturity on general obligation debt are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 177,937	\$ 25,475	\$ 203,412
2026	183,843	21,161	205,004
2027	189,774	16,706	206,480
2028	195,722	11,650	207,372
2029	201,712	6,419	208,131
Thereafter	37,722	1,037	38,759
Totals	<u><u>\$ 986,710</u></u>	<u><u>\$ 82,448</u></u>	<u><u>\$ 1,069,158</u></u>

E. The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,447,126,195. The legal debt limit and margin of indebtedness as of June 30, 2024 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of \$2,447,126,195)	\$ 122,356,310
Deduct: Long-term debt applicable to debt margin	<u>986,710</u>
Margin of indebtedness	<u><u>\$ 121,369,600</u></u>

F. The District has agreements to lease three automobiles and a copier. The leases qualify as other than short-term lease under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments at the date of their inception. There are no variable payment components of the leases. The value of the right-of-use leased assets relating to the lease liability are discussed in Note 4. The terms of the lease agreements are as follows:

<u>Leased Equipment</u>	<u>Term</u>		<u>Payment</u>	<u>Frequency</u>	<u>Discount Rate</u>
	<u>Beginning</u>	<u>End</u>			
Automobile 1	12/1/2019	11/30/2024	\$ 385	Monthly	2.65%
Automobile 2	11/1/2019	10/31/2024	\$ 346	Monthly	2.65%
Automobile 3	10/1/2023	9/30/2027	\$ 1,369	Monthly	2.65%
Copiers	8/1/2023	7/31/2028	\$ 1,541	Monthly	3.99%

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 6 - Long-Term Obligations (continued)

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2024, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 33,881	\$ 3,615	\$ 37,496
2026	32,380	2,540	34,920
2027	33,480	1,441	34,921
2028	22,190	412	22,602
Totals	<u><u>\$ 121,931</u></u>	<u><u>\$ 8,008</u></u>	<u><u>\$ 129,939</u></u>

Note 7 – Pension Plan, Wisconsin 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. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7 – Pension Plan, Wisconsin Retirement System (continued)

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

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

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 \$700,158 in contributions from the District.

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

GLENDALE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7 – Pension Plan, Wisconsin Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the Glendale - River Hills School District reported a liability (asset) of \$750,944 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Glendale - River Hills School District's proportion of the net pension liability (asset) was based on the Glendale - River Hills School District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Glendale - River Hills School District's proportion was .0505%, which was an increase of .0007% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Glendale - River Hills School District recognized pension expense (revenue) of \$493,696.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$3,027,797	\$ 4,010,338
Changes in assumptions	327,314	-
Net differences between projected and actual earnings on pension plan investments	2,616,920	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,249	981
Employer contributions subsequent to the measurement date	431,145	-
Total	\$6,421,425	\$4,011,319

\$431,145 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 407,511
2026	\$ 427,587
2027	\$ 1,646,251
2028	\$ (502,388)

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7 – Pension Plan, Wisconsin Retirement System (continued)

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
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% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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

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.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7 – Pension Plan, Wisconsin Retirement System (continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns¹

As of December 31, 2023

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

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 6.8% 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 the 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.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7 – Pension Plan, Wisconsin Retirement System (continued)

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Glendale – River Hill School District's proportionate share of the Net Pension Liability (Asset)	\$7,258,237	\$750,944	\$(3,802,484)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Payables to the Pension Plan. Payables to the pension plan at June 30, 2024 were \$259,703. This represents contributions earned as of June 30, 2024, for which payment was remitted subsequent to year-end.

Note 8 – Supplemental Pension Plan

Plan Description. The District provides a defined benefit supplemental pension plan to eligible administrators and teachers.

There are 19 active and 12 retired employees in the plan as of the June 30, 2023, the most recent actuarial valuation. The District will provide eligible Administrators, Coordinators and Teachers with 403(b) contributions upon retirement. The annual amounts and duration vary based upon classification per the plan. In addition, certain Administrators, Administrative Assistants, Coordinators and Social Workers may also choose to waive coverage and receive a cash benefit in lieu of participation in the District's health plan, given that they provide proof of other medical insurance coverage. 50% of those currently waiving coverage who are eligible for a cash-in-lieu benefit were assumed to choose the cash benefit with the remaining electing to receiving contributions towards continued coverage.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the Glendale-River Hills School District reported a liability of \$721,898 for its supplemental pension liability. The supplemental pension liability was measured as of June 30, 2023, and the total pension liability used was determined by an actuarial valuation dated June 30, 2023.

Funding Policy. Payments under the plan are made on a pay-as-you go basis. There are no invested plan assets accumulated for payment of future benefits. The general fund is used for funding of all pension/retirement benefits.

For the year ended June 30, 2024, the Glendale-River Hills School District recognized pension expense of \$132,392. The pension expense is made up of certain changes to the total pension liability and amortization of Deferred Outflows (Inflows).

GLENDALE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 8 – Supplemental Pension Benefits (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$216,905	\$7,484
Changes in assumptions	35,377	51,921
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	162,408	-
Total	\$414,690	\$59,405

\$162,408 reported as deferred outflows of resources related to pension resulting from the supplemental pension plan contributions subsequent to the measurement date will be recognized as a reduction of the pension liability 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:	Net Outflows/(Inflows) of Resources
2024	\$ 43,800
2025	\$ 54,332
2026	\$ 55,762
2027	\$ 23,035
2028	\$ 15,948

Actuarial assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Reporting Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Discount Rate:	4.13% (based upon all years of projected payments discounted at a municipal bond rate of 4.13%) Implicit in this rate is an assumed rate of inflation of 2.50%
Municipal Bond Rate Source:	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions:	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020
Mortality Assumptions:	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base of 2010

GLENDALDE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 8 – Supplemental Pension Benefits (continued)

Single Discount rate. A single discount rate of 4.13% was used to measure the total supplemental pension liability.

Sensitivity of the Glendale-River Hills School District's *supplemental pension liability to changes in the discount rate.* The following presents the Glendale-River Hills School District's pension liability calculated using the discount rate of 4.13%, as well as what the Glendale-River Hills School District's pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease to Discount Rate (3.13%)	Current Discount Rate (4.13%)	1% Increase to Discount Rate (5.13%)
Glendale-River Hills School District's net pension liability (asset)	\$752,399	\$721,898	\$692,964

Note 9 - Other Post Employment Benefits

1. Post-Employment Health Insurance Plan

Plan Description. The District operates the Glendale - River Hills School District Post-Employment Benefit Plan, a single-employer retiree benefit plan that provides post-employment health, dental and life insurance benefits to eligible employees and their dependents. There are 170 active and 16 retired members in the plan as of June 30, 2023, the most recent actuarial valuation date. Benefits and eligibility are established and amended by the governing body.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2024, the Glendale - River Hills School District reported a liability of \$3,393,967 for its OPEB liability. The OPEB liability was measured as of June 30, 2023, and the total OPEB liability was determined by an actuarial valuation dated June 30, 2023.

Funding Policy. The District has no invested plan assets accumulated for payment of future benefits. The employer makes all contributions on a pay-as-you-go basis.

For the year ended June 30, 2024, the Glendale – River Hills School District recognized an OPEB expense of \$356,148. The OPEB expense is made up of certain changes in the total OPEB liability and amortization of deferred outflows (inflows).

GLENDALDE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post Employment Benefits (continued)

1. Post-Employment Health Insurance Plan (continued)

At June 30, 2024, the Glendale - River Hills School District reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 36,499	\$560,665
Changes in assumptions	259,160	408,732
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	180,705	-
Total	\$476,364	\$969,397

\$180,705 reported as deferred outflows related to OPEB resulting from the other post-employment benefit plan contributions subsequent to the measurement date will be recognized as a reduction of the 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:	Net Outflows/(Inflows) of Resources
2024	\$(75,157)
2025	\$(75,157)
2026	\$(75,157)
2027	\$(75,157)
2028	\$(75,157)
Thereafter	\$(297,965)

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post-Employment Benefits (continued)

1. Post-Employment Health Insurance Plan (continued)

Actuarial assumptions. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Reporting Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Health Care Trend:	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount Rate:	4.13% (based upon all years of projected payments discounted at a municipal bond rate of 4.13%). Implicit in this rate is an assumed rate of inflation of 2.50%
Municipal Bond Rate Source:	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions:	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions:	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base of year 2010

Single Discount rate. A single discount rate of 4.13% was used to measure the total OPEB liability.

Sensitivity of the Glendale - River Hills School District's OPEB liability to changes in the discount rate.

The following presents the Glendale - River Hills School District's OPEB liability calculated using the discount rate of 4.13%, as well as what the Glendale - River Hills School District's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease to Discount Rate (3.13%)	Current Discount Rate (4.13%)	1% Increase to Discount Rate (5.13%)
Glendale-River Hills School District's total OPEB liability	\$3,577,554	\$3,393,967	\$3,217,741

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post-Employment Benefits (continued)

1. Post-Employment Health Insurance Plan (continued)

Sensitivity of the Glendale - River Hills School District's OPEB liability to changes in the healthcare trend rates. The following presents the Glendale - River Hills School District's OPEB liability calculated using the current trend rates, as well as what the Glendale - River Hills School District's 's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Glendale-River Hills School District's total OPEB liability	\$3,151,854	\$3,393,967	\$3,671,718

2. Post – Employment Life Insurance Plan

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

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

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

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

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

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023, are:

Coverage Type	Employer Contributions
50% Post Retirement Coverage	40% Member Contribution
25% Post Retirement Coverage	20% Member Contribution

GLENDALDE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post-Employment Benefits (continued)

2. Post-Employment Life Insurance Plan (continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance Member Contribution Rates* For the year ended December 31, 2023		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$3,028 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2024, the Glendale - River Hills School District reported a liability (asset) of \$683,735 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Glendale - River Hills School District's proportion of the net OPEB liability (asset) was based on the Glendale - River Hills School District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the Glendale - River Hills School District's proportion was .149% which was an increase of .014% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Glendale - River Hills School District's recognized OPEB expense (revenue) of \$56,715.

GLENDALE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post-Employment Benefits (continued)

2. Post-Employment Life Insurance Plan (continued)

At June 30, 2024, the Glendale - River Hills School District's reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ 60,512
Net differences between projected and actual earnings on OPEB plan investments	9,236	-
Changes in assumptions	213,878	269,240
Changes in proportion and differences between employer contributions and proportionate share of contributions	94,060	48,794
Employer contributions subsequent to the measurement date	1,567	-
Total	\$ 318,741	\$ 378,546

\$1,567 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025. 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:	Net Deferred Outflows (Inflows) of Resources
2025	\$ (2,052)
2026	\$ 7,100
2027	\$ (18,912)
2028	\$ (38,343)
2029	\$ (25,321)
2030	\$ 16,156

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post-Employment Benefits (continued)

2. Post-Employment Life Insurance Plan (continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Morality Table

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

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40.00%	2.32%
US Mortgages	Bloomberg US MBS	60.00%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

GLENDALDE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 9 - Other Post-Employment Benefits (continued)

2. Post-Employment Life Insurance Plan (continued)

Single Discount Rate A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the Glendale - River Hills School District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Glendale-River Hills School District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32 percent, as well as what the Glendale-River Hills School District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
Glendale - River Hills School District's proportionate share of the net OPEB liability (asset)	\$918,694	\$683,735	\$504,386

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 10 - Governmental Activities Net Position

Governmental activities net position reported on the Government-Wide Statement of Net Position at June 30, 2024 includes the following:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 4,713,944
Right-of-use leased assets, net of accumulated amortization	122,525
Less: related long-term debt outstanding	<u>1,108,641</u>
Total Net Investment in Capital Assets	<u>3,727,828</u>
Restricted	
Net WRS position	1,659,162
Unspent Common School Fund	75,044
Community Service Fund	2,284,878
Food Service Fund	15,778
Gift Fund	18,756
Debt Service	44,234
Long Term Capital Improvement Fund	<u>211,761</u>
Total Restricted	<u>4,309,613</u>
Unrestricted	<u>(6,951,695)</u>
Total Governmental Activities Net Position	<u><u>\$ 1,085,746</u></u>

Note 11 - Governmental Fund Balances

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

Restricted	
General Fund - Unspent Common School Fund	\$ 75,044
Community Service	2,284,878
Food Service	15,778
Gift Fund	18,756
Debt Service	44,234
Capital Projects Fund	<u>211,761</u>
Total Restricted Fund Balance	<u>2,650,451</u>
Unassigned	<u>(1,946,294)</u>
Total Governmental Fund Balances	<u><u>\$ 704,157</u></u>

GLENDALDE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 12 - Explanation of Certain Differences Between the Governmental Fund Balance Sheet and The Statement of Net Position

Right-of-use leased assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Right-of-use leased assets, net of accumulated amortization	\$ <u>122,525</u>
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Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds but are reported in the statement of net position.

Capital assets, net of accumulated depreciation	\$ <u>4,713,944</u>
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The District's proportionate share of net pension assets as well as pension-related deferred outflows and deferred inflows of resources that are recognized in the government-wide statements but not in the fund statements include:

Net WRS pension asset (liability)	\$ (750,944)
Total supplemental pension liability	(721,898)
Total OPEB liability	(3,393,967)
Total post employment life pension liability	(683,735)
Deferred outflows of resources from WRS pension	6,421,425
Deferred outflows of resources from supplemental pension	414,690
Deferred outflows of resources from post-employment life pension	318,741
Deferred outflows of resources from OPEB	476,364
Deferred inflows of resources from WRS pension	(4,011,319)
Deferred inflows of resources from supplemental pension	(59,405)
Deferred inflows of resources from OPEB	(969,397)
Deferred inflows of resources from post-employment life pension	(378,546)

Combined Adjustment	\$ <u>(3,337,991)</u>
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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position:

General obligation bonds and notes payable	\$ (986,710)
Lease liability	(121,931)
Accrued interest on long-term obligations	(8,248)

Combined Adjustment	\$ <u>(1,116,889)</u>
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GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 13 - Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities

Capital related difference includes (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities. This adjustment is a combination of the following items:

Capital expenditures	\$ 56,450
Depreciation expense	<u>(306,288)</u>
Combined Adjustment	<u>\$ (249,838)</u>

Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenues and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability and principal payments are recorded as a reduction of liabilities. This adjustment is as follows:

Proceeds from long-term debt and leases	\$ (83,989)
Principal payments on long-term debt and leases	<u>216,183</u>
Combined Adjustment	<u>\$ 132,194</u>

Right-of-use leased assets related difference includes the difference between recording an expenditure in the amount equal to the initial measurement of the related lease liability in the governmental fund statements, and capitalization and recoding amortization expense on those items as recorded in the statement of activities. This adjustment is a combination of the following items:

Amortization expense	\$ (40,223)
Lease adjustment	<u>83,989</u>
Combined Adjustment	<u>\$ 43,766</u>

Differences between pension system contributions recognized occur because pension expense in the statement of activities is adjusted to account for the net pension asset, deferred outflows and deferred inflows). The adjustment is a combination of the following items:

Employer WRS contributions	\$ 700,158
WRS pension expense	(493,696)
Post-employment life paid	3,028
Post-employment life expense	(56,715)
Supplemental pension benefits paid	208,862
Supplemental pension expense	(132,392)
OPEB benefits paid	182,018
OPEB expense	<u>(356,148)</u>
Combined Adjustment	<u>\$ 55,115</u>

GLENDALE - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 13 - Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities (continued)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported when the liability is incurred. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment is a combination of the following items:

Accrued interest	<u>\$ 1,280</u>
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Note 14 - 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 insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

Note 15 - Commitments and Contingencies

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 legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position.

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.

Note 16 - Limitation of School District Revenues

Wisconsin Statutes limit the amount of revenues that school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is limited to an allowable per member increase which is determined by the legislature.

This 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.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 17 – Interfund Transfers

The following is a schedule of interfund receivables and payables as of June 30, 2024, including any overdrafts on pooled cash investment accounts. These amounts are all due within one year:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental Activities		
General Fund	\$ -	\$ 18,764
Debt Service Fund	8,960	-
Long-Term Capital Projects Fund	<u>9,804</u>	<u>-</u>
Total Governmental Activities	<u>\$ 18,764</u>	<u>\$ 18,764</u>

The principal purpose of these interfund balances is to cover overdrafts of cash. All remaining balance resulted from the time lag between the date that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated. For the statement of activities, interfund transfers within the governmental activities are netted and eliminated.

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Special Education	General Fund	<u>\$ 2,942,428</u>
Total - Fund Financial Statements		2,942,428
Less: Eliminations		<u>(2,942,428)</u>
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>

Note 20 - Recently Issued Accounting Standards

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

The GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences.

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 20 - Recently Issued Accounting Standards (continued)

However, leave that is more likely than not to be settled through conversion to defined benefit post-employment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

The effect these standards may have on future financial statements is not determinable at this time.

REQUIRED SUPPLEMENTAL INFORMATION

GLENDAL - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Local	\$ 13,765,639	\$ 13,281,249	\$ 13,542,425	\$ 261,176
Interdistrict	950,000	1,122,325	1,124,164	1,839
Intermediate	5,000	7,500	9,926	2,426
State	1,550,268	1,516,061	1,552,449	36,388
Federal	676,596	966,594	989,529	22,935
Other sources	120,000	123,671	46,326	(77,345)
Total Revenues	17,067,503	17,017,400	17,264,819	247,419
Expenditures				
Instruction				
Regular	8,159,841	7,914,495	7,405,579	508,916
Physical	586,252	586,251	527,335	58,916
Special education	23	23	-	23
Vocational	98,634	98,634	94,369	4,265
Other	433,554	433,554	257,527	176,027
Total Instruction	9,278,304	9,032,957	8,284,810	748,147
Support Services				
Pupil services	551,218	551,218	551,097	121
Instructional support services	877,798	877,799	850,360	27,439
General administrative services	584,929	607,412	624,673	(17,261)
Building administrative services	1,076,708	1,076,708	858,269	218,439
Business administrative services	472,830	472,830	586,105	(113,275)
Operations and maintenance	2,765,567	2,765,567	2,667,667	97,900
Central services	350,185	294,754	291,579	3,175
Insurance and judgments	126,258	179,534	179,534	-
Other support services	411,331	330,038	433,565	(103,527)
Debt service	-	241,629	241,629	-
Total Support Services	7,216,824	7,397,489	7,284,478	113,011
Non-Program				
General tuition payments	870,768	860,719	1,708,326	(847,607)
Other non-program services	-	-	156,057	(156,057)
Total Non-Program	870,768	860,719	1,864,383	(1,003,664)
Total Expenditures	17,365,896	17,291,165	17,433,671	(142,506)
Excess of revenues over expenditures	(298,393)	(273,765)	(168,852)	104,913
Other Financing Uses:				
Proceeds on long-term debt	-	6,000,000	-	(6,000,000)
Transfers to other funds	(2,489,966)	(3,317,822)	(2,942,428)	375,394
Proceeds from sale of capital assets	-	-	83,989	83,989
Total Other Financing Uses	(2,489,966)	2,682,178	(2,858,439)	(5,540,617)
NET CHANGE IN FUND BALANCES	(2,788,359)	2,408,413	(3,027,291)	(5,435,704)
Fund Balances, beginning of year	1,156,041	1,156,041	1,156,041	-
FUND BALANCES, end of year	\$ (1,632,318)	\$ 3,564,454	\$ (1,871,250)	\$ (5,435,704)

See accompanying notes to the financial statements.

**GLENDALE - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION FUND
For the Year Ended June 30, 2024**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intermediate	\$ -	\$ -	\$ 1,882	\$ 1,882
State	-	908,677	1,111,472	202,795
Federal	-	444,962	340,297	(104,665)
Other sources	-	-	3,560	3,560
Total Revenues	-	1,353,639	1,457,211	103,572
Expenditures				
Instruction				
Special education	2,489,966	2,860,000	2,865,789	(5,789)
Total Instruction	2,489,966	2,860,000	2,865,789	(5,789)
Support Services				
Pupil services	-	638,769	570,107	68,662
Instructional support services	-	315,596	181,457	134,139
General administrative services	-	15,536	-	15,536
Operations and maintenance	-	292,465	236,234	56,231
Central Services	-	7,586	4,543	3,043
Total Support Services	-	1,269,952	992,341	277,611
Non-Program				
General tuition payments	-	541,509	541,509	-
Total Non-Program	-	541,509	541,509	-
Total Expenditures	2,489,966	4,671,461	4,399,639	271,822
Deficiency of revenues over expenditures	(2,489,966)	(3,317,822)	(2,942,428)	375,394
Other Financing Sources				
Reorganization settlement	-	-	-	-
Transfers from general fund	2,489,966	3,317,822	2,942,428	(375,394)
Proceeds from sale of fixed assets	-	-	-	-
Total Other Financing Sources	2,489,966	3,317,822	2,942,428	(375,394)
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**GLENDALE - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
Last 10 Fiscal Years* (built prospectively)**

	2024	2023	2022
Glendale-River Hills School District's proportion of the net pension liability (asset)	0.051%	0.049%	0.049%
Glendale-River Hills School District's proportionate share of the net pension liability (asset)	\$ 750,944	\$ 2,637,124	\$(3,989,032)
Glendale-River Hills School District's covered-employee payroll	\$ 10,296,448	\$ 9,226,707	\$ 8,166,734
Glendale- River Hills School District's proportionate share of the net pension liability (asset) as a percentage of the covered-employee payroll	7.29%	28.58%	(48.84)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.85%	95.72%	106.02%

	2021	2020	2019
Glendale-River Hills School District's proportion of the net pension liability (asset)	0.051%	0.052%	0.053%
Glendale-River Hills School District's proportionate share of the net pension liability (asset)	\$ (3,215,762)	\$(1,685,953)	\$ 1,901,582
Glendale-River Hills School District's covered-employee payroll	\$ 8,537,778	\$ 8,024,696	\$ 8,198,890
Glendale- River Hills School District's proportionate share of the net pension liability (asset) as a percentage of the covered-employee payroll	(37.67)%	(21.01)%	23.19%
Plan fiduciary net position as a percentage of the total pension liability (asset)	105.26%	102.96%	96.45%

	2018	2017	2016
Glendale-River Hills School District's proportion of the net pension liability (asset)	0.053%	0.053%	0.051%
Glendale-River Hills School District's proportionate share of the net pension liability (asset)	\$ (1,583,859)	\$ 431,192	\$ 828,602
Glendale-River Hills School District's covered-employee payroll	\$ 7,940,489	\$ 7,739,921	\$ 7,503,822
Glendale- River Hills School District's proportionate share of the net pension liability (asset) as a percentage of the covered-employee payroll	(19.95)%	5.57%	11.04%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.93%	99.12%	98.20%

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

See Note 7 and Notes to Required Supplementary Information

**GLENDALE - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
Last 10 Fiscal Years* (built prospectively)**

	2024	2023	2022
Contractually required contributions	\$ 700,158	\$ 559,736	\$ 551,257
Contributions in relation to the contractually required contributions	\$ (700,158)	\$ (559,736)	\$ (551,257)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Glendale-River Hills School District's covered-employee payroll	\$ 10,296,448	\$ 9,226,707	\$ 8,166,734
Contributions as a percentage of covered-employee payroll	6.8%	6.5%	6.8%

	2021	2020	2019
Contractually required contributions	\$ 576,299	\$ 525,618	\$ 549,323
Contributions in relation to the contractually required contributions	\$ (576,299)	\$ (525,618)	\$ (549,323)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Glendale-River Hills School District's covered-employee payroll	\$ 8,537,778	\$ 8,024,696	\$ 8,198,890
Contributions as a percentage of covered-employee payroll	6.8%	6.6%	6.7%

	2018	2017	2016
Contractually required contributions	\$ 539,954	\$ 510,992	\$ 512,040
Contributions in relation to the contractually required contributions	\$ (539,954)	\$ (510,992)	\$ (512,040)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Glendale-River Hills School District's covered-employee payroll	\$ 7,940,489	\$ 7,739,921	\$ 7,503,822
Contributions as a percentage of covered-employee payroll	6.8%	6.6%	6.8%

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

See Note 7 and Notes to Required Supplementary Information

GLENDAL - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL PENSION PLAN
Last 10 Fiscal Years (built prospectively)

	2023	2022	2021	2020
Total Pension Liability, beginning	\$ 792,950	\$ 987,239	\$ 968,088	\$ 1,014,870
Service Cost	14,310	18,226	34,143	28,201
Interest Cost	27,827	19,797	19,858	33,143
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	98,204	60,262	178,606	-
Changes of assumptions or other input	(2,531)	(59,612)	(8,311)	55,908
Benefit Payments	(208,862)	(232,962)	(205,145)	(164,034)
Total Pension Liability, ending	<u>\$ 721,898</u>	<u>\$ 792,950</u>	<u>\$ 987,239</u>	<u>\$ 968,088</u>
Covered Payroll	\$1,773,380	\$ 1,746,768	\$ 1,746,768	\$ 2,377,350
Total pension liability as a percentage of covered payroll	40.71%	45.40%	56.52%	40.72%

	2019	2018	2017	2016
Total Pension Liability, beginning	\$1,060,624	\$ 1,174,924	\$ 1,577,049	\$ 1,616,339
Service Cost	27,277	28,286	82,598	85,684
Interest Cost	36,006	38,647	46,022	47,193
Changes in benefit terms	84,432	-	(277,939)	-
Differences between expected and actual experience	14,912	-	(59,886)	-
Changes of assumptions or other input	19,800	(11,492)	(24,331)	-
Benefit Payments	(228,181)	(169,741)	(168,589)	(172,167)
Total Pension Liability, ending	<u>\$ 1,014,870</u>	<u>\$ 1,060,624</u>	<u>\$ 1,174,924</u>	<u>\$1,577,049</u>
Covered Payroll	\$2,377,350	\$ 2,575,656	\$ 2,575,656	\$ 5,832,778
Total pension liability as a percentage of covered payroll	42.69%	41.18%	45.62%	27.04%

See Note 8 and Notes to Required Supplementary Information

**GLENDALE - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
Last 10 Fiscal Years (built prospectively)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability, beginning	\$ 3,421,247	\$ 3,569,842	\$ 3,501,977	\$ 3,233,934	\$ 3,394,560	\$ 3,279,619	\$ 3,194,991
Service Cost	290,963	359,898	281,184	231,344	249,994	258,829	258,829
Interest Cost	139,029	82,052	79,436	111,945	126,887	115,552	111,357
Changes in benefit terms	-	-	-	-	65,751	-	-
Differences between expected and actual experience	(354,887)	(23,673)	48,667	-	(431,255)	-	-
Changes of assumptions or other input	79,633	(360,779)	(117,220)	227,085	99,824	(44,371)	-
Benefit Payments	(182,018)	(206,093)	(224,202)	(302,331)	(271,827)	(215,069)	(285,558)
Total OPEB Liability, ending	<u>\$ 3,393,967</u>	<u>\$ 3,421,247</u>	<u>\$ 3,569,842</u>	<u>\$ 3,501,977</u>	<u>\$ 3,233,934</u>	<u>\$ 3,394,560</u>	<u>\$3,279,619</u>
Covered Payroll	\$ 9,919,525	\$ 8,210,265	\$ 8,210,265	\$ 6,746,293	\$ 6,746,293	\$ 7,341,518	\$ 7,341,518
Total pension liability as a percentage of covered payroll	34.22%	41.67%	43.48%	51.91%	47.94%	46.24%	44.60%

See Note 9 and Notes to Required Supplementary Information

**GLENDAL - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
Last 10 Fiscal Years* (built prospectively)**

	2024	2023	2022	2021	2020	2019	2018
Glendale-River Hills School District's proportion of the net OPEB liability (asset)	0.1486%	0.1354%	0.1241%	0.1443%	0.1453%	0.1487%	0.1488%
Glendale-River Hills School District's proportionate share of the net OPEB liability (asset)	\$ 683,735	\$ 515,778	\$ 733,329	\$ 788,507	\$ 618,614	\$ 383,817	\$ 447,824
Glendale-River Hills School District's covered-employee payroll	\$ 9,380,000	\$8,803,000	\$ 7,997,000	\$ 7,486,000	\$7,625,000	\$ 7,675,000	\$6,259,526
Glendale-River Hills School District's net OPEB liability (asset) as a percentage of covered-employee payroll	7.29%	5.86%	9.17%	10.53%	8.11%	5.00%	7.15%
Plan fiduciary net position as a percentage of the total pension liability (asset)	33.90%	38.81%	29.57%	31.36%	37.58%	48.69%	44.81%

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

See Note 9 and Notes to Required Supplementary Information

**GLENDALE - RIVER HILLS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
Last 10 Fiscal Years* (built prospectively)**

	2024	2023	2022	2021	2020	2019	2018
Contractually required contributions	\$ 3,028	\$ 2,716	\$ 2,539	\$ 2,858	\$ 2,626	\$ 2,865	\$ 2,826
Contributions in relation to the contractually required contributions	\$ (3,028)	\$ (2,716)	\$ (2,539)	\$ (2,858)	\$ (2,626)	\$ (2,865)	\$ (2,826)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glendale-River Hills School District's covered-employee payroll	\$ 9,380,000	\$ 8,803,000	\$ 7,997,000	\$ 7,486,000	\$ 7,625,000	\$ 7,675,000	\$ 6,259,526
Contributions as a percentage of covered-employee payroll	0.032%	0.031%	0.032%	0.038%	0.034%	0.037%	0.045%

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

See Note 9 and Notes to Required Supplementary Information

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2024

Note 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 except for certain non-program expenditures which are reported as instruction and/or support service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Excess Expenditures over Appropriations

The following general and special education fund functions had an excess of actual expenditures over appropriations for the year ended June 30, 2024:

<u>Fund - Function</u>	<u>Excess Expenditures</u>
General Fund	
General administrative services	\$ 17,261
Business administrative services	\$ 113,275
Other support services	\$ 103,527
General tuition payments	\$ 847,607
Other non-program services	\$ 156,057
Special Education Fund	
Special education Instruction	\$ 5,789

Note 2 – Wisconsin Retirement System (WRS) Pension Data

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

Changes of assumptions.

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

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

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

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2024

Note 2 – Wisconsin Retirement System (WRS) Pension Data (continued)

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

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

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2024

Note 2 – Wisconsin Retirement System (WRS) Pension Data (continued)

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

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rate based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rate based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rate based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2024

Note 3 – Supplemental Pension Data

Changes to the plan – There were no plan changes for this year.

Changes of assumptions

1. The discount rate was updated based on the S&P Municipal bond 20 Year High grade Index as of the week of the measurement date from 4.00% to 4.13% in compliance with GASB 73.
2. Actuarial assumptions were updated based upon an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.
3. Mortality assumptions were updated based on the Wisconsin 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base of 2010.

All other assumptions and methods remained unchanged from the actuarial valuation performed as of June 30, 2021.

Note 4 – OPEB Liability Data - Health Plan

Changes to the plan - There were no plan changes for this year.

Changes of assumptions

1. The discount rate was updated based on the S&P Municipal bond 20 Year High grade Index as of the week of the measurement date from 4.00% to 4.13% in compliance with GASB 73.
2. The health care trend changed from 6.50% to 7.00%, decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter.
3. Actuarial assumptions were updated based upon an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.
4. Mortality assumptions were updated based on the Wisconsin 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base of 2010.

All other assumptions and methods remained unchanged from the actuarial valuation performed as of June 30, 2021.

Note 5 – OPEB Plan Data – Local Retiree Life Insurance Fund (LRLIF)

The data presented in the Schedule of Proportionate share of net OPEB liability (asset) and the Schedule of Contributions is derived from data provided by the Wisconsin Department of Employee Trust Funds.

Changes of benefit terms. There were no recent changes in benefit terms.

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

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

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

GLENDAL - RIVER HILLS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2024

Note 5 – OPEB Plan Data – Local Retiree Life Insurance Fund (LRLIF) (continued)

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

SUPPLEMENTAL FINANCIAL INFORMATION

GLENDALE - RIVER HILLS SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Special Revenue Funds			Long-Term Capital Improvement Fund	Total Nonmajor Governmental Funds
	Food Service	Gift Fund	Debt Service		
ASSETS					
Cash and investments	\$ (52,792)	\$ 19,993	\$ 35,274	\$ 201,957	\$ 204,432
Accounts receivable	78,870	-	-	-	78,870
Due from other governments	3,477	-	-	-	3,477
Due from other funds	-	-	8,960	9,804	18,764
Total Assets	<u>\$ 29,555</u>	<u>\$ 19,993</u>	<u>\$ 44,234</u>	<u>\$ 211,761</u>	<u>\$ 305,543</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 13,777	\$ 1,237	\$ -	\$ -	\$ 15,014
Total Liabilities	<u>13,777</u>	<u>1,237</u>	<u>-</u>	<u>-</u>	<u>15,014</u>
Fund Balances					
Restricted	15,778	18,756	44,234	211,761	290,529
Total Fund Balances	<u>15,778</u>	<u>18,756</u>	<u>44,234</u>	<u>211,761</u>	<u>290,529</u>
Total Liabilities and Fund Balances	<u>\$ 29,555</u>	<u>\$ 19,993</u>	<u>\$ 44,234</u>	<u>\$ 211,761</u>	<u>\$ 305,543</u>

See accompanying notes to the financial statements.

GLENDALE - RIVER HILLS SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue Funds			Long-Term Capital Improvement Fund	Total Nonmajor Governmental Funds
	Food Service	Gift Fund	Debt Service		
Revenues					
Local	\$ 244,678	\$ 8,633	\$ 212,722	\$ -	\$ 466,033
State	6,847	-	-	-	6,847
Federal	224,485	-	-	-	224,485
Other sources	3,157	51	-	6,971	10,179
Total Revenues	479,167	8,684	212,722	6,971	707,544
Expenditures					
Instruction					
Regular	-	6,407	-	-	6,407
Other Instruction	-	15,884	-	-	15,884
Total Instruction	-	22,291	-	-	22,291
Support Services					
Debt service					
Principal	-	-	177,038	-	177,038
Interest and fees	-	-	29,419	-	29,419
Food service	569,318	-	-	-	569,318
Total Support Services	569,318	-	206,457	-	775,775
Total Expenditures	569,318	22,291	206,457	-	798,066
Excess (deficiency) of revenues over expenditures	(90,151)	(13,607)	6,265	6,971	(90,522)
NET CHANGE IN FUND BALANCES	(90,151)	(13,607)	6,265	6,971	(90,522)
Fund Balances, beginning of year	105,929	32,363	37,969	204,790	381,051
FUND BALANCES, end of year	\$ 15,778	\$ 18,756	\$ 44,234	\$ 211,761	\$ 290,529

See accompanying notes to the financial statements.

**SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
AND RELATED AUDITOR'S REPORTS**

GLENDALE - RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Awarding Agency / Pass-Through Agency / Award Description	Federal Catalog Number	Program of Award Amount	Pass-Through Entity Identifying Number	Accrued Receivable 7/1/2023	Expenditures Grantor	Revenues Grantor Reimbursements	Accrued Receivable 6/30/2024
U.S. DEPARTMENT OF EDUCATION							
State of Wisconsin							
Wisconsin Department of Public Instruction							
Special Education Cluster							
<u>IDEA Flow-Through</u>	84.027		2024-402184-DPI-FLOW-341				
July 1, 2022 - June 30, 2023		\$ 243,286		\$ 243,286	\$ -	\$ 243,286	\$ -
July 1, 2023 - June 30, 2024		\$ 240,023		-	240,023	-	240,023
<u>IDEA Preschool</u>	84.173		2024-402184-DPI-PRESCH-347				
July 1, 2022 - June 30, 2023		\$ 13,553		13,553	-	13,553	-
July 1, 2023 - June 30, 2024		\$ 13,600		-	13,600	-	13,600
Total Special Education Cluster				<u>256,839</u>	<u>253,623</u>	<u>256,839</u>	<u>253,623</u>
Education Stabilization Fund							
<u>Elementary & Secondary School Emergency Relief II - COVID-19</u>	84.425D		2022-402184-DPI-ESSERFII-163				
March 13, 2020 - September 30, 2023		\$ 391,592		-	70,600	70,600	-
<u>Elementary & Secondary School Emergency Relief III - COVID-19</u>	84.425U		2022-402184-DPI-ESSERFIII-165				
March 13, 2020 - September 30, 2024		\$ 751,942		77,449	674,493	133,299	618,643
Total Education Stabilization Fund				<u>77,449</u>	<u>745,093</u>	<u>203,899</u>	<u>618,643</u>
<u>Title I A</u>	84.010		2024-402184-DPI-TI-A-141				
July 1, 2022 - June 30, 2023		\$ 123,500		123,500	-	123,500	-
July 1, 2023 - June 30, 2024		\$ 153,791		-	153,791	-	153,791
<u>Title II A - Quality Teachers and Principals</u>	84.367		2024-402184-DPI-TIIA-365				
July 1, 2022 - June 30, 2023		\$ 11,000		11,000	-	11,000	-
July 1, 2023 - June 30, 2024					23,962		23,962
<u>Title III A - English Language Acquisition - CESA</u>	84.365		2024-402184-DPI-TIIIA-391				
July 1, 2022 - June 30, 2023		\$ 5,558		1,837	-	1,837	-
July 1, 2023 - June 30, 2024		\$ 5,062			5,062		5,062
<u>Title IV A - Student Support and Acad Enrich Grant</u>	84.424		2024-402184-DPI-TIVA-381				
July 1, 2022 - June 30, 2023		\$ 10,000		-	10,000	10,000	-
July 1, 2023 - June 30, 2024		\$ 9,700		-	9,700	-	9,700
Total U.S. Department of Education				<u>470,625</u>	<u>1,201,231</u>	<u>607,075</u>	<u>1,064,781</u>
U.S. DEPARTMENT OF AGRICULTURE							
State of Wisconsin							
Wisconsin Department of Public Instruction							
Child Nutrition Cluster							
<u>National School Breakfast Program</u>	10.553		2024-402184-DPI-SB-546				
July 1, 2022 - June 30, 2023		\$ -		11,933	-	11,933	-
July 1, 2023 - June 30, 2024		\$ -		-	41,712	40,433	1,279
<u>School Lunch Program</u>	10.555		2024-402184-DPI-NSL-547				
July 1, 2022 - June 30, 2023		\$ -		46,723	-	46,723	-
July 1, 2023 - June 30, 2024		\$ -		-	135,301	133,103	2,198
<u>Food Distribution Program</u>	10.555		2024-402184-DPI-NSL-547				
July 1, 2023 - June 30, 2024		\$ -		-	47,473	47,473	-
Total Child Nutrition Cluster				<u>58,656</u>	<u>224,486</u>	<u>279,665</u>	<u>3,477</u>
Total U.S. Department of Agriculture				<u>58,656</u>	<u>224,486</u>	<u>279,665</u>	<u>3,477</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
State of Wisconsin							
Wisconsin Department of Health Services							
<u>Medical Assistance Program</u>	93.778		44242500				
July 1, 2023 - June 30, 2024		\$ -		-	133,657	125,870	7,787
Total Medical Assistance Program				<u>-</u>	<u>133,657</u>	<u>125,870</u>	<u>7,787</u>
<u>Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response - CESA</u>	93.354						
July 1, 2022 - June 30, 2023		\$ 7,500	-	7,500	-	7,500	-
July 1, 2023 - June 30, 2024		\$ 2,738	-		2,738	2,738	-
Total U.S. Department of Health and Human Services				<u>7,500</u>	<u>136,395</u>	<u>136,108</u>	<u>7,787</u>
Totals				<u>\$ 536,781</u>	<u>\$ 1,562,112</u>	<u>\$ 1,022,848</u>	<u>\$ 1,076,045</u>

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

GLENDALE - RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2024

<u>Awarding Agency/Pass-Through Agency/Award Description</u>	<u>State ID Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Accrued Receivable 7/1/23</u>	<u>Revenue/ Expenditures</u>	<u>Reimbursements</u>	<u>Accrued Receivable 6/30/24</u>
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
Entitlement Programs						
Major State Programs						
General Equalization	255.201	402184-116	\$ -	\$ 200,791	\$ 200,791	\$ -
Special Education & School Age Parents	255.101	402184-100	-	1,103,736	1,103,736	-
Pupil Transportation Aid	255.107	402184-102	-	23,250	23,250	-
Total Major Programs			-	1,327,777	1,327,777	-
Nonmajor State Programs						
Per Pupil Adjustment Aid	255.945	402184-113	-	677,446	677,446	-
Common School Library Aid	255.103	402184-104	-	58,808	58,808	-
High Cost Special Education	255.210	402184-114	-	7,736	7,736	-
School Based Mental Health Service Grants	255.297	402184-177	-	30,130	30,130	-
Educator Effective Eval Sys Grants	255.940	402184-154	-	240	240	-
Assessment of Reading Readiness	255.956	402184-166	-	1,613	1,613	-
Aid for School Mental Health Programs	255.227	402184-176	-	38,508	38,508	-
Total Nonmajor Programs			-	814,481	814,481	-
Total Entitlement Programs			-	2,142,258	2,142,258	-
Other						
State School Lunch Aid	255.102	402184-107	-	4,262	4,262	-
School Breakfast Program	255.344	402184-108	-	2,585	2,585	-
Total Wisconsin Department of Public Instruction			-	2,149,105	2,149,105	-
Cooperative Educational Service Agency (CESA)						
Transit of Aid						
Special Education Categorical Aid	-	-	-	1,882	1,882	-
Gifted and Talented	-	-	-	2,125	-	2,125
Total Cooperative Educational Service Agency (CESA)			-	4,007	1,882	2,125
Nicolet High School District						
Transit of Aid						
Pupil Transportation	-	-	-	1,600	1,600	-
Total Nicolet High School District			-	1,600	1,600	-
Totals			<u>\$ -</u>	<u>\$ 2,154,712</u>	<u>\$ 2,152,587</u>	<u>\$ 2,125</u>

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

GLENDAL – RIVER HILLS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedules of expenditures of federal awards and state awards (the "Schedules") includes the federal and state award activity of the District. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the Wisconsin State Single Audit guidelines. Because the Schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Wisconsin Single Audit Guidelines, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance Section 200.414 *Indirect (F&A) Costs*.

Note 3 – Oversight Agencies

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.

Note 4 – Eligible Costs for Special Education

Eligible costs for special education under project 011 were \$4,048,054 for the year ended June 30, 2024.

Note 5 – Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements

A reconciliation of the amounts presented in the financial statements to the schedule of expenditures of federal awards is as follows:

Federal sources included in the financial statements	\$ 1,554,311
Add: transit of federal aid	<u>7,801</u>
Total included on the schedule of expenditures of federal awards	<u><u>\$ 1,562,112</u></u>

GLENDALE – RIVER HILLS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2023

Note 6 – Reconciliation of the Schedule of Expenditures of State Awards to the Financial Statements

A reconciliation of the amounts presented in the financial statements to the schedule of expenditures of state awards is as follows:

State sources included in the financial statements	\$ 2,670,768
Less: aid not subject to single audit requirements	
Personal property aid	(209,944)
Exempt computer aid	(311,719)
Add: transit of state aid	<u>5,607</u>
Total included on the schedule of expenditures of state awards	<u><u>\$ 2,154,712</u></u>

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

Board of Education
Glendale - River Hills School District
Milwaukee County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Glendale-River Hills School District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 4, 2025.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal controls that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items **2023-004** to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items **2024-001, 2024-002, and 2024-005** to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*, which are described in the accompanying Schedule of Findings and Questioned Costs as items **2024-003 & 2024-006**.

Glendale-River Hills School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Glendale-River Hills School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

SCHUMACHER SAMA, LLP



Wauwatosa, Wisconsin

March 4, 2025

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

Board of Education
Glendale - River Hills School District
Milwaukee County, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the compliance of the Glendale-River Hills School District's (the "District") with the types of compliance requirement described in *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2024-007** to be material weaknesses.

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

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

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

SCHUMACHER SAMA, LLP

Schumacher Sama, LLP

Wauwatosa, Wisconsin
March 4, 2025

**GLENDAL – RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024**

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting		
Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(s) identified not considered to be material weaknesses?	<u> X </u> yes	<u> </u> no
Noncompliance material to financial statements noted?	<u> X </u> yes	<u> </u> no

Federal Awards

Internal control over major programs		
Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> yes	<u> X </u> no

Type of auditor's report issued on compliance for major federal programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> yes	<u> </u> no

Identification of major programs

CFDA NUMBER(S)

84.425

Name of Federal Program or Cluster

Education Stabilization Fund

Dollar threshold used to distinguish between Type A & Type B programs	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no
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State Awards

Internal control over major programs		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(s) identified not considered to be material weaknesses?	<u> </u> yes	<u> X </u> no

Type of auditor's report issued on compliance for major state programs	Unmodified
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Any audit findings disclosed that are required in accordance with the State Single Audit Guidelines?	<u> </u> yes	<u> X </u> no
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**GLENDAL – RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024**

Section I: Summary of Auditor's Results (continued)

Identification of major state programs

<u>State Identification Number</u>	<u>Name of State Program or Cluster</u>
255.201	General Equalization
255.101	Special Education & School Age Parents
255.107	Pupil Transportation

Dollar threshold used to distinguish
between Type A & Type B programs \$250,000

Section II: Financial Statement Findings

Finding 2024-001: Significant Deficiency in Internal Control Finding – Inability to prepare GAAP financial statements.

Criteria – *Government* Auditing Standards considers the inability to report financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP) to be an internal control deficiency.

Condition – The District's internal control over financial reporting extends through completion of the general ledger, but not to preparation of financial statements and notes. As auditors, we were requested to draft the financial statements including adjustments required under GASB 34 and the accompanying notes to the financial statements. Because the District relies on the auditor to provide the necessary understanding of current accounting and disclosure principles and draft the financial statements and accompanying notes, a significant deficiency exists in the District's internal controls.

Effect – As a result of not having an individual on staff to prepare GAAP basis financial statements, the District has an internal control deficiency.

Cause – Management and those charged with governance have accepted this condition because of cost.

Recommendation – We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Corrective Action Plan – The District does not have the resources and staff to prepare the financial statements and notes but will continue to oversee the auditor's services and review and approve the financial statements and accept responsibility for them.

GLENDAL – RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section II: Financial Statement Findings (continued)

Finding 2024-002: Significant Deficiency in Internal Control Finding – Segregation of duties.

Criteria – Statements on Auditing Standards AU §325.29 states it is a deficiency in the design of controls to have absent or inadequate segregation of duties within a significant account or process.

Condition – Proper segregation of duties prescribes that the authorization, recording, and custody function be separated. Many of the accounting functions are performed by a few individuals, including:

- Recording vendor invoices in the accounting system
- Preparing and mailing checks
- Bank reconciliations
- Processing payroll

Cause – Limitations in staff size.

Effect – The lack of segregation of duties could result in the possibility of undetected errors or irregularities.

Recommendation – It is important for management to be aware of this condition and to realize that the concentration of duties and responsibilities in one or two individuals is not desirable from a control standpoint. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the District financial affairs.

Corrective Action Plan: The District will continue to use other controls, including management and board oversight, to compensate for this limitation.

Finding 2024-003: Significant Deficiency in Internal Control Finding – Budgets

Criteria – State of Wisconsin Statutes require that original and amended budgets must show *by fund* all anticipated revenues, expenditures, and fund balances.

Condition – The previous business office staff inadvertently did not include Fund 27 (Special Education) information in the original budget.

Cause – At the time the original budget was submitted, there was no process for management to review the budgetary information prior to it being published, hence the error was not caught.

Effect – As a result of not providing the required details, the District is not in compliance with state statutes related to budget formatting and informational requirements.

Recommendation – The District should ensure procedures are in place to accurately report and publish budgets and budget amendments, and to ensure all required elements of the budget are reported.

Corrective Action Plan – Administration will create budgets for each fund that is used by the District. The Board will approve a preliminary budget for all funds in June. The Board will receive monthly updates on the status of the budget process including a listing of all funds that are used by the District and to be budgeted and a checklist of what the Board is to approve in their oversight role.

GLENDAL – RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section II: Financial Statement Findings (continued)

Finding 2024-004: Material Weakness in Internal Control Finding – Internal Control Procedures

Criteria – Proper internal control requires there to be policies and procedures in place to ensure assets, liabilities, revenue, and expenses of the District are accurately stated. Specifically, cash reconciliations and reconciliations of other balance sheet accounts were not performed or reviewed until after the beginning of the fiscal year and many cash disbursements were not approved.

Condition – The District did not have procedures in place to ensure accounts were reconciled material adjustments or inaccuracies in financial reporting were found and corrected. The District is in the process of updating procedures to improve processes as the prior business office staff was not enforcing internal controls effectively.

Cause – Reconciliation procedures were not appropriately followed until after the beginning of the fiscal year and many cash disbursements were not approved. The accounting errors made were not detected and corrected by management of the District.

Effect – Adjustments made during the audit were numerous and material to the financial statements. As a result of having material adjustments to the financial statements as part of the audit, the District has an internal control deficiency.

Recommendation – We recommend that management and those charged with governance ensure that policies and procedures are in place and followed to ensure bank and other reconciliations are prepared monthly, all accounts are accurately stated, and expenses are approved before paid.

Corrective Action Plan – The District has updated internal control procedures and standard operating procedures to include monthly reconciliations of balance sheet accounts, monthly recording and reporting of revenues and expenditures, requisition approval process for purchases and approval of all invoices and monthly recording of credit card transactions.

Finding 2024-005: Significant Deficiency in Internal Control Finding – Timely deposits

Criteria – Immediately upon receipt, funds received must be deposited into a District bank account.

Condition – Two checks received by the District were not timely deposited per state statutes. The checks were deposited months after they were initially received.

Cause – Tracking of the deposits received was not maintained by the District, therefore the items were not timely deposited.

Effect – As a result of not depositing funds timely, the District has a weakness in internal control, which gives rise to an opportunity for fraud or misappropriation of assets.

Recommendation – We recommend the person receiving the checks prepares a listing of all moneys received prior to forwarding to the person responsible for making the bank deposit. The bank deposit should then be tied out to this listing.

Corrective Action Plan – Operating procedures have been updated to include timely deposits of all cash and checks, with deposits being made weekly. Checks and cash received will be listed and tracked from receipt, deposit, to recording in software and reconciliation.

GLENDAL – RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section II: Financial Statement Findings (continued)

Finding 2024-006: Noncompliance with State Statute – Long-Term Capital Improvement Trust Fund

Criteria – Per Wisconsin Statute 120.137(2013 ACT 336), the district is prohibited from removing money deposited into Fund 46 (Long-Term Capital Improvement Trust Fund) for a period of five years after the fund is created. After the initial five-year wait period is over, funds may only be used for the purposes identified in the approved long-term capital improvement plan. Fund 46 assets may not be transferred to any other school district fund.

Condition – The District transferred cash from Fund 46's segregated WISC account to Fund 10's (General Fund) checking account in January 2024.

Cause – The District did not follow the requirements of Wisconsin Statute 120.137 which in part states that funds may not be transferred to another fund and loaning of money for other purposes or to other funds is not allowed. Funds must be physically deposited and held in a segregated bank/investment account until they are expended for capital improvement projects per the district's plan.

Effect – As a result of the transfer, the District is not in compliance with Wisconsin statute 120.137.

Recommendation – We recommended the district transfer these funds back to the Fund 46 segregated WISC account including an appropriate allocation of interest as soon as possible.

Corrective Action Plan – The District transferred these funds including interest back to the Fund 46 WISC account on November 6, 2024.

Section III: Federal and State Awards Findings and Questioned Costs

Federal

Finding 2024-007: Education Stabilization Fund

Criteria – Proper internal control requires there to be policies and procedures in place to ensure expenditures of federal awards of the District are accurately reported, and claim forms submitted should be reconciled to underlying accounting records.

Condition – The District's internal controls did not provide sufficient assurance that federal grant funding claims for the Education Stabilization Fund were reconciled to underlying accounting records.

Cause – Reconciliation of federal funding and accounting records was not performed during the fiscal year.

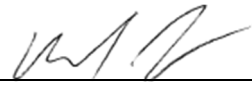
Effect – The amounts claimed and the amounts that could be reconciled to accounting records did not match up. The District made several large journal entries between funds after the audit started, to ensure that Federal claim grant activity and general ledger accounting records were accurately reconciled.

Recommendation – We recommend that management and those charged with governance ensure that policies and procedures are in place to ensure the amounts claimed and the amounts recorded in the general ledger are reconciled and there is clear supporting documentation kept with the claim form.

Corrective Action Plan – Internal controls and operating procedures have been updated requiring claims to be filed monthly, Skyward accounts must match claim prior to submission, claim is to be recorded as a receivable when grant claim is submitted.

GLENDALE – RIVER HILLS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section IV: Other issues

1. Does the auditor's report of 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 _____N/A
2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
 Department of Health Services _____Yes X No _____N/A
 Department of Workforce Development _____Yes X No _____N/A
3. Was a Management letter or other document conveying audit comments issued as a result of this audit? _ X _Yes _____No _____N/A
4. Name and signature of partner 

Michael A. Sama, CPA
5. Date of report _____
March 4, 2025

**GLENDAL – RIVER HILLS SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
Year Ended June 30, 2024**

Financial Statement Findings

Finding 2024-001: Significant Deficiency in Internal Control Finding – Inability to prepare GAAP financial statements

Corrective Action Plan – The District does not have the resources and staff to prepare the financial statement and notes but will continue to oversee the auditor's services and review and approve the financial statements and accept responsibility for them.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

Finding 2024-002: Significant Deficiency in Internal Control Finding – Segregation of duties

Corrective Action Plan: The District will continue to use other controls, including management and board oversight, to compensate for this limitation.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

Finding 2024-003: Significant Deficiency in Internal Control Finding – Budgets

Corrective Action Plan – Administration will create budgets for each fund that is used by the District. The Board will approve a preliminary budget for all funds in June. The Board will receive monthly updates on the status of the budget process including a listing of all funds that are used by the District and to be budgeted and a checklist of what the Board is to approve in their oversight role.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

Finding 2024-004: Material Weakness in Internal Control Finding – Internal Control Procedures

Corrective Action Plan – The District has updated internal control procedures and standard operating procedures to include monthly reconciliations of balance sheet accounts, monthly recording and reporting of revenues and expenditures, requisition approval process for purchases and approval of all invoices and monthly recording of credit card transactions.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

Finding 2024-005: Significant Deficiency in Internal Control Finding – Timely deposits

Corrective Action Plan – Operating procedures have been updated to include timely deposits of all cash and checks, with deposits being made weekly. Checks and cash received will be listed and tracked from receipt, deposit, to recording in software and reconciliation.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

Finding 2024-006: Noncompliance with State Statute – Long-Term Capital Improvement Trust Fund

Corrective Action Plan – The District transferred these funds including interest back to the Fund 46 WISC account on November 6, 2024.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

**GLENDALE – RIVER HILLS SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
Year Ended June 30, 2024**

Finding 2024-007: Education Stabilization Fund

Corrective Action Plan – Internal controls and operating procedures have been updated requiring claims to be filed monthly, Skyward accounts must match claim prior to submission, claim is to be recorded as a receivable when grant claim is submitted.

Contact person: Michelle Brown, Director of Business Services | Phone: (414) 351-7175

**GLENDAL – RIVER HILLS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024**

Finding 2023-001: Significant Deficiency in Internal Control Finding – Inability to prepare GAAP financial statements.

Condition: The District's internal control over financial reporting extends through completion of the general ledger, but not to preparation of financial statements and notes. As auditors, we were requested to draft the financial statements including adjustments required under GASB 34 and the accompanying notes to the financial statements. The auditors believe, in the auditors' judgment, the District does possess the necessary expertise to understand the financial statements but has chosen to hire the auditor's to perform this service.

Recommendation: We recommend that management and those charge with governance continue to oversee and accept responsibility of the financial statement preparation services.

Status of Finding: The District doesn't have the resources and staff to prepare the financial statements and notes but continues to oversee the auditor's services and review and approve the financial statements and accept responsibility for them. The finding has not been corrected.

Finding 2023-002: Significant Deficiency in Internal Control Finding – Segregation of duties

Condition: Proper segregation of duties prescribes that the authorization, recording, and custody function be separated. Many of the accounting functions are performed by a few individuals, including:

- Recording vendor invoices in the accounting system
- Preparing and mailing checks
- Bank reconciliations
- Processing payroll

Recommendation: It is important for management to be aware of this condition and to realize that the concentration of duties and responsibilities in one or two individuals is not desirable from a control standpoint. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the District financial affairs.

Status of Finding: Unchanged

Finding 2023-003: Significant Deficiency in Internal Control Finding – Budgets

Condition: The District had a budget amendment which did not contain the required details or publication of the required notice as defined in state statute 65.90 (5)(a). In addition, the original budget did not include Fund 27 (Special Education) information.

Recommendation: The District should ensure procedures are in place to accurately report and publish budgets and budget amendments.

Status of Finding: The District published budgets and amendments in compliance with State of Wisconsin Statutes however the original published budget did not include Fund 27 (Special Education) other than the transfer from Fund 10 (General Fund). See Finding 2024-003

**GLENDALÉ – RIVER HILLS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024**

Finding 2023-004: Material Weakness in Internal Control Finding – Internal Control Procedures

Condition: The District did not have procedures in place to find and correct material adjustments or inaccuracies in financial reporting.

Recommendation: We recommend that management and those charged with governance ensure that policies and procedures are in place and followed to ensure bank reconciliations are prepared monthly and all accounts are accurately stated.

Status of Finding: Improving. See Finding 2024-004

Finding 2023-005: Pupil Transportation Aid

Condition: 785 pupils were claimed as being transported during the school year. Supporting documentation for pupils claimed was found inaccurate and an accurate number of students transported could not be determined.

Recommendation: The District should ensure procedures are in place to maintain accurate supporting documentation and that those documents agree to what was claimed for pupil transportation.

Status of Finding: Resolved