

**RIPON AREA SCHOOL DISTRICT**

**Annual Financial Report**

*June 30, 2023*

# RIPON AREA SCHOOL DISTRICT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Ripon Area School District  
Ripon, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

To the Board of Education  
Ripon Area School District

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 generally accepted auditing standards and *Governmental 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 the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the net OPEB liability and employer contributions – Local Retiree Life Insurance Fund, schedules of changes in net OPEB liability (asset), fiduciary net position and related ratios – other post-employment benefits, schedule of employer contributions – other post-employment benefits and schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ripon Area School District's financial statements. The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, combining schedule of internal general and special education funds – revenues, expenditures and changes in fund balances, schedule of expenditures of federal awards and schedule of state financial assistance, as required by the Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Wisconsin *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, issued by the Wisconsin Department of Public Instruction 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 supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, combining schedule of internal general and special education funds – balance sheet, combining schedule of internal general and special education funds – revenues, expenditures and changes in fund balances, schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of charter school authorizer operating costs – Journey Charter School, schedule of charter school authorizer operating costs – Barlow Park Charter School, schedule of charter school authorizer operating costs – Quest Charter School and schedule of charter school authorizer operating costs – Odyssey Academy of Virtual Learning Charter School, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 and compliance.



**KerberRose SC**  
**Certified Public Accountants**  
Oshkosh, Wisconsin  
November 16, 2023

## **FINANCIAL STATEMENTS**

**RIPON AREA SCHOOL DISTRICT**  
District-Wide Statement of Net Position  
As of June 30, 2023

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 11,864,611
Receivables:	
Taxes	1,551,730
Accounts	240,534
Due from Other Governments	273,167
Prepaid Items	6,579
<b>Total Current Assets</b>	<b>13,936,621</b>
<b>Noncurrent Assets</b>	
Capital Assets	
Nondepreciable	541,158
Depreciable, net	34,759,244
<b>Total Noncurrent Assets</b>	<b>35,300,402</b>
<b>TOTAL ASSETS</b>	<b>49,237,023</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	12,517,019
Deferred Outflows Related to Other Post-Employment Benefits - Cost-Sharing	510,383
Deferred Outflows Related to Other Post-Employment Benefits - Single-Employer	505,316
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>13,532,718</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	324,677
Accrued Interest Payable	130,858
Accrued and Other Current Liabilities	1,677,698
Due to State Government	2,645
Unearned Revenue	460
Self-Insurance Deposits Payable	438,677
Health Benefit Claims Payable	293,646
Current Portion of Long-Term Obligations	1,475,000
Current Portion of Compensated Absences	40,248
<b>Total Current Liabilities</b>	<b>4,383,909</b>
<b>Noncurrent Liabilities</b>	
Noncurrent Portion of Long-Term Obligations	18,100,000
Noncurrent Portion of Compensated Absences	362,236
Net Pension Liability	3,444,124
Other Postemployment Benefits - Single-Employer Liability	420,140
Other Postemployment Benefits - Cost-Sharing Liability	1,193,676
<b>Total Noncurrent Liabilities</b>	<b>23,520,176</b>
<b>TOTAL LIABILITIES</b>	<b>27,904,085</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pension	7,232,257
Deferred Inflows Related to Other Post-Employment Benefits - Cost-Sharing	842,845
Deferred Inflows Related to Other Post-Employment Benefits - Single-Employer	288,945
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,364,047</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	15,725,402
Restricted	5,982,935
Unrestricted	4,793,272
<b>TOTAL NET POSITION</b>	<b>\$ 26,501,609</b>

See Accompanying Notes

**RIPON AREA SCHOOL DISTRICT**

District-Wide Statement of Activities

For the Year Ended June 30, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction				
Regular Instruction	\$ 9,780,567	\$ 60,048	\$ 680,015	\$ (9,040,504)
Vocational Instruction	579,866	984	-	(578,882)
Physical Instruction	411,270	20,464	17,326	(373,480)
Special Instruction	2,343,277	-	1,284,002	(1,059,275)
Other Instruction	542,184	193,279	-	(348,905)
<b>Total Instruction</b>	<u>13,657,164</u>	<u>274,775</u>	<u>1,981,343</u>	<u>(11,401,046)</u>
Support Services				
Pupil Services	1,204,994	-	700,456	(504,538)
Instructional Staff Services	1,350,369	-	399,086	(951,283)
General Administration Services	599,977	-	-	(599,977)
School Building Administration Services	1,362,139	-	-	(1,362,139)
Business Administration	471,040	-	-	(471,040)
Operations and Maintenance of Plant	2,323,174	-	-	(2,323,174)
Pupil Transportation Services	940,969	-	31,642	(909,327)
Other Business Administration Services	60,860	-	-	(60,860)
Central Services	1,036,666	-	-	(1,036,666)
Insurance	158,527	-	-	(158,527)
Other Support Services	329,853	-	-	(329,853)
Food Service	720,661	254,298	547,117	80,754
Community Services	290,797	42,828	-	(247,969)
Interest and Fiscal Charges	447,876	-	-	(447,876)
Depreciation - Unallocated	1,247,048	-	-	(1,247,048)
<b>Total Support Services</b>	<u>12,544,950</u>	<u>297,126</u>	<u>1,678,301</u>	<u>(10,569,523)</u>
Non-Program Transactions				
Open Enrollment	947,307	-	2,709,791	1,762,484
Non-Open Enrollment	759,323	-	-	(759,323)
<b>Total Non-Program Transactions</b>	<u>1,706,630</u>	<u>-</u>	<u>2,709,791</u>	<u>1,003,161</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 27,908,744</u>	<u>\$ 571,901</u>	<u>\$ 6,369,435</u>	<u>(20,967,408)</u>
<b>GENERAL REVENUES</b>				
Property Taxes				6,448,415
State and Federal Aids not Restricted to Specific Functions:				
Equalization, Exempt Computer Aid and Per Pupil Aid				14,318,490
Interest and Investment Earnings				137,603
Sale of Equipment				13,490
Miscellaneous				12,415
<b>Total General Revenues</b>				<u>20,930,413</u>
<b>CHANGE IN NET POSITION</b>				(36,995)
<b>NET POSITION - BEGINNING OF YEAR</b>				<u>26,538,604</u>
<b>NET POSITION - END OF YEAR</b>				<u>\$ 26,501,609</u>

See Accompanying Notes

**RIPON AREA SCHOOL DISTRICT**

Balance Sheet  
Governmental Funds  
As of June 30, 2023

	<u>General</u>	<u>Long-term Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 7,155,596	\$ 2,956,248	\$ 1,752,767	\$ 11,864,611
Receivables:				
Taxes	1,551,730	-	-	1,551,730
Accounts	220,070	-	20,464	240,534
Due from Other Governments	238,737	-	34,430	273,167
Prepaid Items	4,391	-	2,188	6,579
<b>TOTAL ASSETS</b>	<u>\$ 9,170,524</u>	<u>\$ 2,956,248</u>	<u>\$ 1,809,849</u>	<u>\$ 13,936,621</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 269,366	\$ -	\$ 55,311	\$ 324,677
Accrued Liabilities	1,677,698	-	-	1,677,698
Due to Other Governments	-	-	2,645	2,645
Health Benefit Claims Payable	293,646	-	-	293,646
Self-Insurance Deposits Payable	414,767	-	23,910	438,677
Unearned Revenue	460	-	-	460
<b>Total Liabilities</b>	<u>2,655,937</u>	<u>-</u>	<u>81,866</u>	<u>2,737,803</u>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid Items	4,391	-	2,188	6,579
Restricted:				
Food Service	-	-	465,092	465,092
Debt Service	-	-	514,145	514,145
Capital Projects	-	2,956,248	-	2,956,248
Community Service Funds	-	-	337,670	337,670
Assigned:				
Health Reimbursement Account	504,109	-	-	504,109
Fundraising - Special Revenue Trust	-	-	408,888	408,888
Unassigned	6,006,087	-	-	6,006,087
<b>Total Fund Balances</b>	<u>6,514,587</u>	<u>2,956,248</u>	<u>1,727,983</u>	<u>11,198,818</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 9,170,524</u>	<u>\$ 2,956,248</u>	<u>\$ 1,809,849</u>	<u>\$ 13,936,621</u>

**RIPON AREA SCHOOL DISTRICT**

Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position  
As of June 30, 2023

<b>Total Fund Balances - Governmental Funds</b>		\$ 11,198,818
 <i><b>Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:</b></i>		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported in the statement of net position:		
Governmental Capital Asset	\$ 55,279,784	
Governmental Accumulated Depreciation	<u>(19,979,382)</u>	35,300,402
 Some deferred outflows and inflows of resources reflect changes in long-term assets or liabilities and are not reported in the funds.		
Deferred Outflows of Resources Related to Pension - Cost-Sharing Plan	12,517,019	
Deferred Inflows of Resources Related to Pension - Cost-Sharing Plan	(7,232,257)	
Deferred Outflows of Resources Related to OPEB - Cost-Sharing Plan	510,383	
Deferred Inflows of Resources Related to OPEB - Cost-Sharing Plan	(842,845)	
Deferred Outflows of Resources Related to OPEB - Single-Employer Plan	505,316	
Deferred Inflows of Resources Related to OPEB - Single-Employer Plan	<u>(288,945)</u>	5,168,671
 Certain liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:		
General Obligations	(19,575,000)	
Compensated Absences	(402,484)	
Accrued Interest on General Obligation Debt	(130,858)	
Net Pension Liability	(3,444,124)	
Other Postemployment Benefits - Single-Employer Liability	(420,140)	
Other Postemployment Benefits - Cost-Sharing Liability	<u>(1,193,676)</u>	<u>(25,166,282)</u>
 <b>Total Net Position - Governmental Activities</b>		 <u><u>\$ 26,501,609</u></u>

**RIPON AREA SCHOOL DISTRICT**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

	General	Long-term Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 4,120,041	\$ -	\$ 2,328,374	\$ 6,448,415
Other Local Sources	607,337	19,351	795,888	1,422,576
Interdistrict Sources	2,723,475	-	-	2,723,475
Intermediate Sources	106,316	-	-	106,316
State Sources	15,301,313	-	20,095	15,321,408
Federal Sources	1,142,535	-	527,022	1,669,557
Other Sources	172,160	-	-	172,160
<b>Total Revenues</b>	<u>24,173,177</u>	<u>19,351</u>	<u>3,671,379</u>	<u>27,863,907</u>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Regular Instruction	9,234,895	-	104,209	9,339,104
Vocational Instruction	549,241	-	180	549,421
Physical Instruction	389,025	-	-	389,025
Special Instruction	2,226,099	-	-	2,226,099
Other Instruction	487,856	-	36,291	524,147
<b>Total Instruction</b>	<u>12,887,116</u>	<u>-</u>	<u>140,680</u>	<u>13,027,796</u>
<b>Support Services</b>				
Pupil Services	1,133,233	-	-	1,133,233
Instructional Staff Services	1,289,097	-	-	1,289,097
General Administration Services	568,006	-	300	568,306
School Building Administration Services	1,261,241	-	22	1,261,263
Business Services	426,051	-	10,041	436,092
Operations and Maintenance	2,260,357	-	62,514	2,322,871
Pupil Transportation	925,707	-	15,262	940,969
Food Services	-	-	720,661	720,661
Other Business Administration Services	60,860	-	-	60,860
Central Services	703,020	-	311,828	1,014,848
Insurance	158,527	-	-	158,527
Other Support Services	326,263	-	3,590	329,853
Community Services	-	-	288,094	288,094
Debt Service				
Principal	-	-	1,430,000	1,430,000
Interest and Fiscal Charges	-	-	603,628	603,628
<b>Total Support Services</b>	<u>9,112,362</u>	<u>-</u>	<u>3,445,940</u>	<u>12,558,302</u>
<b>Non-Program Transactions</b>				
General Tuition Payments	1,118,435	-	-	1,118,435
Non-Program Payments	472,357	-	-	472,357
Voucher Payments	121,218	-	-	121,218
Adjustments and Refunds	268	-	-	268
<b>Total Non-Program Transactions</b>	<u>1,712,278</u>	<u>-</u>	<u>-</u>	<u>1,712,278</u>
<b>Total Expenditures</b>	<u>23,711,756</u>	<u>-</u>	<u>3,586,620</u>	<u>27,298,376</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>461,421</u>	<u>19,351</u>	<u>84,759</u>	<u>565,531</u>
<b>OTHER FINANCING SOURCES (USE)</b>				
Sale of Equipment	13,490	-	-	13,490
Transfer from Other Fund	-	374,947	-	374,947
Transfer to Other Fund	(374,947)	-	-	(374,947)
<b>Total Other Financing Sources (Use)</b>	<u>(361,457)</u>	<u>374,947</u>	<u>-</u>	<u>13,490</u>
<b>NET CHANGES IN FUND BALANCES</b>	99,964	394,298	84,759	579,021
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>6,414,623</u>	<u>2,561,950</u>	<u>1,643,224</u>	<u>10,619,797</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,514,587</u>	<u>\$ 2,956,248</u>	<u>\$ 1,727,983</u>	<u>\$ 11,198,818</u>

See Accompanying Notes

**RIPON AREA SCHOOL DISTRICT**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds to the District-Wide Statement of Activities  
For the Year Ended June 30, 2023

<b>Net change in Fund Balances - Total Governmental Funds</b>		\$ 579,021
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay reported in governmental fund statements	\$ 244,671	
Depreciation expense reported in the statement of activities	<u>(1,247,048)</u>	
Amount by which capital outlays are less than depreciation in the current period.		(1,002,377)
The District disposed of outdated assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of activities as a net loss and has no affect on the governmental funds balance sheet.		
The value of capital assets disposed of during the year	(1,191,190)	
The amount of depreciation recapture for the year	<u>1,011,419</u>	
Amount by which capital disposals are more than depreciation recapture in the current period.		(179,771)
Amounts related to the pension plan benefits that affect the statement of activities but do not affect the fund financial statements.		(955,209)
Amounts related to the other post-employment benefits that affect the statement of activities but do not affect the fund financial statements.		(64,411)
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Compensated absences benefits paid in current year	548,677	
Compensated absences benefits earned in current year	<u>(402,484)</u>	
Amounts paid are more than amounts earned by		146,193
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of the long-term debt principal payments in the current year is:		
Bonds payable		1,430,000
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	603,628	
The amount of interest accrued during the current period	<u>(594,069)</u>	
Interest paid is more than interest accrued by:		<u>9,559</u>
<b>Change in Net Position - Governmental Activities</b>		<u>\$ (36,995)</u>

**RIPON AREA SCHOOL DISTRICT**

Statement of Fiduciary Net Position

Fiduciary Fund

As of June 30, 2023

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	<u>Employee Benefit Trust</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,421,061
Accounts Receivable	<u>93,205</u>
<b>Total Assets</b>	<u>1,514,266</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>108,131</u>
<b>NET POSITION</b>	
Restricted	<u>\$ 1,406,135</u>

**RIPON AREA SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

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	<b>Employee Benefit Trust</b>
<b>ADDITIONS</b>	
Contributions to Employee-Benefit Trust	\$ 93,205
Interest	108,353
<b>Total Additions</b>	<u>201,558</u>
<b>DEDUCTIONS</b>	
Payments from Employee-Benefit Trust	<u>108,131</u>
<b>CHANGE IN NET POSITION</b>	93,427
<b>NET POSITION - BEGINNING</b>	<u>1,312,708</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 1,406,135</u></u>

See Accompanying Notes

# RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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## **Note 1 – Summary of Significant Accounting Policies**

This summary of significant accounting policies of Ripon Area School District (District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements.

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

### **Nature of Operations**

The District is organized as a common school district. The District, governed by a nine-member elected school board, operates grades Pre-K through 12 and is comprised of all or part of eleven taxing districts.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity nor does it have any component units.

The financial reporting entity consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

### **District-Wide Financial Statements**

The District-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### **Fund Financial Statements**

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.

Fund financial statements of the reporting entity are organized into individual 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, liabilities, fund equity, revenues, and expenditures.

# RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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## Note 1 – Summary of Significant Accounting Policies (Continued)

### Fund Financial Statements (Continued)

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

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

### Governmental Funds

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

**General Fund** - The general fund is the primary operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

**Special Revenue Fund** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

**Capital Projects Fund** - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital expenditures.

The District reports the following major governmental funds:

**General Fund** - The general fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

**Long-term Capital Improvement Fund** - This fund accounts for the resources accumulated for future capital project needs.

The District reports the following nonmajor governmental funds:

**Special Revenue Trust Fund** - This fund accounts for funds from private gifts, donations from private parties and student activity funds.

**Community Service Fund** - This fund accounts for activities serving the community that are funded by property taxes and fees.

**Food Service Fund** - This fund accounts for the activities associated with the District's breakfast and hot lunch program.

# RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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## **Note 1 – Summary of Significant Accounting Policies (Continued)**

### **Governmental Funds (Continued)**

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

### **Fiduciary Fund**

Employee Benefit Trust - This fund is used to account for resources held in trust for formally established post-employment benefit plans.

### **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial report.

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

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

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

### **Cash and Investments**

The District's cash and investments are combined on the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Cash balances for individual funds are pooled unless maintained in segregated accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the State Investment Board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government pooled-investment fund.

## RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Cash and Investments (Continued)

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with laws applicable to trust investments.

#### Receivables

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

#### Property Taxes

The aggregate district tax levy is apportioned and certified by November 6th of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or “equalized” taxable property values. As permitted by a collecting municipality’s ordinance, taxes may be paid in full or in two or more installments with the first installment payable by the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the twentieth of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2022 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2023. All property taxes are considered due on January 1<sup>st</sup>, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30<sup>th</sup> and are available to pay current liabilities.

#### Prepaid Items

Prepaid items are payments made to vendors that will benefit periods beyond the end of the current fiscal year.

#### Interfund Activity

In the process of aggregating the financial information for the district-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

#### Fund Financial Statements

Interfund activity, if any, within and among the governmental categories is reported as follows in the fund financial statements:

- Interfund transfer – Flow of assets from one fund to another where repayment is not expected, are reported as transfers in and out.

# RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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## Note 1 – Summary of Significant Accounting Policies (Continued)

### Interfund Activity (Continued)

#### District-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the district-wide financial statements as follows:

- Internal activities – Amounts reported as interfund transfers and due from/to other funds in the governmental fund financial statements are eliminated in the district-wide statement of activities and statement of net position.

### Capital Assets

Capital assets are reported at actual or estimated historical cost, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows: assets with an initial individual cost of \$5,000 or higher and an estimated useful life in excess of one year. All depreciable capital assets are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Years
Land Improvements	15 – 30
Buildings and Improvements	20 – 50
Machinery and Equipment	5 – 20

### Unearned Revenue

The district-wide statement of net position and the governmental funds balance sheet report unearned revenue and therefore defer revenue recognition in connection with resources that have been received, but not yet earned. When revenue recognition criteria are met, unearned revenue is reduced, as applicable, and income is recognized.

### Compensated Absences

The District's policy permits employees to accumulate earned but unused sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All sick leave is accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations or retirements.

### Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period the debt is issued. Principal payments are recorded against the liability and interest payments are recorded as a current expense.

## RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Principal payments and interest payments are recorded as current expenditures in the governmental funds.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position reports 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 (expense) until then. The District reports deferred outflows of resources related to pensions and other-post employment benefits in the statement of net position. A detailed list of these items can be found in notes 6 and 7.

In addition to liabilities, the statement of net position reports 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(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports deferred inflows of resources related to pensions and other-post employment benefits in the statement of net position. A detailed list of these items can be found in notes 6 and 7.

#### Leases

The District follows a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. There were no material leases that were required to be recorded for the year ended June 30, 2023.

#### Subscription-Based Information Technology Agreements

The District adopted GASB Statement No. 96 for the year ended June 30, 2023, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the District to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs. There were no material SBITAs that were required to be recorded for the year ended June 30, 2023.

#### Pension and Other Post-Employment Benefits

**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

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.

## RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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### Note 1 – Summary of Significant Accounting Policies (Continued)

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

- Net OPEB Liability
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits
- OPEB Expense (Revenue)

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

#### **Single-Employer Defined Postemployment Benefit Plan**

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

#### **Claims and Judgments**

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

#### **Fund Equity Classifications**

##### District-Wide Statements

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

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

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

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Fund Equity Classifications (Continued)**

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned:

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year end; however, the amount can be determined in the subsequent period. The School Board is the decision making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the School Board for a specific intended purpose. The District has not delegated that authority to the District's management. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The District, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

Minimum General Fund Balance Policy

The District has also adopted a targeted unassigned general fund balance policy of 22% of the anticipated General Fund expenditure budget. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2023-2024 General Fund Expenditures	\$	24,441,289
Reasonable Fund Balance Percent		x 22%
Minimum Fund Balance Amount	\$	<u>5,377,084</u>

The District's unassigned General Fund balance of \$6,006,087 is above the targeted fund balance amount.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from these estimates.

## RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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### Note 2 – Cash and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, the employee benefit trust fund use separate and distinct accounts. All other funds share in common bank and investment accounts.

The District is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

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

Additional restrictions could arise from local charters, ordinances, resolutions and grant resolutions of the District.

At June 30, 2023, the bank balance of cash was \$3,059,462. The District maintains its cash accounts at two financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. The State Guarantee Fund has not been considered in the table below as insured deposits.

As of June 30, 2023, the District had the following deposits:

Fully Insured Deposits	\$	640,885
Collateralized with securities held by the pledging financial institution in the District's name		<u>2,418,577</u>
Total	\$	<u>3,059,462</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 2 – Cash and Investments (Continued)**

*Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

	<u>Total Amount</u>	<u>Exempt</u>	<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
WISC Investments					
Investment Series	\$ 6,984,539	\$ -	\$ 6,984,539	\$ -	\$ -
Fixed Income	2,349,816	-	2,349,816	-	-
Wisconsin Local Government					
Investment Pool	3,572	-	-	-	3,572
Equity Exchange Funds	770,395	-	-	-	770,395
Bond Mutual Funds	634,350	-	-	-	634,350
Money Market Funds	16,317	-	-	-	16,317
Totals	<u>\$ 10,758,989</u>	<u>\$ -</u>	<u>\$ 9,334,355</u>	<u>\$ -</u>	<u>\$ 1,424,634</u>

*Concentration of Credit Risk*

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At June 30, 2023, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% of more of total District investments.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
WISC Investments					
Investment Series	\$ 6,984,539	\$ 6,984,539	\$ -	\$ -	\$ -
Fixed Income	2,349,816	2,349,816			
Wisconsin Local Government					
Investment Pool	3,572	3,572	-	-	-
Equity Exchange Funds	770,395	770,395	-	-	-
Bond Mutual Funds	634,350	634,350	-	-	-
Money Market Funds	16,317	16,317	-	-	-
Totals	<u>\$ 10,758,989</u>	<u>\$ 10,758,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$6,984,539 at year-end invested in the Investment Series and \$2,349,816 invested in fixed income accounts. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less. The fixed income investments are certificates of deposits and feature a fixed rate of return and a fixed maturity date.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 2 – Cash and Investments (Continued)**

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperative Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. Participants in the LGIP have the right to withdraw their funds in total on one day’s notice. Investments in the local government investment pool are not insured. Investments in the LGIP are valued at amortized cost. The balance in the local government investment pool at June 30, 2023 was \$3,572.

*Fair Value*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of June 30, 2023:

	Level 1	Level 2	Level 3	Totals
Equity Exchange Funds	\$ -	\$ 770,395	\$ -	\$ 770,395
Bond Mutual Funds	-	634,350	-	634,350
Money Market Funds	-	16,317	-	16,317
<b>Totals</b>	<b>\$ -</b>	<b>\$ 1,421,062</b>	<b>\$ -</b>	<b>\$ 1,421,062</b>

**Note 3 – Interfund Transfers**

Interfund transfers between individual funds of the District as reported in the fund financial statements for the year ended June 30, 2023 are detailed below:

Fund Transferred To:	Fund Transferred From:	Amount	Purpose
Long-Term Capital Improvement	General Fund	\$ 374,947	Future Capital Needs

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 4 – Capital Assets**

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 541,158	\$ -	\$ -	\$ 541,158
Capital Assets, Depreciable				
Land Improvements	1,626,408	-	(477,439)	1,148,969
Buildings and Improvements	51,479,748	19,984	(172,948)	51,326,784
Machinery and Equipment	2,578,989	224,687	(540,803)	2,262,873
<b>Total Capital Assets, Depreciable</b>	<u>55,685,145</u>	<u>244,671</u>	<u>(1,191,190)</u>	<u>54,738,626</u>
Less Accumulated Depreciation for				
Land Improvements	(2,059,362)	(46,307)	466,800	(1,638,869)
Buildings and Improvements	(15,329,456)	(1,140,294)	6,002	(16,463,748)
Machinery and Equipment	(2,354,935)	(60,447)	538,617	(1,876,765)
Total Accumulated Depreciation	<u>(19,743,753)</u>	<u>(1,247,048)</u>	<u>1,011,419</u>	<u>(19,979,382)</u>
<b>Total Capital Assets, Depreciable, Net</b>	<u>35,941,392</u>	<u>(1,002,377)</u>	<u>(179,771)</u>	<u>34,759,244</u>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 36,482,550</u>	<u>\$ (1,002,377)</u>	<u>\$ (179,771)</u>	<u>\$ 35,300,402</u>

Governmental activities depreciation expense for fiscal year ended June 30, 2023 amounted to \$1,247,048 and was unallocated.

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2023:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Amount Due Within One Year</u>
General Obligation Bonds	\$ 21,005,000	\$ -	\$ 1,430,000	\$ 19,575,000	\$ 1,475,000
Compensated Absences	548,677	402,484	548,677	402,484	40,248
Total Governmental Activities Long-Term Liabilities	<u>\$ 21,553,677</u>	<u>\$ 402,484</u>	<u>\$ 548,677</u>	<u>\$ 19,977,484</u>	<u>\$ 1,515,248</u>

Total interest paid on long-term debt for the year ended June 30, 2023 was \$603,628.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 5 – Long-Term Obligations**

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2023, is comprised of the following individual issues:

	<b>Original Issuance</b>	<b>Issue Dates</b>	<b>Interest Rate</b>	<b>Dates of Maturity</b>	<b>Balances 6/30/2023</b>
General obligation bonds	\$ 10,000,000	12/30/14	2.00 - 3.50%	09/01/34	\$ 5,955,000
General obligation bonds	10,000,000	03/02/15	2.00 - 3.50%	09/01/35	6,945,000
General obligation bonds	10,000,000	01/19/16	2.00 - 3.00%	09/01/35	6,675,000
<b>Total</b>					<b>\$ 19,575,000</b>

**Legal Margin for New Debt**

The District's legal margin for creation of additional general obligation debt on June 30, 2023 was \$66,827,133.

Equalized valuation of the District	\$ 860,188,462
Statutory limitation percentage	10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	86,018,846
Total outstanding general obligation debt = \$ 19,575,000	
Less: Amounts available for financing general obligation debt	
Debt service fund net of accrued interest	383,287
Net outstanding general obligation debt applicable to debt limitat	19,191,713
Legal margin for new debt	\$ 66,827,133

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2023 follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,475,000	\$ 570,578	\$ 2,045,578
2025	1,505,000	534,253	2,039,253
2026	1,445,000	499,278	1,944,278
2027	1,485,000	464,763	1,949,763
2028	1,525,000	425,088	1,950,088
2029-3033	8,410,000	1,423,313	9,833,313
2034-2035	3,730,000	183,897	3,913,897
<b>Total</b>	<b>\$ 19,575,000</b>	<b>\$ 4,101,170</b>	<b>\$ 23,676,170</b>

## RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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### Note 6 – Defined Benefit Pension Plan

#### Wisconsin Retirement System (WRS)

##### *General Information About the Pension Plan*

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

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

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

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 6 – Defined Benefit Pension Plan (Continued)**

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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

During the reporting period, the WRS recognized \$790,628 in contributions from the District.

Contribution rates as of June 30, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.80%	6.80%

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

At June 30, 2023, the District reported a liability of \$3,444,124 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.06501165%, which was an increase of 0.00077693% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized a pension expense of \$1,746,651.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 6 – Defined Benefit Pension Plan (Continued)**

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between pension plan - projected and actual experiences	\$ 5,485,423	\$ 7,206,614
Changes in assumptions	677,257	-
Net differences between pension plan - projected and actual earnings on pension plan investments	5,850,772	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,270	25,643
Employer contributions subsequent to the measurement date	<u>492,297</u>	<u>-</u>
<b>Total</b>	<u>\$ 12,517,019</u>	<u>\$ 7,232,257</u>

The \$492,297 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending 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:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 193,334
2025	992,446
2026	1,017,726
2027	<u>2,588,959</u>
	<u>\$ 4,792,465</u>

## RIPON AREA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2023

### Note 6 – Defined Benefit Pension Plan (Continued)

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
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 postretirement 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, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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

#### Asset Allocation Targets and Expected Returns<sup>1</sup> As of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % <sup>2</sup>
Global Equities	48%	7.6%	5.0%
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund <sup>3</sup>	115% *	7.4%	4.8%
Variable Fund Asset Class			
U.S. Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	100%	7.7%	5.1%

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

<sup>2</sup>New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

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

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 6 – Defined Benefit Pension Plan (Continued)**

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

**Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	<b>1% Decrease to Discount Rate (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase To Discount Rate (7.80%)</b>
<b>District's Proportionate Share of the Net Pension Liability (Asset)</b>	\$ 11,430,937	\$ 3,444,124	\$ (2,050,117)

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

**Payables to the Pension Plan.** The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The amount due to WRS as of June 30, 2023 is \$311,865 for June payroll.

**Note 7 – Post-Employment Benefits Other than Pension Benefits**

**Single-employer Defined Postemployment Benefit Plan**

**Plan Description.** The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District and their spouses. Eligible retired employees have access to group medical coverage through the District's group plan. District paid medical benefits are paid for as indicated below. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

**Employees Covered by Benefit Terms.** At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current	15
Active employees	208
	<u>223</u>

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Single-employer Defined Postemployment Benefit Plan (Continued)**

**Net OPEB Liability (Asset)**

Total OPEB Liability - Ending (a)	\$	1,732,848
Plan Fiduciary Net Position - Ending (b)		<u>1,312,708</u>
District's Net OPEB Liability - Ending (a) -	\$	<u><u>420,140</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		75.75%
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**Contributions and Benefits**

Teachers: to be eligible for benefits, teachers must be at least 55 years of age with a minimum of 15 years of service and be eligible for retirement under the WRS. Upon retirement, any moneys resulting from unused sick days will be converted at a specific rate based on years of service at retirement. These monies are placed into an HRA and are to be used for coverage under the District's group medical plan until their exhaustion.

Administrators: to be eligible, administrators must be at least age 55 with a minimum of 5 years for full-time service.

For administrators hired prior to July 1, 2005, the District will contribute 88% of the medical premiums on behalf of the retiree for a period of 5 years but not to exceed Medicare eligibility.

For administrators hired on or after July 1, 2005, the District's contributions shall be frozen at 88% of the premium amount in effect at retirement. Additionally, implicit rate subsidy resulting from eligible retirees receiving a sick leave benefit which may be used towards continued medical coverage until its exhaustion.

Management personnel: to be eligible, management personnel must be at least age 55 with a minimum of 10 years of full-time service.

For management personnel hired prior to July 1, 2005, the District will contribute 88% of the medical premiums on behalf of the retiree for a period of 5 years but not to exceed Medicare eligibility.

For management personnel hired on or after July 1, 2005 the District's contributions shall be frozen at 88% of the premium amount in effect at retirement. Additionally, implicit rate subsidy resulting from eligible retirees receiving a sick leave benefit which may be used towards continued medical coverage until its exhaustion.

Aids, custodians and clerical: to be eligible for benefits, retirees that are under these categories must be at least 55 years of age with a minimum of 15 years of service and be eligible for retirement under WRS. Upon retirement, any monies resulting from unused sick days will be converted at a specified rate based on years of service at retirement. These monies are placed into an HRA and are to be used for coverage under the District's group medical plan until their exhaustion.

**Net OPEB Liability.** The District's net OPEB liability was measured as of July 1, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Single-employer Defined Postemployment Benefit Plan (Continued)**

**Actuarial Assumptions.** The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary increases:	3.2% to 8.6% depending on years of
Investment rate of return:	5.00%
Healthcare cost trend rates:	6.50% decreasing to 5.00% after 6 years and then to 4.00% over the next 48 years

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 – July 1, 2022.

The long-term expected rate of return on OPEB plan investments was valued at 5%. A blend of expected earnings on District funds and the current yield for 20 year tax-exempt AA Municipal bond rate or high as of the measurement date was used for all years of benefit payments.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 4%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

	<u>Total OPEB Liability</u> <u>(a)</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net OPEB Liability</u> <u>(a) - (b)</u>
<b>Balances at 7/1/21</b>	\$ 1,314,869	\$ 1,400,157	\$ (85,288)
<b>Changes for the year:</b>			
Service Cost	134,972	-	134,972
Interest	56,517	-	56,517
Plan Changes	(74,822)	-	(74,822)
Differences Between Expected and Actual Experience	333,321	(204,082)	537,403
Changes of Assumptions or Other Input	42,531	-	42,531
Contributions - Employer	-	121,165	(121,165)
Net Investment Income	-	70,008	(70,008)
Benefit Payments	(74,540)	(74,540)	-
<b>Net Changes</b>	<u>417,979</u>	<u>(87,449)</u>	<u>505,428</u>
<b>Balances at 6/30/22</b>	<u>\$ 1,732,848</u>	<u>\$ 1,312,708</u>	<u>\$ 420,140</u>

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Single-employer Defined Postemployment Benefit Plan (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the District's net OPEB liability calculated using the discount rate of 4 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3 percent) or 1-percentage-point higher (5 percent) than the current rate:

	<b>1% Decrease (3.00%)</b>	<b>Current Discount Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
<b>Total OPEB Liability</b>	\$ 1,834,181	\$ 1,732,848	\$ 1,636,352
<b>Fiduciary Net Position</b>	1,312,708	1,312,708	1,312,708
<b>Net OPEB Liability</b>	<u>\$ 521,473</u>	<u>\$ 420,140</u>	<u>\$ 323,644</u>

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.** The following presents the District's net OPEB liability calculated using the current healthcare cost trend rate of 6.50 percent decreasing to 4.00 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent decreasing to 3.0 percent) or 1-percentage-point higher (7.50% decreasing to 5.0 percent) than the current rate:

	<b>1% Decrease (5.50% decreasing to 3.0%)</b>	<b>Healthcare Cost Trend Rates (6.50% decreasing to 4.0%)</b>	<b>1% Increase (7.50% decreasing to 5.0%)</b>
<b>Total OPEB Liability</b>	\$ 1,587,108	\$ 1,732,848	\$ 1,901,339
<b>Fiduciary Net Position</b>	1,312,708	1,312,708	1,312,708
<b>Net OPEB Liability</b>	<u>\$ 274,400</u>	<u>\$ 420,140</u>	<u>\$ 588,631</u>

**OPEB Plan Fiduciary Net Position.** Detailed information about the OPEB plan's fiduciary net position is available on pages 10-11.

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$39,349. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following source:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 299,988	\$ 171,322
Changes of assumptions or other input	48,927	117,623
Net difference between projected and actual earnings on OPEB plan	63,196	-
District contributions subsequent to the measurement date	93,205	-
<b>Total</b>	<u>\$ 505,316</u>	<u>\$ 288,945</u>

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Single-employer Defined Postemployment Benefit Plan (Continued)**

The \$93,205 reported as deferred outflows related to OPEB resulting from the Employer’s contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability (asset) in the year ending 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:

<b>Year Ending June 30,</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2024	\$ (2,846)
2025	3,592
2026	7,458
2027	36,088
2028	(4,727)
Thereafter	83,601
	<u>\$ 123,166</u>

**Local Retiree Life Insurance Fund**

**General Information About the Other Post-Employment Benefits Plan**

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

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

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

**Benefits Provided.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members 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 June 30, 2023 are:

<b>Coverage Type</b>	<b>Employee</b>
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Local Retiree Life Insurance Fund (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, 2022 are as listed below:

**Life Insurance  
Member Contribution Rates \*  
For the Year Ended December 31, 2022**

<u>Attained Age</u>	<u>Basic/Supplemental</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

*\* Disabled members under age 70 receive a waiver-of-premium benefit.*

During the reporting period, the LRLIF recognized \$6,244 in contributions from the employer.

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

At June 30, 2023, the District reported a liability of \$1,193,676 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.31331500%, which was a decrease of 0.00254100% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$124,533.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 116,821
Net difference between projected and actual earnings on OPEB plan	22,398	-
Changes of assumptions or other input	428,862	704,596
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,550	21,428
Employer contributions subsequent to the measurement date	<u>1,573</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 510,383</u></u>	<u><u>\$ 842,845</u></u>

The \$1,573 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending 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:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ (19,259)
2025	(27,903)
2026	(7,519)
2027	(63,322)
2028	(106,653)
Thereafter	<u>(109,379)</u>
	<u><u>\$ (334,035)</u></u>

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

**Actuarial Assumptions.** The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability:	December 31, 2022
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*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO index.

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, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 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, 2022**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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**Note 7 – Post-Employment Benefits Other than Pension Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

**Single Discount Rate.** A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.**

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.76 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	<u>1% Decrease to Discount Rate (2.76%)</u>	<u>Current Discount Rate (3.76%)</u>	<u>1% Increase to Discount Rate (4.76%)</u>
<b>District's proportionate share of the net OPEB liability</b>	\$ 1,627,451	\$ 1,193,676	\$ 861,238

**Payables to the OPEB Plan.** The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The amount due to WRS for Life Insurance Benefits as of June 30, 2023 is \$3,446 for June payroll.

**RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 8 – Fund Equity**

**District-Wide Statements**

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

Net Investment in Capital Assets	
Net Capital Assets	\$ 35,300,402
Less: Related Long-Term Debt Outstanding	<u>(19,575,000)</u>
Net Investment in Capital Assets	<u>15,725,402</u>
Restricted for	
Pension Benefits	1,840,638
Food Service	465,092
Future Debt Service	383,287
Capital Projects	2,956,248
Community Service	<u>337,670</u>
Total Restricted	<u>5,982,935</u>
Unrestricted	<u>4,793,272</u>
Total District-Wide Net Position	<u>\$ 26,501,609</u>

**Note 9 – Dental Self-Insurance**

As of August 1, 2015, the District implemented a self-funded dental insurance plan. At June 30, 2023, the District has determined that any reported liability is immaterial to the financial statements and elected not to record a liability. The liability represents reported and unreported claims which were incurred on or before June 30, 2023, but were not paid by the District as of that date.

	<u>Beginning-of- Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2020 - 2021	\$ -	\$ 169,929	\$ 169,929	\$ -
2021 - 2022	-	166,985	166,985	-
2022 - 2023	-	186,847	186,847	-

**Note 10 – Health Self-Insurance**

As of January 1, 2023, the District implemented a self-funded health insurance plan. At June 30, 2023, the District has reported a liability of \$293,696, which represents reported and unreported claims which were incurred on or before June 30, 2023, but were not paid by the District as of that date. At June 30, 2023, the District has reported expenditures of \$1,785,753.

	<u>Beginning-of- Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2022 - 2023	\$ -	\$ 1,785,753	\$ 1,492,057	\$ 293,696

## **RIPON AREA SCHOOL DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2023

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### **Note 11 – Limitation on School District Revenues**

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount has been approved by a referendum.

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.

### **Note 12 – Contingencies and Commitments**

The District 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. The District believes such disallowances, if any, would be immaterial.

From time to time the District is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at June 30, 2023, are not likely to have a material adverse impact on the District's financial position.

### **Note 13 – 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; injuries to employees; employee health claims; unemployment compensation claims; and natural disasters. The District insures through commercial insurance companies for all risks of loss. Settled claims from these risks have not exceeded insurance coverage in the past three fiscal years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**RIPON AREA SCHOOL DISTRICT**

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Wisconsin Retirement System (WRS)  
Last 10 Fiscal Years\*

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net Pension Asset/Liability	District's Proportionate Share of the Net Pension (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	0.06501165%	\$ 3,444,124	\$ 11,775,864	29.25%	95.72%
12/31/2021	0.06423472%	(5,177,436)	11,522,565	44.93%	106.02%
12/31/2020	0.06360346%	(3,970,852)	10,533,129	37.70%	105.26%
12/31/2019	0.06462290%	(2,083,737)	10,008,813	20.82%	102.96%
12/31/2018	0.06616806%	2,354,052	10,015,760	23.50%	96.45%
12/31/2017	0.06753656%	(2,005,240)	9,841,348	20.38%	102.93%
12/31/2016	0.06938399%	571,890	9,707,672	5.89%	99.12%
12/31/2015	0.07146993%	1,161,372	9,835,685	11.81%	98.20%
12/31/2014	0.07340394%	(1,802,506)	10,036,208	17.96%	102.74%

Schedule of Employer Contributions  
Wisconsin Retirement System (WRS)

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2023	\$ 790,628	\$ 790,628	\$ -	\$ 11,829,373	6.68%
6/30/2022	776,399	776,399	-	11,768,544	6.60%
6/30/2021	763,091	763,091	-	11,305,056	6.75%
6/30/2020	679,676	679,676	-	10,187,982	6.67%
6/30/2019	655,577	655,577	-	9,861,461	6.65%
6/30/2018	671,055	671,055	-	10,071,645	6.66%
6/30/2017	669,281	669,281	-	9,747,637	6.87%
6/30/2016	640,706	640,706	-	9,681,428	6.62%
6/30/2015	668,827	668,827	-	9,707,672	6.89%

\*Ten years of information will be accumulated and presented beginning with the Districts fiscal year ended June 30, 2015.

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Employer's Proportionate Share of the Net OPEB Liability  
Local Retiree Life Insurance Fund - Cost-Sharing Plan  
Last Ten Fiscal Years\*

WRS Fiscal Year End Date (Measurement Date)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2022	0.31331500%	\$ 1,193,676	\$ 8,451,000	14.12%	38.81%
12/31/2021	0.31585600%	1,866,826	8,173,000	22.84%	29.57%
12/31/2020	0.29550000%	1,625,463	8,038,000	20.22%	31.36%
12/31/2019	0.29755900%	1,267,064	7,420,000	17.08%	37.58%
12/31/2018	0.30204900%	779,388	7,436,000	10.48%	48.69%
12/31/2017	0.30410800%	914,933	12,788,611	7.15%	44.81%

Schedule of Employer Contributions  
Local Retiree Life Insurance Fund - Cost-Sharing Plan  
Last Ten Fiscal Years\*

District Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2023	\$ 6,244	\$ 6,244	\$ -	\$ 8,441,000	0.07%
6/30/2022	6,432	6,432	-	8,223,000	0.08%
6/30/2021	6,169	6,169	-	7,984,000	0.08%
6/30/2020	5,892	5,892	-	7,356,000	0.08%
6/30/2019	5,379	5,379	-	7,284,000	0.07%
6/30/2018	5,819	5,819	-	7,296,000	0.08%

\*Ten years of data will be accumulated and presented beginning with the Districts fiscal year ended June 30, 2018.

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Changes in Net OPEB Liability, Fiduciary Net Position, and Related Ratios  
Other Post-Employment Benefits  
Last 10 Measurement Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 134,972	\$ 107,895	\$ 101,324	\$ 94,638	\$ 87,169	\$ 93,528	\$ 79,839
Interest	56,517	49,789	46,247	46,540	48,518	39,593	31,910
Plan Changes	(74,822)	-	-	-	62,286	-	179,249
Differences Between Expected and Actual Experience	333,321	-	(38,342)	-	(262,968)	-	-
Changes of Assumptions or Other Input	42,531	-	(122,133)	16,734	(23,133)	(35,597)	-
Benefit Payments	(74,540)	(67,193)	(66,784)	(95,189)	(26,331)	(29,451)	(54,050)
<b>Net Change in Total OPEB Liability</b>	<u>417,979</u>	<u>90,491</u>	<u>(79,688)</u>	<u>62,723</u>	<u>(114,459)</u>	<u>68,073</u>	<u>236,948</u>
<b>Total OPEB Liability - Beginning</b>	<u>1,314,869</u>	<u>1,224,378</u>	<u>1,304,066</u>	<u>1,241,343</u>	<u>1,355,802</u>	<u>1,287,729</u>	<u>1,050,781</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,732,848</u>	<u>\$ 1,314,869</u>	<u>\$ 1,224,378</u>	<u>\$ 1,304,066</u>	<u>\$ 1,241,343</u>	<u>\$ 1,355,802</u>	<u>\$ 1,287,729</u>
<b>Fiduciary Net Position</b>							
Contributions - Employer	\$ 121,165	\$ 49,597	\$ 51,249	\$ 70,024	\$ -	\$ 61,808	\$ 65,129
Net Investment Income	(134,074)	191,845	60,392	74,180	60,301	80,144	7,079
Benefit Payments	(74,540)	(67,193)	(66,784)	(95,189)	(26,331)	(29,451)	(54,050)
<b>Net Change in Fiduciary Net Position</b>	<u>(87,449)</u>	<u>174,249</u>	<u>44,857</u>	<u>49,015</u>	<u>33,970</u>	<u>112,501</u>	<u>18,158</u>
<b>Fiduciary Net Position - Beginning</b>	<u>1,400,157</u>	<u>1,225,908</u>	<u>1,181,051</u>	<u>1,132,036</u>	<u>1,098,066</u>	<u>985,565</u>	<u>967,407</u>
<b>Fiduciary Net Position - Ending (b)</b>	<u>\$ 1,312,708</u>	<u>\$ 1,400,157</u>	<u>\$ 1,225,908</u>	<u>\$ 1,181,051</u>	<u>\$ 1,132,036</u>	<u>\$ 1,098,066</u>	<u>\$ 985,565</u>
<b>Net OPEB Liability (a) - (b)</b>	<u>\$ 420,140</u>	<u>\$ (85,288)</u>	<u>\$ (1,530)</u>	<u>\$ 123,015</u>	<u>\$ 109,307</u>	<u>\$ 257,736</u>	<u>\$ 302,164</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.75%	106.49%	100.12%	90.57%	91.19%	80.99%	76.54%
Covered-Employee Payroll	\$ 11,005,800	\$ 10,616,587	\$ 10,616,587	\$ 9,439,255	\$ 9,439,255	\$ 6,574,663	\$ 6,574,663
Net OPEB Asset as a Percentage of Covered-Employee Payroll	3.82%	-0.80%	-0.01%	1.30%	1.16%	3.92%	4.60%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-9.88%	14.61%	5.02%	6.41%	5.41%	7.69%	0.72%

\*Ten years of data will be accumulated beginning with 2017.

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Employer Contributions - Other Post-Employment Benefits  
Last 10 Measurement Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 177,597	\$ 112,150	\$ 105,449	\$ 102,378	\$ 87,650	\$ 85,097	\$ 61,808
Contributions in Relation to the Actuarially Determined Contribution	74,540	49,597	51,249	70,024	-	61,808	65,129
Contribution Deficiency (Excess)	<u>\$ 103,057</u>	<u>\$ 62,553</u>	<u>\$ 54,200</u>	<u>\$ 32,354</u>	<u>\$ 87,650</u>	<u>\$ 23,289</u>	<u>\$ (3,321)</u>
Covered-Employee Payroll	\$ 11,005,800	\$ 10,616,587	\$ 10,616,587	\$ 9,439,255	\$ 9,439,255	\$ 6,574,663	\$ 6,574,663
Contributions as a percentage of Covered-Employee Payroll	0.68%	0.47%	0.48%	0.74%	0.00%	0.94%	0.99%
<b>Key Methods and Assumptions Used to Calculate ADC</b>							
Actuarial Cost Method	Entry Age Normal - Level % of Salary						
Asset Valuation Method	Market Value						
Amortization Method	30 Year Level %						
Discount Rate	4.00%	4.00%	3.75%	3.75%	3.00%	3.00%	5.00%
Inflation	2.50%	2.00%	2.50%	2.50%	2.50%	2.50%	3.00%
Valuation Date	July 1, 2022	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	July 1, 2014

**RIPON AREA SCHOOL DISTRICT**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

General Fund

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Property Taxes	\$ 4,119,182	\$ 4,127,841	\$ 4,120,041	\$ (7,800)
Other Local Sources	451,098	576,841	607,337	30,496
Interdistrict Sources	2,642,000	2,709,815	2,723,475	13,660
Intermediate Sources	6,600	10,672	38,682	28,010
State Sources	14,522,486	14,578,804	14,633,325	54,521
Federal Sources	1,139,501	541,106	594,155	53,049
Other Sources	30,500	210,979	172,160	(38,819)
<b>Total Revenues</b>	<u>22,911,367</u>	<u>22,756,058</u>	<u>22,889,175</u>	<u>133,117</u>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Regular Instruction	9,263,287	9,337,344	9,234,895	102,449
Vocational Instruction	535,195	535,195	549,241	(14,046)
Physical Instruction	407,978	407,978	389,025	18,953
Other Instruction	472,869	475,744	487,856	(12,112)
<b>Total Instruction</b>	<u>10,679,329</u>	<u>10,756,261</u>	<u>10,661,017</u>	<u>95,244</u>
<b>Support Services</b>				
Pupil Services	896,674	927,512	906,371	21,141
Instructional Staff Services	1,133,501	1,167,454	1,133,949	33,505
General Administration Services	609,723	609,768	568,006	41,762
School Building Administration Services	1,240,940	1,246,570	1,261,241	(14,671)
Business Administration	447,478	447,229	426,051	21,178
Operations and Maintenance	2,098,469	2,131,095	2,260,357	(129,262)
Pupil Transportation	702,967	642,677	680,773	(38,096)
Other Business Administration Services	123,000	123,000	60,860	62,140
Central Services	644,261	710,815	688,618	22,197
Insurance	162,321	158,527	158,527	-
Other Support Services	595,289	341,773	319,649	22,124
<b>Total Support Services</b>	<u>8,654,623</u>	<u>8,506,420</u>	<u>8,464,402</u>	<u>42,018</u>
<b>Non-Program Transactions</b>				
General Tuition Payments	1,189,642	1,156,362	1,118,435	37,927
Non-Program Payments	-	-	5,380	(5,380)
Voucher Payments	121,218	121,218	121,218	-
Adjustments and Refunds	-	-	268	(268)
<b>Total Non-Program Transactions</b>	<u>1,310,860</u>	<u>1,277,580</u>	<u>1,245,301</u>	<u>32,279</u>
<b>Total Expenditures</b>	<u>20,644,812</u>	<u>20,540,261</u>	<u>20,370,720</u>	<u>169,541</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>2,266,555</u>	<u>2,215,797</u>	<u>2,518,455</u>	<u>302,658</u>
<b>OTHER FINANCING SOURCE (USE)</b>				
Sale of Equipment	1,000	6,000	13,490	7,490
Transfer to Other Funds	(2,267,555)	(2,221,797)	(2,431,981)	(210,184)
<b>Total Other Financing Source (Use)</b>	<u>(2,266,555)</u>	<u>(2,215,797)</u>	<u>(2,418,491)</u>	<u>(202,694)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	99,964	99,964
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>6,414,623</u>	<u>6,414,623</u>	<u>6,414,623</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,414,623</u>	<u>\$ 6,414,623</u>	<u>\$ 6,514,587</u>	<u>\$ 99,964</u>

**RIPON AREA SCHOOL DISTRICT**  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

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**Budgets and Budgetary Accounting**

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

The District follows these procedures in establishing the budgetary data:

- a. Based upon requests from district staff, district administration recommends budget proposals to the school board.
- b. The school board reviews a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- c. Pursuant to a public budget hearing, the school board may make alterations to the proposed budget.
- d. Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations, unless authorized by a 2/3 vote of the entire school board.

**Basis of Accounting**

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the basic financial statements.

There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

**Excess of Actual Expenditures Over Budget**

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2023:

Individual Function	Excess Expenditures
Vocational Instruction	\$ 14,046
Other Instruction	12,112
School Building Administration Services	14,671
Operations and Maintenance	129,262
Pupil Transportation	38,096
Non-Program Payments	5,380
Adjustments and Refunds	268

## RIPON AREA SCHOOL DISTRICT

Notes to Required Supplementary Information - Continued  
For the Year Ended June 30, 2023

### Budget-to-Actual Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<u>General Fund</u>
Sources/Inflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Source" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 22,902,665
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	<u>1,284,002</u>
Total Revenues and Other Financing Source as Reported on the Statement of Revenues, Expenditures and Change in Fund Balances – Governmental Funds	<u>\$ 24,186,667</u>
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Use" from the Schedule of Revenues, Expenditures and Changes in Fund Balance	\$ 22,802,701
Differences – Budget to GAAP:	
The Special Education Fund was Budgeted Separately but does not Meet the Definition of a Special Revenue Fund and was Combined with the General Fund	3,341,036
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund.	<u>(2,057,034)</u>
Total Expenditures and Other Financing Use as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	<u>\$ 24,086,703</u>

**RIPON AREA SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Continued  
For the Year Ended June 30, 2023

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**Defined Benefit Pension Plan - WRS**

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

*Changes of assumptions.*

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

- Lowering the long-term expected rate of return from 7.0% 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.

**Post-Employment Benefits Other Than Pension Benefits – Single-Employer Plan**

*Changes of benefit terms.* There were no changes of benefit terms for the District's single-employer plan providing health insurance benefits to retirees.

*Changes of assumptions.* The expected long-term investment rate changed from 4.00% to 5.00%.

**Post-Employment Benefits Other Than Pension Benefits - Cost-Sharing Plan**

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

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

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

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

**SUPPLEMENTARY INFORMATION**

**RIPON AREA SCHOOL DISTRICT**

Combining Balance Sheet  
Nonmajor Governmental Funds  
As of June 30, 2023

	Special Revenue				Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Service	Debt Service	
<b>ASSETS</b>					
Cash and Investments	\$ 408,888	\$ 484,523	\$ 345,211	\$ 514,145	\$ 1,752,767
Accounts Receivable	-	20,132	332	-	20,464
Due From Other Governments	-	34,430	-	-	34,430
Prepaid Items	-	-	2,188	-	2,188
<b>Total Assets</b>	<b>\$ 408,888</b>	<b>\$ 539,085</b>	<b>\$ 347,731</b>	<b>\$ 514,145</b>	<b>\$ 1,809,849</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 47,438	\$ 7,873	\$ -	\$ 55,311
Due to State Government	-	2,645	-	-	2,645
Deposits Payable	-	23,910	-	-	23,910
<b>Total Liabilities</b>	<b>-</b>	<b>73,993</b>	<b>7,873</b>	<b>-</b>	<b>81,866</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Items	-	-	2,188	-	2,188
Restricted	-	465,092	337,670	514,145	1,316,907
Assigned	408,888	-	-	-	408,888
<b>Total Fund Balances</b>	<b>408,888</b>	<b>465,092</b>	<b>339,858</b>	<b>514,145</b>	<b>1,727,983</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 408,888</b>	<b>\$ 539,085</b>	<b>\$ 347,731</b>	<b>\$ 514,145</b>	<b>\$ 1,809,849</b>

**RIPON AREA SCHOOL DISTRICT**

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

	Special Revenue				Total Nonmajor Governmental Funds
	Special Revenue Trust	Food Service	Community Service	Debt Service	
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ 251,272	\$ 2,077,102	\$ 2,328,374
Other Local Sources	487,557	254,298	45,767	8,266	795,888
State Sources	-	20,095	-	-	20,095
Federal Sources	-	527,022	-	-	527,022
<b>Total Revenues</b>	<u>487,557</u>	<u>801,415</u>	<u>297,039</u>	<u>2,085,368</u>	<u>3,671,379</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
General Instruction	104,209	-	-	-	104,209
Vocational Instruction	180	-	-	-	180
Other Instruction	36,291	-	-	-	36,291
<b>Total Instruction</b>	<u>140,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,680</u>
<b>Support Services:</b>					
General Administration Services	300	-	-	-	300
Business Services	-	10,041	-	-	10,041
Operations and Maintenance	20,760	41,754	-	-	62,514
Pupil Transportation	15,262	-	-	-	15,262
Food Services	-	720,661	-	-	720,661
Central Services	310,433	420	975	-	311,828
Other Support Services	-	3,590	-	-	3,590
Community Services	-	-	288,094	-	288,094
Debt Service					
Principal	-	-	-	1,430,000	1,430,000
Interest and Fiscal Charges	-	-	-	603,628	603,628
<b>Total Support Services</b>	<u>346,755</u>	<u>776,466</u>	<u>289,091</u>	<u>2,033,628</u>	<u>3,445,940</u>
<b>Total Expenditures</b>	<u>487,435</u>	<u>776,466</u>	<u>289,091</u>	<u>2,033,628</u>	<u>3,586,620</u>
<b>NET CHANGES IN FUND BALANCES</b>	122	24,949	7,948	51,740	84,759
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>408,766</u>	<u>440,143</u>	<u>331,910</u>	<u>462,405</u>	<u>1,643,224</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 408,888</u>	<u>\$ 465,092</u>	<u>\$ 339,858</u>	<u>\$ 514,145</u>	<u>\$ 1,727,983</u>

**RIPON AREA SCHOOL DISTRICT**

Combining Schedule of Internal General and Special Education Funds - Balance Sheet  
As of June 30, 2023

	<u>General</u>	<u>Special Education</u>	<u>Total General Fund</u>
<b>ASSETS</b>			
Cash and Investments	\$ 7,155,596	\$ -	\$ 7,155,596
Receivables:			
Taxes	1,551,730	-	1,551,730
Accounts	202,416	17,654	220,070
Due from Other Governments	127,468	111,269	238,737
Prepaid Items	4,391	-	4,391
<b>TOTAL ASSETS</b>	<u>\$ 9,041,601</u>	<u>\$ 128,923</u>	<u>\$ 9,170,524</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 140,443	\$ 128,923	\$ 269,366
Accrued Liabilities	1,677,698	-	1,677,698
Self-Insurance Deposits Payable	414,767	-	414,767
Health Benefit Claims Payable	293,646	-	293,646
Unearned Revenue	460	-	460
<b>Total Liabilities</b>	<u>2,527,014</u>	<u>128,923</u>	<u>2,655,937</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Items	4,391	-	4,391
Assigned	504,109	-	504,109
Unassigned	6,006,087	-	6,006,087
<b>Total Fund Balances</b>	<u>6,514,587</u>	<u>-</u>	<u>6,514,587</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 9,041,601</u>	<u>\$ 128,923</u>	<u>\$ 9,170,524</u>

**RIPON AREA SCHOOL DISTRICT**

Combining Schedule of Internal General and Special Education Funds -  
Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2023

	<u>General</u>	<u>Special Education</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Property Taxes	\$ 4,120,041	\$ -	\$ 4,120,041
Other Local Sources	607,337	-	607,337
Interdistrict Sources	2,723,475	-	2,723,475
Intermediate Sources	38,682	67,634	106,316
State Sources	14,633,325	667,988	15,301,313
Federal Sources	594,155	548,380	1,142,535
Other Sources	172,160	-	172,160
<b>Total Revenues</b>	<u>22,889,175</u>	<u>1,284,002</u>	<u>24,173,177</u>
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Regular Instruction	9,234,895	-	9,234,895
Vocational Instruction	549,241	-	549,241
Physical Instruction	389,025	-	389,025
Special Instruction	-	2,226,099	2,226,099
Other Instruction	487,856	-	487,856
<b>Total Instruction</b>	<u>10,661,017</u>	<u>2,226,099</u>	<u>12,887,116</u>
<b>Support Services</b>			
Pupil Services	906,371	226,862	1,133,233
Instructional Staff Services	1,133,949	155,148	1,289,097
General Administration Services	568,006	-	568,006
School Building Administration Services	1,261,241	-	1,261,241
Business Services	426,051	-	426,051
Operations and Maintenance	2,260,357	-	2,260,357
Pupil Transportation	680,773	244,934	925,707
Other Business Administration Services	60,860	-	60,860
Central Services	688,618	14,402	703,020
Insurance	158,527	-	158,527
Other Support Services	319,649	6,614	326,263
<b>Total Support Services</b>	<u>8,464,402</u>	<u>647,960</u>	<u>9,112,362</u>
<b>Non-Program Transactions</b>			
General Tuition Payments	1,118,435	-	1,118,435
Non-Program Payments	5,380	466,977	472,357
Voucher Payments	121,218	-	121,218
Adjustments and Refunds	268	-	268
<b>Total Non-Program Transactions</b>	<u>1,245,301</u>	<u>466,977</u>	<u>1,712,278</u>
<b>Total Expenditures</b>	<u>20,370,720</u>	<u>3,341,036</u>	<u>23,711,756</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,518,455</u>	<u>(2,057,034)</u>	<u>461,421</u>
<b>OTHER FINANCING SOURCES (USE)</b>			
Sale of Equipment	13,490	-	13,490
Transfer from Other Funds	-	2,057,034	2,057,034
Transfer to Other Funds	(2,431,981)	-	(2,431,981)
<b>Total Other Financing Sources (Use)</b>	<u>(2,418,491)</u>	<u>2,057,034</u>	<u>(361,457)</u>
<b>NET CHANGES IN FUND BALANCES</b>	99,964	-	99,964
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>6,414,623</u>	<u>-</u>	<u>6,414,623</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,514,587</u>	<u>\$ -</u>	<u>\$ 6,514,587</u>

## **OTHER INFORMATION**

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Charter School Authorizer Operating Costs  
Journey Charter School  
For the Year Ended June 30, 2023

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<b>Operating Activity</b>	<b>WUFAR Object Code</b>	<b>Cost</b>
Employee Salaries	100	\$ 4,041
Employee Benefits	200	1,217
		\$ 5,258

Note: These costs include 1.0% of the salary and fringe expenses paid for the superintendent, curriculum director, and business manager.

**RIPON AREA SCHOOL DISTRICT**  
 Schedule of Charter School Authorizer Operating Costs  
 Barlow Charter School  
 For the Year Ended June 30, 2023

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<u>Operating Activity</u>	<u>WUFAR Object Code</u>	<u>Cost</u>
Employee Salaries	100	\$ 4,041
Employee Benefits	200	1,217
		<u>\$ 5,258</u>

Note: These costs include 1.0% of the salary and fringe expenses paid for the superintendent, curriculum director, and business manager.

**RIPON AREA SCHOOL DISTRICT**  
 Schedule of Charter School Authorizer Operating Costs  
 Quest Charter School  
 For the Year Ended June 30, 2023

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<b>Operating Activity</b>	<b>WUFAR Object Code</b>	<b>Cost</b>
Employee Salaries	100	\$ 4,041
Employee Benefits	200	1,217
		\$ 5,258

Note: These costs include 1.0% of the salary and fringe expenses paid for the superintendent, curriculum director, and business manager.

**RIPON AREA SCHOOL DISTRICT**  
 Schedule of Charter School Authorizer Operating Costs  
 Odyssey Academy of Virtual Learning Charter School  
 For the Year Ended June 30, 2023

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<b>Operating Activity</b>	<b>WUFAR Object Code</b>	<b>Cost</b>
Employee Salaries	100	\$ 4,041
Employee Benefits	200	1,217
		\$ 5,258

Note: These costs include 1.0% of the salary and fringe expenses paid for the superintendent, curriculum director, and business manager.

## **ADDITIONAL REPORTS**

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

To the Board of Education  
Ripon Area School District  
Ripon, Wisconsin

We have audited, in accordance with 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 Ripon Area School District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompany schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Education  
Ripon Area School District

### **District's Response to Findings**

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

### **Purpose of This Report**

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

*KerberRose SC*

**KerberRose SC**  
**Certified Public Accountants**  
Oshkosh, Wisconsin  
November 16, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, STATE SINGLE AUDIT GUIDELINES AND THE WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION**

To the Board of Education  
Ripon Area School District  
Ripon, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

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

In our opinion, the District complied, in all material respects, with the types of 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, 2023.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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), *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*. Our responsibilities under those standards, the Uniform Guidance, *State Single Audit Guidelines* and *Wisconsin School District Audit Manual* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

To the Board of Education  
Ripon Area School District

### ***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, 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, *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

To the Board of Education  
Ripon Area School District

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

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

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

*KerberRose SC*

**KerberRose SC**  
**Certified Public Accountants**  
Oshkosh, Wisconsin  
November 16, 2023

**FEDERAL AND STATE AWARDS SECTION**

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 7/1/2022	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2023	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
<i>CHILD NUTRITION CLUSTER</i>								
School Breakfast Program	10.553	WI DPI	2022-204872-DPI-SB-SEVERE-546	\$ (3,436)	\$ 3,436	\$ -	\$ -	\$ -
School Breakfast Program	10.553	WI DPI	2023-204872-DPI-SB-SEVERE-546	-	79,958	781	80,739	-
<i>Total School Breakfast Program</i>				<u>(3,436)</u>	<u>83,394</u>	<u>781</u>	<u>80,739</u>	<u>-</u>
National School Lunch Program	10.555	WI DPI	2022-204872-DPI-NSL-547	(9,682)	9,682	-	-	-
National School Lunch Program	10.555	WI DPI	2023-204872-DPI-NSL-547	-	265,768	1,964	267,732	-
NSL - Supply Chain Assistance	10.555	WI DPI	2023-204872-DPI-NSL-547	-	46,947	-	46,947	-
NSL - P-EBT Admin. Funding	10.555	WI DPI	2023-204872-DPI-NSL-547	-	629	-	629	-
Area Eligible Snack Program	10.555	WI DPI	2022-204872-DPI-SK_NSLAE-561	(175)	175	-	-	-
Area Eligible Snack Program	10.555	WI DPI	2023-204872-DPI-SK_NSLAE-566	-	15,054	135	15,189	-
Donated Commodities	10.555	WI DPI	2023-024872-DPI-NSL-547	-	62,325	-	62,325	-
Special Milk Program	10.556	WI DPI	2022-204872-DPI-SMP-561	(10)	10	-	-	-
Special Milk Program	10.556	WI DPI	2023-204872-DPI-SMP-548	-	650	12	662	-
<i>Total National School Lunch Program</i>				<u>(9,867)</u>	<u>401,240</u>	<u>2,111</u>	<u>393,484</u>	<u>-</u>
Summer Food Service Program	10.559	WI DPI	2022-204872-DPI-SFSP-586	(27,309)	27,309	-	-	-
Summer Food Service Program	10.559	WI DPI	2023-204872-DPI-SFSP-586	-	21,261	31,538	52,799	-
<i>Total Summer Food Service Program</i>				<u>(27,309)</u>	<u>48,570</u>	<u>31,538</u>	<u>52,799</u>	<u>-</u>
<b>Total U.S. Department of Agriculture and Child Nutrition Cluster</b>				<u>(40,612)</u>	<u>533,204</u>	<u>34,430</u>	<u>527,022</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2022-204872-DPI-TIA-141	(68,784)	68,784	-	-	-
Title I Grants to Local Educational Agencies	84.010	WI DPI	2023-204872-DPI-TIA-141	-	172,793	-	172,793	-
<i>Total Title I Grants to Local Educational Agencies</i>				<u>(68,784)</u>	<u>241,577</u>	<u>-</u>	<u>172,793</u>	<u>-</u>
<i>SPECIAL EDUCATION CLUSTER</i>								
Special Education Grants to States	84.027	WI DPI	2022-204872-DPI-FLOW-341	(111,128)	111,128	-	-	-
Special Education Grants to States	84.027	WI DPI	2023-204872-DPI-FLOW-341	-	268,913	111,269	380,182	-
Special Education Preschool Grants	84.173	WI DPI	2022-204872-DPI-PRESCH-346	-	11,196	-	11,196	-
<i>Total Special Education Cluster</i>				<u>(111,128)</u>	<u>391,237</u>	<u>111,269</u>	<u>391,378</u>	<u>-</u>
21st Century Learning Centers	84.287	DPI	2022-204872-DPI-TIVB-367	(58,410)	58,410	-	-	-
21st Century Learning Centers	84.287	DPI	2023-204872-DPI-TIVB-367	-	105,610	20,276	125,886	-
Improving Teacher Quality State Grants	84.367	WI DPI	2023-204872-DPI-TIIA-365	-	24,223	-	24,223	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2023-204872-DPI-TIVA-381	-	11,563	-	11,563	-
ARPA Homeless Children/Youth 2	84.425W	WI DPI	2023-204872-DPI-ARPHYII-173	-	2,678	193	2,871	-
Education Stabilization Fund	84.425U	WI DPI	2023-204872-DPI-ESSERFII-163	-	2,550	-	2,550	-
Carl Perkins	84.048	CESA #6	2022-204872-DPI-CTE-400	-	10,498	-	10,498	-
Carl Perkins	84.048	CESA #6	2023-204872-DPI-CTE-400	-	-	1,294	1,294	-
Title III English Language Acquisition	84.365	CESA #6	2022-204872-DPI-TIIIA-391	-	1,955	-	1,955	-
<b>Total U.S. Department of Education</b>				<u>(238,322)</u>	<u>850,301</u>	<u>133,032</u>	<u>745,011</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
<i>MEDICAID CLUSTER</i>								
Medical Assistance Program	93.778	WI DHS	n/a	(1,231)	243,821	-	242,590	-
<b>TOTAL FEDERAL AWARDS</b>				<u>\$ (280,165)</u>	<u>\$ 1,627,326</u>	<u>\$ 167,462</u>	<u>\$ 1,514,623</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:  
Governmental Funds  
Federal Sources \$ 1,669,557  
Intermediate Sources 13,747  
Less: Nonreportable Grants (168,681)  
Total expenditures of federal awards \$ 1,514,623

**RIPON AREA SCHOOL DISTRICT**  
Schedule of State Financial Assistance  
For the Year Ended June 30, 2023

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/2022	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/2023	Total Expenditures	Subrecipient Payments
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>								
Special Education and School Age Parents	255.101	Direct Program	204872-100	\$ -	\$ 660,065	\$ -	\$ 660,065	\$ -
State School Lunch Aid	255.102	Direct Program	204872-107	-	7,505	-	7,505	-
Common School Fund Library Aid	255.103	Direct Program	204872-104	-	88,709	-	88,709	-
General Transportation Aid	255.107	Direct Program	204872-102	-	19,850	-	19,850	-
WI School Day Milk Program	255.115	Direct Program	204872-109	-	8,051	-	8,051	-
Equalization Aids	255.201	Direct Program	204872-116	-	13,101,675	-	13,101,675	-
High Cost Special Education Aid	255.210	Direct Program	204872-119	-	7,923	-	7,923	-
School Based Mental Health Services	255.297	Direct Program	204872-177	(19,957)	114,057	6,950	101,050	-
State School Breakfast Aid SSBA	255.344	Direct Program	204872-108	-	4,539	-	4,539	-
Early College Credit Program	255.445	Direct Program	204872-178	-	7,385	-	7,385	-
Educator Effective Evaluation System	255.940	Direct Program	204872-154	-	11,440	-	11,440	-
Per Pupil Aid	255.945	Direct Program	204872-113	-	1,134,518	-	1,134,518	-
Career and Technical Education Incentive Grants	255.950	Direct Program	204872-171	-	44,668	-	44,668	-
Assessments of Reading Readiness	255.956	Direct Program	204872-166	-	11,442	-	11,442	-
Robotics Lead Participation Grants	255.959	Direct Program	204872-167	-	3,679	-	3,679	-
<b>Total Wisconsin Department of Public Instruction</b>				<u>(19,957)</u>	<u>15,225,506</u>	<u>6,950</u>	<u>15,212,499</u>	<u>-</u>
<b>CESA #6</b>								
Special Education and School Age Parents	255.101	CESA #6	n/a	(63,068)	130,702	-	67,634	-
DHS School Health Workforce Develop Youth Apprenticeship	445.112	CESA #6	n/a	-	24,935	-	24,935	-
<b>Total CESA #6</b>				<u>(63,068)</u>	<u>155,637</u>	<u>-</u>	<u>92,569</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF JUSTICE</b>								
Digital Mapping of School Buildings	455.206	Direct Program	2018-SSI-10-17409	-	7,533	7,533	15,066	-
<b>Total Wisconsin Department of Justice</b>				<u>-</u>	<u>7,533</u>	<u>7,533</u>	<u>15,066</u>	<u>-</u>
<b>TOTAL STATE PROGRAMS</b>				<u>\$ (83,025)</u>	<u>\$ 15,388,676</u>	<u>\$ 14,483</u>	<u>\$ 15,320,134</u>	<u>\$ -</u>

Reconciliation to the basic financial statements:

Governmental Funds	
State sources	\$ 15,321,408
Intermediate sources	92,569
Less: State sources not considered state financial assistance	
State tax exempt aid	(82,297)
Payment in lieu of taxes and other revenues	(11,469)
Medical reimbursements	(77)
Total expenditures of state awards	<u>\$ 15,320,134</u>

## RIPON AREA SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2023

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### **Note 1 – Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Ripon Area School District under programs of the federal and state governments for the year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State Single Audit Guidelines*. Because the schedules present only a select portion of operations of the District, they are not intended to, and do not, present the financial position and change in net position of the District.

### **Note 2 – Summary of Significant Accounting Policies**

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

Ripon Area School District has not elected to use the 10 percent *de minimis* indirect cost rate as allowable under the Uniform Guidance.

### **Note 3 – Special Education and School Age Parents Program**

2022 – 2023 eligible costs under the State Special Education Program are \$2,453,021.

### **Note 4 – Oversight Agencies**

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

**RIPON AREA SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2023

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements?	No

**Federal Awards**

Internal control over major programs	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN	Name of Federal Programs
84.027	<i>Special Education Cluster</i>
84.173	Special Education Grants to States Special Education Preschool Grants

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

**State Awards**

Internal control over major programs	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required in accordance with <i>State Single Audit Guidelines</i> or the <i>Wisconsin School District Audit Manual</i> ?	No

State I.D. Number	Name of State Programs
255.101	Special Education and School Age Parents
255.201	<i>General Aids Cluster</i> General Equalization Aids

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2023

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**Section II - Financial Statement Findings**

**Finding No.**

**2023-001**

**Lack of Segregation of Duties**

**Prior Year Audit Finding:**

2022-001

**Condition:**

During our audit, we noted that several of the accounting functions are performed by a few individuals. Specifically, this lack of segregation of duties exists in the areas of cash receipts and payroll

**Criteria:**

Board of Education and management are responsible for establishing and maintaining internal controls over financial reporting to prevent misstatements in their financial reporting.

**Cause:**

Limited staff is available to properly segregate duties.

**Effect:**

Because of the lack of segregation of duties, unauthorized transactions or misstatements as a result of errors could occur.

**Recommendation:**

We recognize that the District is not large enough to make the employment of additional persons for the purpose of segregation of duties practical from a financial standpoint. Therefore, the Board of Education should rely on its direct knowledge of the District's operations and thoroughly review financial reports to control and safeguard assets and insure accurate financial reporting.

**Management's Response:**

The District is aware of the lack of segregation of duties caused by the limited size of its staff and therefore, agrees with this finding. The District will continue to improve the segregation of duties wherever possible and will continue to have the Board of Education's involvement in the review and approval process as much as is practical.

**Responsible Officials:**

Jonah Adams, Business Manager

**Anticipated Completion Date:**

This finding may not completely resolve itself given the cost/benefit basis of the decision the District continues to make.

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2023

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**Section II - Financial Statement Finding, Continued**

**Finding No.**

**2023-002**

**Financial Reporting**

**Prior Year**

**Audit Finding:**

2022-002

**Condition:**

During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.

**Criteria:**

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

**Cause:**

Management does not have the training and expertise to prepare the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

**Effect:**

Although the auditors are preparing the financial statements and related footnotes, management of the District thoroughly reviews them and accepts responsibility for their completeness and accuracy.

**Recommendation:**

We recommend that management continues to make this decision on a cost/benefit basis.

**Management's  
Response:**

Due to limited staffing the District will continue to contract with an outside audit firm to complete the statements. Management reviews the financial statements and compares to the District's financial records for completeness and accuracy and accepts responsibility for those financial statements.

**Responsible  
Official:**

Jonah Adams, Business Manager

**Anticipated  
Completion Date:**

This finding will not completely resolve itself given the cost/benefit basis the District continues to make.

**RIPON AREA SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2023

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**Section III - Federal Award Findings**

There were no findings for federal awards.

**Section IV - State Award Findings**

There were no findings for state awards.

**Section V - Other Matters**

Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

Was a management letter or other document conveying audit comments issued as a result of the audit? Yes

**RIPON AREA SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2023

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**Financial Statement Finding**

**2022-001 – Lack of Segregation of Duties** – See corrective action plan for finding 2023-001.

**2022-002 – Financial Reporting** – See corrective action plan for finding 2023-002.



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### **Financial Statement Findings – Corrective Action Plan**

**2023-001 – Lack of Segregation of Duties** – The District has evaluated the cost/benefit of hiring additional support staff to achieve proper separation of duties, and at this point it is not possible due to budget constraints.

**Responsible Official** – Jonah Adams – Business Manager

**Anticipated Completion Date** – This finding will not completely resolve given the cost/benefit basis the District continues to make.

**2023-002 – Financial Reporting** – The District has evaluated the cost/benefit of outsourcing the task of preparing the financial statements to an external accountant. It would be cost prohibitive to hire additional staff to outsource the task to an outside accountant. However, management of the District has obtains the necessary skills, knowledge, and experience to accept responsibility for preparation of the District's financial statements.

**Responsible Official** – Jonah Adams – Business Manager

**Anticipated Completion Date** – This finding will not completely resolve given the cost/benefit basis the District continues to make.