

**School District of River Falls  
Finance and Facilities Committee**

Monday, January 12, 2026 - at 7:00 PM or immediately following the 6:00 PM Educational Program meeting  
District Office  
852 E Division Street  
River Falls, Wisconsin 54022

Finance and Facilities Committee members: Mike Miller (Chair), Bo Hirstein, & Alison Page

A quorum of the Board may be present for information-gathering purposes only.

Agendas can be viewed at <https://www.rfsd.k12.wi.us/district/school-board.cfm> or at  
<https://meetings.boardbook.org/Public/Organization/1447>

1. **CALL TO ORDER - 7:00 PM (or immediately after the Educational Program Committee)**
2. **MANNER OF PUBLIC NOTIFICATION OF MEETING**
3. **HEARING OF VISITORS OR DELEGATIONS**

4. **2024-25 FINANCIAL AUDIT PRESENTATION**

**2**

**Description:** A representative from Baker Tilly US, LLP will present the 2024-25 audited financial report.

**Recommended Action:** None, informational only.

5. **2025-26 BUDGET UPDATE**

**92**

**Description:** The Director of Finance & Facilities will provide an update on the 2025-26 budget.

**Recommended Action:** None, informational only.

6. **2026-27 BUDGET FORECAST**

**98**

**Description:** The Director of Finance & Facilities will provide a 2026-27 budget forecast.

**Recommended Action:** None, informational only.

7. **PROPOSED/SUGGESTED ITEMS FOR THE NEXT REGULAR AND FUTURE FINANCE & FACILITIES MEETING AGENDA(S)**

**Description:** As always, committee members will be given the opportunity to suggest items for future committee and/or Board meeting agendas.

**Recommended Action:** As needed.

8. **SCHEDULE NEXT FINANCE & FACILITIES COMMITTEE MEETING**

**Description:** Upcoming committee meeting dates, times, and locations will be reviewed.

**Recommended Action:** Set the meeting schedule as follows:

Finance and Facilities Committee meeting, Monday, February 9, 2026, 7:00 p.m. *(or immediately following Educational Program)*

*The meeting will be held at the District Office, 852 E. Division Street.*

9. **ADJOURN**

# RIVER FALLS SCHOOL DISTRICT 2025 FINANCIAL STATEMENT HIGHLIGHTS

## Baker Tilly Responsibilities

We are responsible for:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Forming and expressing opinions about whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America
- Communicating specific matters to you on a timely basis
- Gaining an understanding of the District's control environment but not to express an opinion of the effectiveness of the District's internal control. Our responsibilities are outlined in the Reporting and Insights communication.

An audit provides reasonable, not absolute, assurance that the financial statements do not contain material misstatements due to fraud or error. It does not relieve you or management of your responsibilities. Our respective responsibilities are described further in our engagement letter.

## Those Charged with Governance (School Board) and Management Responsibilities

Those charged with governance are responsible for:

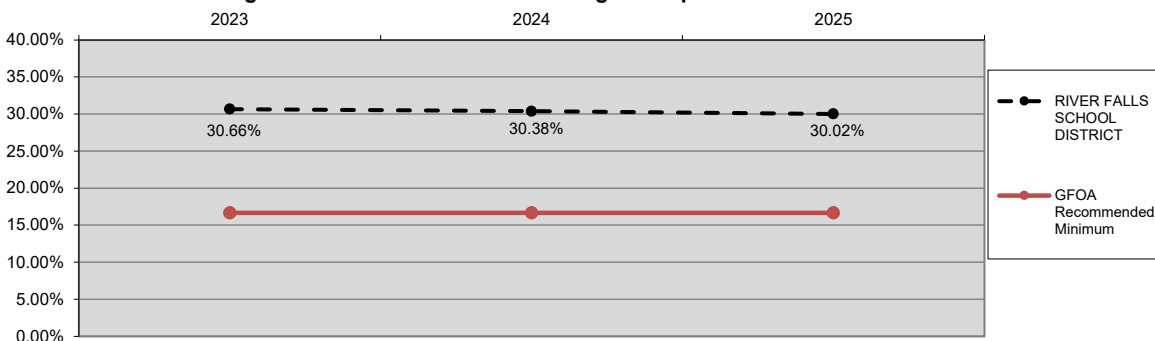
- Overseeing the financial reporting process
- Setting a positive tone at the top and challenging the District's financial practices
- Discussing significant accounting and internal control matters with management
- Informing us about fraud or suspected fraud, including its views about fraud risks
- Informing us about other matters that are relevant to our audit, such as:
  - Risks that may result in heightened risks of misstatement
  - Matters warranting particular audit attention
  - Significant communications with grantor agencies
  - Matters related to the effectiveness of internal control and your oversight responsibilities
  - Your views regarding our current communications and your actions regarding previous communications

Management is responsible for:

- Preparing and fairly presenting the financial statements in accordance with accounting principles generally accepted in the United States of America (the District engages Baker Tilly to prepare its financial statements)
- Designing, implementing, evaluating, and maintaining effective internal control over financial reporting
- Communicating significant accounting and internal control matters to those charged with governance
- Providing us with unrestricted access to all individuals and all information relevant to our audit
- Informing us about fraud, illegal acts, significant deficiencies, and material weaknesses
- Adjusting the financial statements, including disclosures to correct material misstatements
- Informing us of subsequent events
- Providing us with written representations

| GENERAL FUND  | 2025                 |
|---|----------------------|
| <b>Details of Fund Balance</b>  |                      |
| <u>Nonspendable</u><br><i>includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.</i>   | \$ 135,945           |
| <u>Restricted</u><br><i>consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations or other governments or 2) law through constitutional provisions or enabling legislation.</i> | 57,607               |
| <u>Unassigned</u><br><i>includes residual positive fund balance within the general fund which has not been classified within another category.</i>  | 14,526,180           |
| <b>Total Fund Balance (page 3)</b>  | <b>\$ 14,719,732</b> |
| <b>General Fund &amp; Special Education Expenditures (page 5)</b>   | <b>\$ 48,390,324</b> |
| Unassigned Fund Balance   | <b>\$ 14,526,180</b> |
| Unassigned General Fund - Fund Balance as % of above Expenditures   | <b>30.02%</b>        |

**Unassigned Fund Balance as a Percentage of Expenditures**



**RIVER FALLS SCHOOL DISTRICT  
2025 FINANCIAL STATEMENT HIGHLIGHTS (cont.)**

**GENERAL FUND SUMMARIZED INCOME STATEMENT**

|   | <u>2025<br/>Budget</u> | <u>2025<br/>Actual</u> | <u>2024<br/>Actual</u> |
|---|------------------------|------------------------|------------------------|
| Revenues and other financing sources        | \$ 46,150,973          | \$ 46,569,958          | \$ 47,422,734          |
| Expenditures and other financing uses       | (46,150,973)           | (46,423,977)           | (47,091,429)           |
| <b>Net Change in Fund Balance (page 40)</b> | <b>\$ -</b>            | <b>\$ 145,981</b>      | <b>\$ 331,305</b>      |

**CASH AND INVESTMENTS - ALL FUNDS**

|   | <u>2025</u>          | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|----------------------|
| Cash and Investments                        |                      |                      |                      |
| Unrestricted                                | \$ 38,136,554        | \$ 44,351,990        | \$ 11,831,908        |
| Postemployment benefits trust               | 4,808,818            | 4,619,400            | 4,841,060            |
| Custodial fund - Pupil Activity             | 54,104               | 55,648               | 44,352               |
| <b>Total Cash and Investments (page 19)</b> | <b>\$ 42,999,476</b> | <b>\$ 49,027,038</b> | <b>\$ 16,717,320</b> |

**FUND BALANCE - SPECIAL REVENUE FUNDS**

|  | <u>2025</u>         | <u>2024</u>         | <u>2023</u>         |
|--|---------------------|---------------------|---------------------|
| Special Revenue Trust                                | \$ 524,449          | \$ 456,492          | \$ 379,740          |
| Food Service   | 349,682             | 400,207             | 689,731             |
| Community Service                                    | 127,777             | 177,712             | 200,131             |
| <b>Total Special Revenue Fund Balances (page 48)</b> | <b>\$ 1,001,908</b> | <b>\$ 1,034,411</b> | <b>\$ 1,269,602</b> |

**FUND BALANCE - DEBT SERVICE FUNDS**

|                               | <u>2025</u>  | <u>2024</u>  | <u>2023</u>  |
|-------------------------------|--------------|--------------|--------------|
| General Debt Service (page 3) | \$ 1,831,687 | \$ 3,453,911 | \$ 1,239,205 |

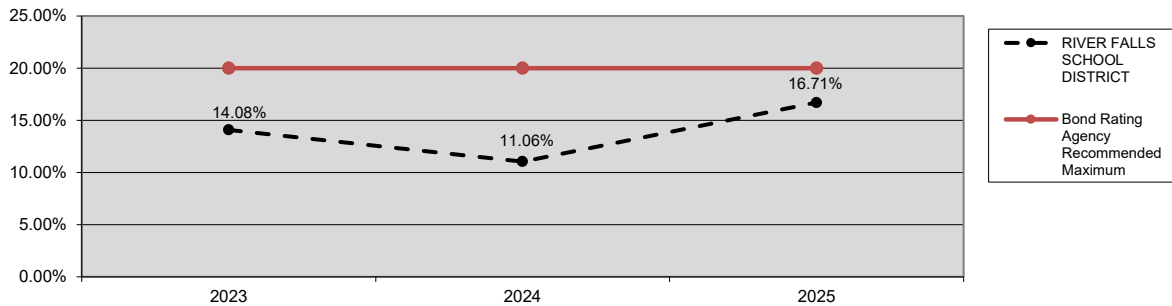
**FUND BALANCE - CAPITAL PROJECTS FUNDS**

|   | <u>2025</u>          | <u>2024</u>          | <u>2023</u>       |
|---|----------------------|----------------------|-------------------|
| Capital Projects (page 3)                   | \$ 17,361,520        | \$ 27,807,153        | \$ -              |
| Capital Improvement Trust (page 48)         | 1,544,227            | 1,056,441            | 667,263           |
| <b>Total Capital Projects Fund Balances</b> | <b>\$ 18,905,747</b> | <b>\$ 28,863,594</b> | <b>\$ 667,263</b> |

**GENERAL LONG-TERM DEBT**

|  | <u>2025</u>           | <u>2024</u>           | <u>2023</u>           |
|--|-----------------------|-----------------------|-----------------------|
| Outstanding General Obligation Debt<br>less amount available in debt service funds     | \$ 66,445,000         | \$ 73,505,000         | \$ 48,990,000         |
| <b>Total G.O. Debt Capacity (page 23)</b>  | <b>\$ 383,254,340</b> | <b>\$ 359,819,729</b> | <b>\$ 309,801,813</b> |
| <b>Percent of Debt Limit</b>   | <b>17.34%</b>         | <b>20.43%</b>         | <b>15.81%</b>         |
| <b>Percentage of Debt Service to Non-Capital<br/>Expenditures - Governmental Funds</b> | <b>16.71%</b>         | <b>11.06%</b>         | <b>14.08%</b>         |

**Debt Service to Non-Capital Expenditures**



# Reporting and insights from 2025 audit:

## School District of River Falls

June 30, 2025

# Executive summary

December 11, 2025

To the Board of Education of  
School District of River Falls

We have completed our audit of the financial statements of School District of River Falls (the District) for the year ended June 30, 2025 and have issued our report thereon dated December 11, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your District's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

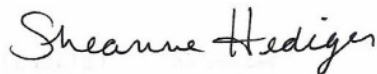
Additionally, we have included information on key risk areas the School District of River Falls should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Sheanne Hediger, Principal: [sheanne.hediger@bakertilly.com](mailto:sheanne.hediger@bakertilly.com) or +1 (612) 876 4599
- Katie Sam, Senior Manager: [katie.sam@bakertilly.com](mailto:katie.sam@bakertilly.com) or +1 (612) 876 4580

Sincerely,

Baker Tilly US, LLP



Sheanne Hediger, CPA, Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY ADVISORY GROUP, LP AND BAKER TILLY US, LLP, TRADING AS BAKER TILLY, ARE MEMBERS OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES. BAKER TILLY US, LLP IS A LICENSED CPA FIRM THAT PROVIDES ASSURANCE SERVICES TO ITS CLIENTS. BAKER TILLY ADVISORY GROUP, LP AND ITS SUBSIDIARY ENTITIES PROVIDE TAX AND CONSULTING SERVICES TO THEIR CLIENTS AND ARE NOT LICENSED CPA FIRMS.

# Responsibilities

## Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the District's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Education:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*.
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal and major state programs to design tests of both controls and compliance with identified requirements.
- Forming and expressing an opinion based on our audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and *State Single Audit Guidelines* about the entity's compliance with requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal and state programs.
- Our audit does not relieve management or the Board of Education of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Education, including:

- Internal control matters
- Qualitative aspects of the District's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

# Audit status

## Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

# Audit approach and results

## Planned scope and timing

### Audit focus

Based on our understanding of the District and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the District's current year results.

## Key areas of focus and significant findings

### Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditors' professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

| Significant risk areas                    | Testing approach   | Conclusion   |
|---|--|--|
| Management override of controls           | Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise                                     | Procedures identified provided sufficient evidence for our audit opinion |
| Improper revenue recognition due to fraud | Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on nonfinancial data and substantive testing of related receivables | Procedures identified provided sufficient evidence for our audit opinion |

### Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk but were determined to require specific awareness and a unique audit response.

| Other areas of emphasis |  |  |
|-------------------------|--|--|
| Cash and investments    | Revenues and receivables                   | General disbursements                        |
| Payroll                 | Pension and OPEB liabilities               | Long-term debt                               |
| Capital assets          | Fund balance and net position calculations | Financial reporting and required disclosures |

## Internal control matters

We considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as a material weakness:

- **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes and GASB No. 34 conversion entries, are prepared.
- Complete and accurate schedules of expenditures of federal and state awards are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes including the schedules of expenditures of federal and state awards, adjusting journal entries identified by the auditors and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles or the schedules of expenditures of federal and state awards that are in conformance with the applicable federal or state requirements.

# Required communications

## Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by District are described in Note 1 to the financial statements. As described in Note 1, the District changed accounting policies related to financial reporting for compensated absences by adopting GASB Statement No.101, *Compensated Absences* in 2025. We noted no transactions entered into by the District during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

| Estimate                                    | Management's process to determine  | Baker Tilly's conclusions regarding reasonableness            |
|---|--|---|
| Net pension liability and related deferrals | Evaluation of information provided by the Wisconsin Retirement System          | Reasonable in relation to the financial statements as a whole |
| Net OPEB liability and related deferrals    | Evaluation of information provided by the Local Retiree Life Insurance Fund    | Reasonable in relation to the financial statements as a whole |
| Net OPEB liability and related deferrals    | Key assumptions set by management with the assistance of a third-party actuary | Reasonable in relation to the financial statements as a whole |
| Depreciation                                | Evaluate estimated useful life of the asset and original acquisition value     | Reasonable in relation to the financial statements as a whole |

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

## Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the District or that otherwise appear to be unusual due to their timing, size or nature.

## **Significant difficulties encountered during the audit**

We encountered no significant difficulties in dealing with management and completing our audit.

## **Disagreements with management**

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Audit report**

There have been no departures from the auditors' standard report.

## **Audit consultations outside the engagement team**

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

## **Uncorrected misstatements and corrected misstatements**

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. In our judgment, none of the misstatements that management has corrected, either individually or in the aggregate, indicate matters that could have had a significant effect on the Company's financial reporting process.

## **Other audit findings or issues**

We encountered no other audit findings or issues that require communication at this time

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Management's consultations with other accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

## **Written communications between management and Baker Tilly**

The attachments include copies of other material written communications, including a copy of the management representation letter.

## **Compliance with laws and regulations**

We did not identify any noncompliance with laws and regulations during our audit, other than those described in Note 2 of the financial statements.

We will issue a separate document which contains the results of our audit procedures to comply with the Uniform Guidance and *State Single Audit Guidelines*.

## **Fraud**

We did not identify any known or suspected fraud during our audit.

## **Going concern**

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the District's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures and the effects on the auditors' report. No such matters or conditions have come to our attention during our engagement.

## **Independence**

We are not aware of any relationships between Baker Tilly and the District that, in our professional judgment, may reasonably be thought to bear on our independence.

## **Related parties**

We did not have any significant findings or issues arise during the audit in connection with the District's related parties.

## **Other matters**

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

## **Nonattest services**

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation, including schedules of expenditures of federal and state awards
- Preparation of auditee section of the Data Collection Form

In addition, as part of the financial statement preparation, we prepared GASB No. 34 conversion entries which are summarized in the *Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

# Board of Education resources

Our business is to know every aspect of yours and to maintain a constant lookout for what's next. We invite you to learn about some of the trending challenges and opportunities for public sector organizations like yours and how Baker Tilly can help.

To explore more trending topics and regulatory updates, visit our resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.



## Funding evaluation and pursuit

Public sector organizations may be eligible for grants, tax credits and other financial incentives through funding opportunities such as the Inflation Reduction Act, the Clean Communities Investment Accelerator and the Infrastructure Investment and Jobs Act.

Baker Tilly can help you navigate, understand and pursue various federal and state funding sources through grant research and tracking, advising and writing and management and compliance services.



## Digital transformation

Digitizing public services can be a game changer for governments. Streamlining inefficient processes, providing digital access and delivery of services to meet public expectations, implementing technology to protect constituent data, leveraging information to make data-driven decisions and migrating outdated on-premises systems to the cloud are crucial to an entity's success.

Through these types of digital services, Baker Tilly can help you scale with future demand and be better positioned to rapidly respond to changing demands.



## Cybersecurity

Public sector organizations face significant challenges from cyber threats and IT regulations. It can feel like you are on the defense keeping up with the latest risks, regulations and emerging trends. To mitigate risk, you must understand your organization's unique vulnerabilities, cybersecurity processes and controls.

Baker Tilly can help enhance your cybersecurity posture and ensure compliance, with solutions in IT compliance and security and cybersecurity and data protection to safeguard your data and navigate complex risk environments.

# Management representation letter



Baker Tilly US, LLP  
3410 Oakwood Mall Drive, Suite 200  
Eau Claire, Wisconsin 54701

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the School District of River Falls as of June 30, 2025 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District of River Falls and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 25, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with accounting principles generally accepted in the United States of America U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedules of expenditures of federal and state awards.
- 8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the appropriate accounts.
- 10) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 11) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.

- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 16) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

#### **Other**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 22) The School District of River Falls has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 23) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 24) There are no:
  - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
  - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
  - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
  - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.

- 25) As part of your audit, you assisted with the preparation of the financial statements and related notes and schedules of expenditures of federal and state awards. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedules of expenditures of federal and state awards.
- 26) We have made all management decisions and performed all management functions in relation to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, as identified in the engagement letter or an addendum to the engagement letter. We have designated the Director of Finance & Facilities, an employee with suitable skill, knowledge, and/or experience to oversee the services received. Furthermore, we have established and maintained internal controls, including monitoring activities related to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, and we have evaluated and accept responsibility for the adequacy and results of the nonattest services received.

The nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, are listed below.

- a) Financial statement preparation, including schedules of expenditures of federal and state awards
- b) Preparation of auditee sections of the data collection form

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 27) The School District of River Falls has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The School District of River Falls has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 29) The financial statements include all fiduciary activities required by GASB No. 84.
- 30) The financial statements properly classify all funds and activities.
- 31) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 33) The School District of River Falls has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 34) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

- 38) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 40) Tax-exempt bonds issued have retained their tax-exempt status.
- 41) We have appropriately disclosed the School District of River Falls's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 43) With respect to the supplementary information, (SI):
  - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 44) We assume responsibility for, and agree with, the findings of specialists in evaluating the other postemployment benefits liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 45) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 46) We have reviewed our long-term debt agreements and believe that all terms related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses have been properly identified and disclosed.
- 47) We have identified any leases, subscription-based information technology agreements or other contracts that are required to be reported as leases or subscription obligations and are in agreement with the key assumptions used in the measurement of any lease/subscription related assets, liabilities or deferred inflows of resources.
- 48) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as subscriptions.

- 49) We have implemented GASB Statement No. 101, *Compensated Absences*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 50) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.
- 51) With respect to federal and state award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and *State Single Audit Guidelines*, including requirements relating to preparation of the schedule of expenditures of federal and state awards (SEFSA).
  - b) We acknowledge our responsibility for preparing and presenting the SEFSA and related disclosures in accordance with the requirements of the Uniform Guidance and the State Single Audit Guidelines, and we believe the SEFSA, including its form and content, is fairly presented in accordance with the Uniform Guidance and the *State Single Audit Guidelines*. The methods of measurement and presentation of the SEFSA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFSA.
  - c) If the SEFSA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFSA no later than the date we issue the SEFSA and the auditors' report thereon.
  - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and the *State Single Audit Guidelines* and included in the SEFSA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
  - e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.
  - f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are administering our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
  - g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal or state agencies or pass-through entities relevant to the programs and related activities.

- h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements including when applicable, those set forth in the OMB Compliance Supplement and the State Single Audit Guidelines, relating to federal and state awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation agreements, and internal or external monitoring that directly relate to the objectives of the compliance audit, if any, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- r) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
- t) We have charged costs to federal and state awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and the *State Single Audit Guidelines* and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

x) We are responsible for preparing and implementing a corrective action plan for each audit finding.

Sincerely,

School District of River Falls

Signed: D. D. B. U.

Signed: [Signature]

Dated: 12/11/2025

# Accounting changes relevant to School District of River Falls

## Future accounting standards update

| GASB statement number | Description                            | Potentially impacts you | Effective date |
|-----------------------|--|-------------------------|----------------|
| 103                   | Financial reporting model improvements | ✓                       | 6/30/26        |
| 104                   | Disclosure of certain capital assets   | ✓                       | 6/30/26        |

Further information on upcoming [GASB pronouncements](#).

## Changes to the financial reporting model

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information and budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

## Revisions to disclosures for certain capital assets

Governments are required to provide information on capital assets in the footnotes to the financial statements as outlined in GASB Statement No. 34. Recent standards have impacted the accounting and reporting for capital assets and as a result GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* to provide enhanced disclosures for certain capital assets, including

- (a) Lease assets reported under Statement No. 87, intangible right-to-use assets reported under Statement No. 94 and subscription assets reported under Statement No. 96 should all be disclosed separately and by major class of underlying asset. In addition, if there are any other intangible assets reported they should also be disclosed separately.
- (b) Capital assets that are held for sale should have the ending balance with separate disclosure for historical cost and related accumulated depreciation as well as any outstanding debt for which the asset is pledged as collateral disclosed by major class of asset. Assets held for sale are defined as those for which the government has decided to pursue the sale and it is probable that the sale will be finalized within one year of the financial statement date.

While these changes are focused on footnote disclosures it is important to plan ahead to ensure the required information is available for implementation.

# Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements
  - Consider factors that affect the risks of material misstatement
  - Design tests of controls, when applicable and substantive procedures
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, *OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, the Uniform Guidance and the *State Single Audit Guidelines*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance and the *State Single Audit Guidelines*, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies and the related business risks that may result in material misstatements.
- d. We anticipate that the District will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of May-June. Our final financial fieldwork is scheduled during August to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 10-12 weeks after final fieldwork but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditors' sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means or wish to provide other feedback. We welcome the opportunity to hear from you.

# **School District of River Falls**

Financial Statements and  
Supplementary Information

June 30, 2025

# School District of River Falls

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Table of Contents  
June 30, 2025

|  | <u>Page</u> |
|--|-------------|
| <b>Independent Auditors' Report</b>  | i           |
| <b>Management's Discussion and Analysis</b>  | iv          |
| <b>Basic Financial Statements</b>  |             |
| District-Wide Statements:  |             |
| Statement of Net Position  | 1           |
| Statement of Activities  | 2           |
| Fund Statements:   |             |
| Balance Sheet - Governmental Funds   | 3           |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  | 4           |
| Statement of Revenues, Expenditures and Changes in Fund Balances -<br>Governmental Funds   | 5           |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in<br>Fund Balances of Governmental Funds to the Statement of Activities | 6           |
| Statement of Fiduciary Net Position - Fiduciary Funds  | 7           |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds   | 8           |
| Index to Notes to Financial Statements   | 9           |
| Notes to Financial Statements  | 10          |
| <b>Required Supplementary Information</b>  |             |
| Budgetary Comparison Schedule - General Fund   | 40          |
| Budgetary Comparison Schedule - Special Revenue - Special Education Fund   | 41          |
| Schedule of Changes in the Total OPEB Liability and the Net OPEB Liability<br>and Related Ratios   | 42          |
| Schedule of Employer Contributions - OPEB  | 42          |
| Schedule of Investment Returns - OPEB  | 42          |
| Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability) -<br>Wisconsin Retirement System (WRS)                         | 43          |
| Schedule of Employer Contributions - Wisconsin Retirement System (WRS)   | 43          |

# School District of River Falls

---

Table of Contents  
June 30, 2025

|   | <u>Page</u> |
|---|-------------|
| Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability) -<br>Wisconsin Local Retiree Life Insurance (LRLIF)   | 44          |
| Schedule of Employer Contributions - Wisconsin Local Retiree Life Insurance (LRLIF)   | 44          |
| Notes to Required Supplementary Information   | 45          |
| <b>Supplementary Information</b>  |             |
| Combining Balance Sheet - Nonmajor Governmental Funds   | 48          |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances -<br>Nonmajor Governmental Funds   | 49          |
| <b>Other Reports</b>  |             |
| <b>Report on Internal Control Over Financial Reporting and on Compliance and Other<br/>Matters Based on an Audit of Financial Statements Performed in Accordance With<br/>Government Auditing Standards</b> | 50          |
| Schedule of Findings and Responses  | 52          |

## **Independent Auditors' Report**

To the Board of Education of  
School District of River Falls

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School District of River Falls (the District), as of and for the year ended June 30, 2025, 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 accompanying 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, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
December 11, 2025

**SCHOOL DISTRICT OF RIVER FALLS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025

The discussion and analysis of the School District of River Falls financial performance provides an overall review of financial activities for the fiscal year. The District is also continually exploring ways to improve the programs provided for the students, staff and community.

## INTRODUCTION

The School District of River Falls encompasses an area of approximately 150 square miles and is located in St. Croix and Pierce Counties, in western Wisconsin. The District is located approximately 30 miles southeast of St. Paul, Minnesota, 65 miles west of Eau Claire and 120 miles northwest of LaCrosse.

The School District of River Falls has a mission to inspire all students through challenging, meaningful, and engaging learning experiences, in a safe and collaborative environment. We work collectively to provide personalized, relevant learning to all students, so they are prepared for whatever tomorrow brings.

The District is a nationally recognized public school district serving approximately 3,400 students. The District includes four elementary schools (Gr K-5), including a public Montessori school, one middle school (Gr 6-8), one high school (Gr 9-12), and one alternative learning center (Gr 9-12). The River Falls 4 Children (RF4C), consisting of seven partner sites, is a community-based early learning program for four-year-old children residing within the School District of River Falls.

## SCHOOL BOARD AND ADMINISTRATIVE ORGANIZATION

The legislative body of the District is the District Board which consists of seven members all elected at large for overlapping three year terms. The District President, District Clerk, District Treasurer and District Vice President are elected by and from the members of the Board for terms of one year at the board's annual organization meeting. The District President is responsible for conducting the proceedings of the Board at its meeting. The policies of the District are set by the seven member Board. The District President votes in all cases and has no veto powers. The District Administrator has the responsibility of administering the day-to-day affairs of the District and executing the policy decisions of the Board. The District Board is responsible for the financial and operational posture of the District and is responsible for the formulation and enforcement of the budget for the District.

## Enrollments

Enrollment data (includes 4K – 12) for the District for the last five years:

| <u>Year</u> | <b>Actual</b> | <u>Total</u> |
|-------------|---------------|--------------|
| 2020-2021   |               | 3429         |
| 2021-2022   |               | 3481         |
| 2022-2023   |               | 3490         |
| 2023-2024   |               | 3442         |
| 2024-2025   |               | 3441         |

### FINANCIAL HIGHLIGHTS

- The General Fund fund balance increased by \$145,981 . The June 30, 2025 unassigned fund balance was 30% which is within the policy range of 25-30%.
- The District's overall financial position, as reflected in total net position, is \$53,905,209 - a decrease of \$868,938. Net position is the difference between assets and liabilities.
- The Capital Projects Fund (Fund 49) currently has activity on \$28M of referendum projects which includes a new transportation/maintenance facility, multi-purpose addition to the high school, safety and security upgrades and district-wide HVAC updates.
- The Community Services Fund (Fund 80) provides classes and programming for the community as well as the District's before and after school childcare program.
- The District retired \$7,060,000 of outstanding General Obligation Bonds and Notes.
- Other Post Employment Benefits (OPEB) net asset is \$10,892.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This Financial Report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Superintendent of Schools (715-425-1800), 852 East Division Street, River Falls, WI 54022-2599.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The Statement of Net Position and Statement of Activities provide information on a district-wide basis. These statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The Statement of Net Position compares assets to liabilities to give an overall view of the financial health of the District.
- The Statement of Activities defines the entity's expenses by function and illustrates the total that is offset by corresponding revenues – charges for services and/or operating grants and contributions. The result is total net expenses offset by general and miscellaneous revenue – recognizing the Change in Net Position for the District from the previous year.
- The remaining statements; Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds focus on individual parts of the district. Fund statements generally report operations in more detail than the district-wide statements and support the Statement of Net Position.
- The Notes to Financial Statements provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.
- Required Supplementary Information further explains and supports the financial statements by including a comparison of the District's budget data for the year and includes all reports in the financial statements through and including the financial notes.

**School District of River Falls**

Statement of Net Position

June 30, 2025

**Assets and Deferred Outflows of Resources****Assets**

## Current:

|                            |                   |
|----------------------------|-------------------|
| Cash and investments       | \$ 38,136,554     |
| Taxes receivable           | 8,306,582         |
| Accounts receivable        | 283,200           |
| Due from other governments | 296,718           |
| Prepaid items              | 135,945           |
| Total current assets       | <u>47,158,999</u> |

## Noncurrent:

|  |                    |
|--|--------------------|
| Land   | 1,334,831          |
| Construction in progress                                   | 11,320,313         |
| Other capital assets, net of depreciation and amortization | 80,208,000         |
| Restricted asset, net OPEB asset, single-employer          | 10,892             |
| Total noncurrent assets                                    | <u>92,874,036</u>  |
| Total assets   | <u>140,033,035</u> |

**Deferred Outflows of Resources**

|                                       |                   |
|---------------------------------------|-------------------|
| Pension related amounts               | 11,049,501        |
| OPEB related amounts, single-employer | 627,112           |
| OPEB related amounts, LRLIF           | 466,026           |
| Total deferred outflows of resources  | <u>12,142,639</u> |

**Liabilities, Deferred Inflows of Resources and Net Position****Liabilities**

## Current liabilities:

|                           |                   |
|---------------------------|-------------------|
| Accounts payable          | 6,378,172         |
| Accrued liabilities       | 4,935,897         |
| Unearned revenue          | 17,585            |
| Total current liabilities | <u>11,331,654</u> |

## Noncurrent liabilities:

|                              |                   |
|------------------------------|-------------------|
| Due within one year          | 4,989,058         |
| Due in more than one year    | 70,813,666        |
| Net pension liability        | 2,046,066         |
| Net OPEB liability, LRLIF    | 1,639,033         |
| Arbitrage rebate liability   | 258,996           |
| Total noncurrent liabilities | <u>79,746,819</u> |

|                   |                   |
|-------------------|-------------------|
| Total liabilities | <u>91,078,473</u> |
|-------------------|-------------------|

**Deferred Inflows of Resources**

|                                       |                  |
|---------------------------------------|------------------|
| Pension related amounts               | 5,995,999        |
| OPEB related amounts, single-employer | 80,318           |
| OPEB related amounts, LRLIF           | 1,115,675        |
| Total deferred inflows of resources   | <u>7,191,992</u> |

**Net Position**

|   |                      |
|---|----------------------|
| Net investment in capital assets            | 37,841,003           |
| Restricted for:                             |                      |
| Grants                                      | 57,607               |
| Debt service                                | 1,199,958            |
| Student scholarships and student activities | 524,449              |
| Food service                                | 349,682              |
| Capital projects                            | 1,544,227            |
| Community service                           | 127,777              |
| OPEB  | 10,892               |
| Unrestricted                                | 12,249,614           |
| Total net position                          | <u>\$ 53,905,209</u> |

See notes to financial statements

# School District of River Falls

Statement of Activities  
Year Ended June 30, 2025

| Functions/Programs   | Expenses      | Program Revenues        |  |  | Net<br>(Expenses)<br>Revenue and<br>Changes in<br>Net Position |
|--|---------------|-------------------------|--|--|--|
|  |               | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |
| <b>Instruction</b>   |               |                         |  |  |  |
| Regular instruction  | \$ 21,894,217 | \$ 1,816,194            | \$ 907,860                               | \$ -                                   | \$ (19,170,163)  |
| Vocational instruction                                       | 1,143,910     | 36,734                  | 19,229                                   | -                                      | (1,087,947)  |
| Special instruction  | 7,022,597     | 6,954                   | 2,750,487                                | -                                      | (4,265,156)  |
| Co-curricular activities                                     | 738,039       | -                       | -  | -                                      | (738,039)  |
| Other instruction  | 1,705,675     | 242,483                 | -  | -                                      | (1,463,192)  |
| Total instruction  | 32,504,438    | 2,102,365               | 3,677,576                                | -                                      | (26,724,497)   |
| <b>Support Services</b>                                      |               |                         |  |  |  |
| Pupil services   | 2,755,944     | -                       | 183,907                                  | -                                      | (2,572,037)  |
| Instructional staff services                                 | 1,910,743     | -                       | 280,659                                  | -                                      | (1,630,084)  |
| Administration   | 5,821,241     | -                       | -  | -                                      | (5,821,241)  |
| Buildings and grounds  | 7,235,703     | 14,147                  | -  | -                                      | (7,221,556)  |
| Pupil transportation services                                | 2,468,838     | 14,763                  | 98,219                                   | -                                      | (2,355,856)  |
| Food service   | 2,008,291     | 1,255,998               | 673,195                                  | -                                      | (79,098)   |
| Central services   | 90,068        | -                       | -  | -                                      | (90,068)   |
| Insurance and judgements                                     | 424,308       | -                       | -  | -                                      | (424,308)  |
| Interest and fiscal fees                                     | 3,028,935     | -                       | -  | -                                      | (3,028,935)  |
| Other support services                                       | 605,265       | -                       | -  | -                                      | (605,265)  |
| Community services   | 1,207,080     | 994,627                 | 2,370                                    | -                                      | (210,083)  |
| Purchased instructional services                             | 2,060,681     | -                       | -  | -                                      | (2,060,681)  |
| Other nonprogram   | 13,982        | -                       | -  | -                                      | (13,982)   |
| Depreciation/amortization - unallocated*                     | 895,601       | -                       | -  | -                                      | (895,601)  |
| Total support services                                       | 30,526,680    | 2,279,535               | 1,238,350                                | -                                      | (27,008,795)   |
| Total governmental activities                                | \$ 63,031,118 | \$ 4,381,900            | \$ 4,915,926                             | \$ -                                   | (53,733,292)   |
| <b>General Revenues</b>                                      |               |                         |  |  |  |
| Property taxes:  |               |                         |  |  |  |
| General purposes   |               |                         |  |  |  |
| Debt service   |               |                         |  |  |  |
| Community service  |               |                         |  |  |  |
| Other taxes  |               |                         |  |  |  |
| State and federal aids not restricted to specific functions: |               |                         |  |  |  |
| General equalized aid  |               |                         |  |  |  |
| Interest and investment earnings                             |               |                         |  |  |  |
| Miscellaneous  |               |                         |  |  |  |
| Total general revenues                                       |               |                         |  |  |  |
| Change in net position                                       |               |                         |  |  |  |
| <b>Net Position, Beginning</b>                               |               |                         |  |  |  |
| <b>Net Position, Ending</b>                                  |               |                         |  |  |  |

See notes to financial statements

**School District of River Falls**

Balance Sheet - Governmental Funds

June 30, 2025

|   | General<br>Fund      | Special<br>Revenue<br>Fund<br>Special<br>Education<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|--|-------------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                               |                      |  |                         |                             |                                   |                                |
| Cash and investments                        | \$ 11,062,587        | \$ 255,384   | \$ 1,831,687            | \$ 23,036,102               | \$ 1,950,794                      | \$ 38,136,554                  |
| Taxes receivable                            | 8,306,582            | -  | -                       | -                           | -                                 | 8,306,582                      |
| Accounts receivable                         | 283,141              | -  | -                       | -                           | 59                                | 283,200                        |
| Due from other funds                        | -                    | -  | -                       | -                           | 850,000                           | 850,000                        |
| Due from other governments                  | 52,554               | 231,042  | -                       | -                           | 13,122                            | 296,718                        |
| Prepaid items                               | 135,945              | -  | -                       | -                           | -                                 | 135,945                        |
| <b>Total assets</b>                         | <b>\$ 19,840,809</b> | <b>\$ 486,426</b>  | <b>\$ 1,831,687</b>     | <b>\$ 23,036,102</b>        | <b>\$ 2,813,975</b>               | <b>\$ 48,008,999</b>           |
| <b>Liabilities and Fund Balances</b>        |                      |  |                         |                             |                                   |                                |
| <b>Liabilities</b>                          |                      |  |                         |                             |                                   |                                |
| Accounts payable                            | \$ 432,542           | \$ 46,789  | \$ -                    | \$ 5,674,582                | \$ 224,259                        | \$ 6,378,172                   |
| Accrued liabilities                         | 3,838,535            | 439,637  | -                       | -                           | 25,996                            | 4,304,168                      |
| Due to other funds                          | 850,000              | -  | -                       | -                           | -                                 | 850,000                        |
| Unearned revenue                            | -                    | -  | -                       | -                           | 17,585                            | 17,585                         |
| <b>Total liabilities</b>                    | <b>5,121,077</b>     | <b>486,426</b>   | <b>-</b>                | <b>5,674,582</b>            | <b>267,840</b>                    | <b>11,549,925</b>              |
| <b>Fund Balances</b>                        |                      |  |                         |                             |                                   |                                |
| Nonspendable:                               |                      |  |                         |                             |                                   |                                |
| Prepaid items                               | 135,945              | -  | -                       | -                           | -                                 | 135,945                        |
| Restricted:                                 |                      |  |                         |                             |                                   |                                |
| Grants                                      | 57,607               | -  | -                       | -                           | -                                 | 57,607                         |
| Debt service                                | -                    | -  | 1,831,687               | -                           | -                                 | 1,831,687                      |
| Capital projects                            | -                    | -  | -                       | 17,361,520                  | 1,544,227                         | 18,905,747                     |
| Student scholarships and student activities | -                    | -  | -                       | -                           | 524,449                           | 524,449                        |
| Food service                                | -                    | -  | -                       | -                           | 349,682                           | 349,682                        |
| Community service                           | -                    | -  | -                       | -                           | 127,777                           | 127,777                        |
| Unassigned                                  | 14,526,180           | -  | -                       | -                           | -                                 | 14,526,180                     |
| <b>Total fund balances</b>                  | <b>14,719,732</b>    | <b>-</b>   | <b>1,831,687</b>        | <b>17,361,520</b>           | <b>2,546,135</b>                  | <b>36,459,074</b>              |
| <b>Total liabilities and fund balances</b>  | <b>\$ 19,840,809</b> | <b>\$ 486,426</b>  | <b>\$ 1,831,687</b>     | <b>\$ 23,036,102</b>        | <b>\$ 2,813,975</b>               | <b>\$ 48,008,999</b>           |

## School District of River Falls

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2025

**Total Fund Balances, Governmental Funds** \$ 36,459,074

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

Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets at year-end consist of:

|   |                     |            |
|---|---------------------|------------|
| Capital assets                            | \$ 151,394,330      |            |
| Accumulated depreciation and amortization | <u>(58,531,186)</u> | 92,863,144 |

The net pension liability (WRS) does not relate to current financial resources and is not reported in the governmental funds. (2,046,066)

Other postemployment benefits (OPEB) in the fund statements are recorded on a pay as you go basis and, therefore, no asset or liability is reported in the fund statements.

|                                 |  |             |
|---------------------------------|--|-------------|
| Net OPEB asset, single-employer |  | 10,892      |
| Net OPEB liability, LRLIF       |  | (1,639,033) |

Some deferred outflows of resources and deferred inflows of resources are not reported in the fund statements. These consist of:

|   |  |             |
|---|--|-------------|
| Deferred outflow, pension related amounts               |  | 11,049,501  |
| Deferred outflow, OPEB related amounts, single-employer |  | 627,112     |
| Deferred outflow, OPEB related amounts, LRLIF           |  | 466,026     |
| Deferred inflow, pension related amounts                |  | (5,995,999) |
| Deferred inflow, OPEB related amounts, single-employer  |  | (80,318)    |
| Deferred inflow, OPEB related amounts, LRLIF            |  | (1,115,675) |

Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements.

Long-term liabilities at year-end consist of:

|  |                  |                     |
|--|------------------|---------------------|
| Bonds and notes payable and related premiums | (68,354,868)     |                     |
| Lease liabilities                            | (2,930,887)      |                     |
| Compensated absences                         | (4,516,969)      |                     |
| Accrued interest on general obligation debt  | (631,729)        |                     |
| Arbitrage rebate payable                     | <u>(258,996)</u> | <u>(76,693,449)</u> |

**Total Net Position, Governmental Activities** \$ 53,905,209

**School District of River Falls**

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
 Year Ended June 30, 2025

|   | General<br>Fund      | Special<br>Revenue<br>Fund<br>Special<br>Education<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|--|-------------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                 |                      |  |                         |                             |                                   |                                |
| Property taxes                                  | \$ 17,623,254        | \$ -   | \$ 7,908,636            | \$ -                        | \$ 220,000                        | \$ 25,751,890                  |
| Other local sources                             | 872,756              | -  | 118,332                 | 1,045,848                   | 2,456,771                         | 4,493,707                      |
| Interdistrict sources                           | 1,844,386            | 43,688   | -                       | -                           | -                                 | 1,888,074                      |
| Intermediate sources                            | 4,674                | -  | -                       | -                           | -                                 | 4,674                          |
| State sources                                   | 25,436,862           | 1,897,181  | -                       | -                           | 25,315                            | 27,359,358                     |
| Federal sources                                 | 484,311              | 875,378  | -                       | -                           | 647,880                           | 2,007,569                      |
| Other sources                                   | 149,391              | 100  | -                       | -                           | 501,764                           | 651,255                        |
| <b>Total revenues</b>                           | <b>46,415,634</b>    | <b>2,816,347</b>   | <b>8,026,968</b>        | <b>1,045,848</b>            | <b>3,851,730</b>                  | <b>62,156,527</b>              |
| <b>Expenditures</b>                             |                      |  |                         |                             |                                   |                                |
| Instruction:                                    |                      |  |                         |                             |                                   |                                |
| Regular instruction                             | 19,011,423           | -  | -                       | -                           | -                                 | 19,011,423                     |
| Vocational instruction                          | 1,140,605            | -  | -                       | -                           | -                                 | 1,140,605                      |
| Special instruction                             | -                    | 6,130,298  | -                       | -                           | -                                 | 6,130,298                      |
| Co-curricular activities                        | 781,515              | -  | -                       | -                           | -                                 | 781,515                        |
| Other instruction                               | 1,352,363            | -  | -                       | -                           | 593,443                           | 1,945,806                      |
| <b>Total instruction</b>                        | <b>22,285,906</b>    | <b>6,130,298</b>   | <b>-</b>                | <b>-</b>                    | <b>593,443</b>                    | <b>29,009,647</b>              |
| Community service                               | -                    | -  | -                       | -                           | 1,204,300                         | 1,204,300                      |
| Support services:                               |                      |  |                         |                             |                                   |                                |
| Pupil services                                  | 1,545,420            | 1,019,936  | -                       | -                           | -                                 | 2,565,356                      |
| Instructional staff services                    | 1,480,494            | 327,189  | -                       | -                           | -                                 | 1,807,683                      |
| Administration                                  | 4,886,444            | -  | -                       | -                           | 402,596                           | 5,289,040                      |
| Buildings and grounds                           | 4,859,982            | 73   | -                       | 11,477,555                  | -                                 | 16,337,610                     |
| Pupil transportation                            | 2,245,946            | 136,337  | -                       | -                           | 19,495                            | 2,401,778                      |
| Food service                                    | -                    | -  | -                       | -                           | 1,979,726                         | 1,979,726                      |
| Central services                                | 90,068               | -  | -                       | -                           | -                                 | 90,068                         |
| Insurance and judgements                        | 410,382              | -  | -                       | 13,926                      | -                                 | 424,308                        |
| Debt service                                    | 369,237              | -  | 9,649,192               | -                           | -                                 | 10,018,429                     |
| Other support services                          | 527,949              | -  | -                       | -                           | 46,887                            | 574,836                        |
| <b>Total support services</b>                   | <b>16,415,922</b>    | <b>1,483,535</b>   | <b>9,649,192</b>        | <b>11,491,481</b>           | <b>2,448,704</b>                  | <b>41,488,834</b>              |
| Non program                                     |                      |  |                         |                             |                                   |                                |
| Purchased instructional services                | 2,026,112            | 34,569   | -                       | -                           | -                                 | 2,060,681                      |
| Other program                                   | 13,982               | -  | -                       | -                           | -                                 | 13,982                         |
| <b>Total non program</b>                        | <b>2,040,094</b>     | <b>34,569</b>  | <b>-</b>                | <b>-</b>                    | <b>-</b>                          | <b>2,074,663</b>               |
| <b>Total expenditures</b>                       | <b>40,741,922</b>    | <b>7,648,402</b>   | <b>9,649,192</b>        | <b>11,491,481</b>           | <b>4,246,447</b>                  | <b>73,777,444</b>              |
| Excess of revenues over<br>(under) expenditures | 5,673,712            | (4,832,055)  | (1,622,224)             | (10,445,633)                | (394,717)                         | (11,620,917)                   |
| <b>Other Financing Sources (Uses)</b>           |                      |  |                         |                             |                                   |                                |
| Leases issued                                   | 148,669              | -  | -                       | -                           | -                                 | 148,669                        |
| Property sales                                  | 5,655                | -  | -                       | -                           | -                                 | 5,655                          |
| Transfers in                                    | -                    | 4,832,055  | -                       | -                           | 850,000                           | 5,682,055                      |
| Transfers out                                   | (5,682,055)          | -  | -                       | -                           | -                                 | (5,682,055)                    |
| <b>Total other financing sources (uses)</b>     | <b>(5,527,731)</b>   | <b>4,832,055</b>   | <b>-</b>                | <b>-</b>                    | <b>850,000</b>                    | <b>154,324</b>                 |
| Net change in fund balances                     | 145,981              | -  | (1,622,224)             | (10,445,633)                | 455,283                           | (11,466,593)                   |
| <b>Fund Balances, Beginning</b>                 | <b>14,573,751</b>    | <b>-</b>   | <b>3,453,911</b>        | <b>27,807,153</b>           | <b>2,090,852</b>                  | <b>47,925,667</b>              |
| <b>Fund Balances, Ending</b>                    | <b>\$ 14,719,732</b> | <b>\$ -</b>  | <b>\$ 1,831,687</b>     | <b>\$ 17,361,520</b>        | <b>\$ 2,546,135</b>               | <b>\$ 36,459,074</b>           |

See notes to financial statements

## School District of River Falls

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2025

**Net Change in Fund Balances, Total Governmental Funds** \$ (11,466,593)

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

Governmental funds report capital outlays as expenditures. However, in the statement of  
activities, the cost of these assets is allocated over their estimated useful lives and  
reported as depreciation expense. The following differ in their presentation in the two  
statements:

|  |             |
|--|-------------|
| Capital outlay is capitalized in the district-wide statements                  | 13,832,877  |
| Depreciation and amortization are reported in the district-wide statements     | (5,581,202) |
| Loss on disposal of capital assets is recorded in the district-wide statements | (19,821)    |

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

|                           |           |
|---------------------------|-----------|
| Leases issued             | (148,669) |
| Principal payments        | 7,092,895 |
| Lease payments            | 146,325   |
| Finance purchase payments | 17,602    |

Debt premiums, discounts, and similar items are reported as other financing sources (uses)  
or expenditures in the governmental funds. However, in the statement of net position, these  
are deferred and allocated over the period the debt is outstanding in the statement of activities.

|                         |         |
|-------------------------|---------|
| Amortization of premium | 212,211 |
|-------------------------|---------|

Some expenses in the statement of activities do not require the use of current financial  
resources and, therefore, are not reported as expenditures in the governmental funds.  
This amount is the change in the following asset/liabilities:

|  |             |
|--|-------------|
| Compensated absences   | (3,454,988) |
| Arbitrage rebate liability   | (258,996)   |
| Net pension liability (and pension related deferred outflows/inflows of resources)                 | (893,489)   |
| Net OPEB liability (asset), single-employer (and OPEB related deferred outflows/inflows of resourc | (99,023)    |
| Net OPEB liability, LRLIF (and OPEB related deferred outflows/inflows of resources)                | (77,946)    |

Interest on long-term debt in the statement of activities differs from the amount reported  
in the governmental funds because interest is recorded as an expenditure in the funds  
when it is due, and thus requires the use of current financial resources. In the statement  
of activities; however, interest expense is recognized as the interest accrues, regardless  
of when it is due.

|           |
|-----------|
| (170,121) |
|-----------|

**Change in Net Position of Governmental Activities** \$ (868,938)

## School District of River Falls

Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2025

|                         | <b>Post<br/>Employment<br/>Benefits<br/>Trust Fund</b> | <b>Custodial<br/>Fund<br/>Pupil<br/>Activity</b> |
|-------------------------|--|--|
| <b>Assets</b>           |  |  |
| Cash and investments    | \$ -   | \$ 54,104  |
| OPEB trust investments: |  |  |
| Annuities               | 4,808,818  | -  |
| Accounts receivable     | 71,093   | -  |
|                         | <u>4,879,911</u>                                       | <u>54,104</u>                                    |
| Total assets            | <u>4,879,911</u>                                       | <u>54,104</u>                                    |
| <b>Liabilities</b>      |  |  |
| Accounts payable        | <u>307,361</u>   | <u>-</u>   |
| <b>Net Position</b>     |  |  |
| Restricted:             |  |  |
| Postemployment benefits | 4,572,550  | -  |
| Student organizations   | <u>-</u>   | <u>54,104</u>                                    |
|                         | <u>\$ 4,572,550</u>                                    | <u>\$ 54,104</u>                                 |
| Total net position      | <u>\$ 4,572,550</u>                                    | <u>\$ 54,104</u>                                 |

## School District of River Falls

Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
Year Ended June 30, 2025

|                                   | <u>Post<br/>Employment<br/>Benefits<br/>Trust Fund</u> | <u>Custodial<br/>Fund<br/>Pupil<br/>Activity</u> |
|-----------------------------------|--|--|
| <b>Additions</b>                  |  |  |
| Contributions:                    |  |  |
| Employer                          | \$ 344,608   | \$ -   |
| Student organizations             | -  | 113,762  |
| Investment income                 | 84,531   | -  |
|                                   | <u>429,139</u>   | <u>113,762</u>                                   |
| Total additions                   |  |  |
|                                   | <u>429,139</u>   | <u>113,762</u>                                   |
| <b>Deductions</b>                 |  |  |
| Benefits paid                     | 580,877  | -  |
| Payments to student organizations | -  | 115,098  |
|                                   | <u>580,877</u>   | <u>115,098</u>                                   |
| Total deductions                  |  |  |
|                                   | <u>580,877</u>   | <u>115,098</u>                                   |
| Net change in position            | (151,738)  | (1,336)  |
| <b>Net Position, Beginning</b>    | <u>4,724,288</u>                                       | <u>55,440</u>                                    |
| <b>Net Position, Ending</b>       | <u>\$ 4,572,550</u>                                    | <u>\$ 54,104</u>                                 |

# School District of River Falls

Index to Notes to Financial Statements  
June 30, 2025

---

|  | <u>Page</u> |
|--|-------------|
| <b>1. Summary of Significant Accounting Policies</b>   | 10          |
| Reporting Entity   | 10          |
| District-Wide and Fund Financial Statements  | 10          |
| Measurement Focus, Basis of Accounting and Financial Statement Presentation                                      | 12          |
| Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and<br>Net Position or Equity | 13          |
| Deposits and Investments   | 13          |
| Receivables  | 14          |
| Prepaid Items  | 15          |
| Capital Assets   | 15          |
| Deferred Outflows of Resources   | 15          |
| Compensated Absences   | 15          |
| Long-Term Obligations  | 16          |
| Deferred Inflows of Resources  | 16          |
| Equity Classifications   | 16          |
| Pension  | 17          |
| Postemployment Benefits Other Than Pensions (OPEB)   | 18          |
| <b>2. Stewardship, Compliance and Accountability</b>   | 18          |
| Excess Expenditures Over Budget  | 18          |
| Limitations on the District's Revenues   | 18          |
| <b>3. Detailed Notes on All Funds</b>  | 19          |
| Deposits and Investments   | 19          |
| Receivables  | 20          |
| Capital Assets   | 20          |
| Interfund Receivables/Payables and Transfers   | 21          |
| Long-Term Obligations  | 22          |
| Lease Disclosures  | 23          |
| Net Position   | 24          |
| <b>4. Other Information</b>  | 24          |
| Employees' Retirement System   | 24          |
| Risk Management  | 29          |
| Commitments and Contingencies  | 29          |
| Other Postemployment Benefits  | 30          |
| Effect of New Accounting Standards on Current-Period Financial Statements  | 39          |

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## 1. Summary of Significant Accounting Policies

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

### Reporting Entity

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

### District-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented July 1, 2024. The impact of implementation was not material.

### District-Wide Financial Statements

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

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

### Fund Financial Statements

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

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

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

The District reports the following major governmental funds:

## **General Fund**

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

## **Special Revenue Fund**

Special Education Fund - Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the special education program.

## **Debt Service Fund**

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

## **Capital Projects Fund**

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

The District reports the following nonmajor governmental funds:

## **Special Revenue Funds**

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

- Trust Fund (Donor contributions)
- Food Service Fund (Food service grants and fees)
- Community Service Fund (Local taxes and fees)

# School District of River Falls

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Notes to Financial Statements  
June 30, 2025

## Capital Projects Fund

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

Capital Improvement Trust

In addition, the District reports the following fund types:

## Pension and Other Employee Benefit Trust Fund

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

Postemployment Benefits Trust Fund

## Custodial Fund

Custodial Fund is used to account for and report assets controlled by the District and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Pupil Activity

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### District-Wide Financial Statements

The district-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided. As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

### Fund Financial Statements

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

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

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

## **Fiduciary Funds**

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

## **All Financial Statements**

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

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

### **Deposits and Investments**

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

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

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

No policy exists for the following risks:

Credit risk

Custodial credit risk

Interest rate risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of District accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3 for further information.

## Receivables

Property taxes are levied in December on the assessed values as of the prior January 1.

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

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

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

Property tax calendar - 2024 tax roll:

|                         |                  |
|-------------------------|------------------|
| Lien date and levy date | December 2024    |
| Tax bills mailed        | December 2024    |
| Payment in full, or     | January 31, 2025 |
| First installment due   | January 31, 2025 |
| Second installment due  | July 31, 2025    |

Accounts receivable have been shown net of an allowance for uncollectible accounts. No allowance is necessary at year-end.

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Prepaid Items

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

## Capital Assets

### Government-Wide Financial Statements

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

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

|                                 |             |
|---------------------------------|-------------|
| Land Improvements               | 10-20 Years |
| Buildings and improvements      | 7-50 Years  |
| Furniture and Equipment         | 5-20 Years  |
| Computer and related technology | 5 Years     |
| Textbooks, library and media    | 6 Years     |

Lease assets are typically amortized over the lease term.

### Fund Financial Statements

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

## Deferred Outflows of Resources

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

## Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2025, are determined on the basis of current salary rates and include salary related payments.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, lease liabilities and compensated absences.

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

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

## Deferred Inflows of Resources

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

## Equity Classifications

### Government-Wide Statements

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

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

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

## Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

## School District of River Falls

Notes to Financial Statements  
June 30, 2025

- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the District Board of Education. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District Board of Education that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The District Board of Education has, by resolution, adopted a financial policy authorizing the Director of Finance and Facilities to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

See Note 3 for further information.

Fiduciary fund net position is classified as restricted for individuals and organizations on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the District believes it is in compliance with all significant restrictions.

### Pension

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;
- and
- Pension Expense (Revenue).

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Postemployment Benefits Other Than Pensions (OPEB)

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

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 (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- 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.

## 2. Stewardship, Compliance and Accountability

### Excess Expenditures Over Budget

| <u>Funds</u>           | <u>Budgeted Expenditures</u> | <u>Actual Expenditures</u> | <u>Excess Expenditures Over Budget</u> |
|------------------------|------------------------------|----------------------------|--|
| Special Education Fund | \$ 7,629,672                 | \$ 7,648,402               | \$ 18,730                              |

### Limitations on the District's Revenues

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

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

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## 3. Detailed Notes on All Funds

### Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

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

|   | <u>Carrying<br/>Value</u> | <u>Bank and<br/>Investment<br/>Balances</u> | <u>Associated Risks</u> |
|---|---------------------------|---|-------------------------|
| Deposits  | \$ 19,794,606             | \$ 19,943,081                               | Custodial credit        |
| Annuities                                       | 4,808,818                 | 4,808,818                                   | Credit, interest rate   |
| WISC Investment Series                          | <u>18,396,052</u>         | <u>18,396,052</u>                           | Credit                  |
| Total deposits and investments                  | <u>\$ 42,999,476</u>      | <u>\$ 43,147,951</u>                        |                         |
| Reconciliation to financial statements          |                           |   |                         |
| Per statement of net position:                  |                           |   |                         |
| Unrestricted cash and investments               | \$ 38,136,554             |   |                         |
| Per statement of net position, fiduciary funds: |                           |   |                         |
| Postemployment benefits trust fund              | 4,808,818                 |   |                         |
| Custodial fund                                  | <u>54,104</u>             |   |                         |
| Total deposits and investments                  | <u>\$ 42,999,476</u>      |   |                         |

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The District maintains collateral agreements with its banks. At June 30, 2025, the banks had pledged various government securities in the amount of \$13,970,985 to secure the District's deposits.

### Custodial Credit Risk

#### Deposits

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

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

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

The District held investments in the following external pools which are not rated:

WISC Investment Series  
Annuities

## Interest Rate Risk

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

As of June 30, 2025, the District's investments were as follows:

| Investment Type | Fair Value          | Maturity (in Months) |             |                     |
|-----------------|---------------------|----------------------|-------------|---------------------|
|                 |                     | Less Than 1 Year     | 1 - 3 Years | More Than 3 Years   |
| Annuities       | \$ 4,808,818        | \$ -                 | \$ -        | \$ 4,808,818        |
| Total           | <u>\$ 4,808,818</u> | <u>\$ -</u>          | <u>\$ -</u> | <u>\$ 4,808,818</u> |

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

## Receivables

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

## Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

|  | Beginning Balance  | Additions         | Deletions     | Ending Balance     |
|--|--------------------|-------------------|---------------|--------------------|
| <b>Governmental Activities</b>                         |                    |                   |               |                    |
| Capital assets not being depreciated / amortized:      |                    |                   |               |                    |
| Land   | \$ 1,334,831       | \$ -              | \$ -          | \$ 1,334,831       |
| Construction in progress                               | -                  | 11,320,313        | -             | 11,320,313         |
| Total capital assets not being depreciated / amortized | <u>1,334,831</u>   | <u>11,320,313</u> | <u>-</u>      | <u>12,655,144</u>  |
| Capital assets being depreciated / amortized:          |                    |                   |               |                    |
| Land improvements                                      | 747,446            | 172,341           | -             | 919,787            |
| Buildings and improvements                             | 119,805,659        | 203,294           | -             | 120,008,953        |
| Furniture and equipment                                | 11,607,337         | 1,988,260         | -             | 13,595,597         |
| Finance purchase, equipment                            | 22,023             | -                 | 22,023        | -                  |
| Right-to-use assets, buildings                         | 3,645,005          | -                 | -             | 3,645,005          |
| Right-to-use assets, equipment                         | 421,175            | 148,669           | -             | 569,844            |
| Total capital assets being depreciated / amortized     | <u>136,248,645</u> | <u>2,512,564</u>  | <u>22,023</u> | <u>138,739,186</u> |
| Total capital assets                                   | <u>137,583,476</u> | <u>13,832,877</u> | <u>22,023</u> | <u>151,394,330</u> |

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

|  | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Deletions</b> | <b>Ending<br/>Balance</b> |
|--|------------------------------|---------------------|------------------|---------------------------|
| Less accumulated depreciation / amortization<br>for:   |                              |                     |                  |                           |
| Land improvements  | \$ (385,268)                 | \$ (39,936)         | \$ -             | \$ (425,204)              |
| Buildings and improvements   | (44,291,515)                 | (4,101,619)         | -                | (48,393,134)              |
| Furniture and equipment  | (7,857,936)                  | (1,120,591)         | -                | (8,978,527)               |
| Finance purchase, equipment  | (2,202)                      | -                   | 2,202            | -                         |
| Right-to-use assets, buildings   | (319,737)                    | (181,378)           | -                | (501,115)                 |
| Right-to-use assets, equipment   | (95,528)                     | (137,678)           | -                | (233,206)                 |
| Total accumulated depreciation /<br>amortization   | <u>(52,952,186)</u>          | <u>(5,581,202)</u>  | <u>2,202</u>     | <u>(58,531,186)</u>       |
| Net capital assets being depreciated /<br>amortized  | <u>83,296,459</u>            | <u>(3,068,638)</u>  | <u>19,821</u>    | <u>80,208,000</u>         |
| Total governmental activities capital<br>assets, net as reported in the<br>statement of net position | <u>\$ 84,631,290</u>         | <u>\$ 8,251,675</u> | <u>\$ 19,821</u> | <u>\$ 92,863,144</u>      |

Depreciation / amortization expense was charged to functions as follows:

## Governmental Activities

Instruction:

|                          |              |
|--------------------------|--------------|
| Regular instruction      | \$ 1,180,335 |
| Vocational instruction   | 43,212       |
| Co-curricular activities | 46,919       |

Support services:

|                                       |                |
|---------------------------------------|----------------|
| Pupil services                        | 541            |
| Instructional staff services          | 262,212        |
| Building administrative services      | 12,157         |
| Business services                     | 32,280         |
| Operation of maintenance and plant    | 2,567,326      |
| Pupil transportation services         | 307,501        |
| Food service                          | 35,625         |
| Other support services                | 195,903        |
| Community service                     | 1,590          |
| Unallocated depreciation/amortization | <u>895,601</u> |

Total governmental activities depreciation / amortization  
expense

\$ 5,581,202

## Interfund Receivables/Payables and Transfers

### Interfund Receivables/Payables

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

| <u>Receivable Fund</u>    | <u>Payable Fund</u> | <u>Amount</u> |
|---------------------------|---------------------|---------------|
| Capital Improvement Trust | General Fund        | \$ 850,000    |

All amounts are due within one year.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

The principal purpose of this interfund is to fund the Capital Improvement Trust Fund for future projects. Interfund balances result from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

## Transfers

The following is a schedule of interfund transfers:

| <u>Fund Transferred To</u> | <u>Fund Transferred From</u> | <u>Amount</u>              |
|----------------------------|------------------------------|----------------------------|
| Capital Improvements Trust | General Fund                 | \$ 850,000                 |
| Special Education Fund     | General Fund                 | <u>4,832,055</u>           |
| Total                      |                              | <u><u>\$ 5,682,055</u></u> |

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

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

## Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

|  | <u>Beginning Balance</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|--|--------------------------|---------------------|---------------------|-----------------------|------------------------------------|
| <b>Governmental Activities</b>   |                          |                     |                     |                       |                                    |
| Bonds and notes payable:   |                          |                     |                     |                       |                                    |
| General obligation debt  | \$ 73,505,000            | \$ -                | \$ 7,060,000        | \$ 66,445,000         | \$ 4,620,000                       |
| Notes payable from direct borrowings and direct placements                       | 32,895                   | -                   | 32,895              | -                     | -                                  |
| Finance purchase (Discounts)/Premiums:   | 17,602                   | -                   | 17,602              | -                     | -                                  |
| Bond premium   | <u>2,122,079</u>         | <u>-</u>            | <u>212,211</u>      | <u>1,909,868</u>      | <u>-</u>                           |
| Total bonds and notes payable  | <u>75,677,576</u>        | <u>-</u>            | <u>7,322,708</u>    | <u>68,354,868</u>     | <u>4,620,000</u>                   |
| Other liabilities:   |                          |                     |                     |                       |                                    |
| Compensated absences*  | <u>1,061,981</u>         | <u>3,454,988</u>    | <u>-</u>            | <u>4,516,969</u>      | <u>203,263</u>                     |
| Total other liabilities  | <u>1,061,981</u>         | <u>3,454,988</u>    | <u>-</u>            | <u>4,516,969</u>      | <u>203,263</u>                     |
| Total governmental activities long-term liabilities, excluding lease liabilities | <u>\$ 76,739,557</u>     | <u>\$ 3,454,988</u> | <u>\$ 7,322,708</u> | <u>\$ 72,871,837</u>  | <u>\$ 4,823,263</u>                |
| Lease liabilities (Note 3)   |                          |                     |                     | <u>\$ 2,930,887</u>   | <u>\$ 165,795</u>                  |
| Total governmental activities long-term liabilities                              |                          |                     |                     | <u>\$ 75,802,724</u>  | <u>\$ 4,989,058</u>                |

\*The change in the compensated absences liability is presented as net change.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed 10% of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2025, was \$3,832,543,400. Total general obligation debt outstanding at year end was \$66,445,000.

## General Obligation Debt

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

### Governmental Activities

| <u>General Obligation Debt</u>                         | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance June 30, 2025</u> |
|--|----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| 2018 GO Corporate Purpose Bonds                        | 07/12/2018           | 04/01/2027            | 3.0-5.0%              | \$ 38,465,000                | \$ 32,480,000                |
| 2019 School Improvement Bonds                          | 02/07/2019           | 04/01/2028            | 3.0-3.5               | 9,495,000                    | 5,530,000                    |
| 2021 GO Refunding Bonds                                | 02/11/2021           | 04/01/2028            | 3.0                   | 13,325,000                   | 4,860,000                    |
| 2024 GO Promissory Note                                | 06/10/2024           | 04/01/2044            | 4.0-5.0               | 28,000,000                   | <u>23,575,000</u>            |
| Total governmental activities, general obligation debt |                      |                       |                       |                              | <u>\$ 66,445,000</u>         |

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities General Obligation Debt</u> |                      |
|--------------|--|----------------------|
|              | <u>Principal</u>                                       | <u>Interest</u>      |
| 2026         | \$ 4,620,000   | \$ 2,526,904         |
| 2027         | 3,990,000  | 2,344,404            |
| 2028         | 4,315,000  | 2,193,704            |
| 2029         | 4,715,000  | 2,014,654            |
| 2030         | 3,450,000  | 1,806,204            |
| 2031-2035    | 19,135,000   | 7,186,750            |
| 2036-2040    | 17,250,000   | 3,525,640            |
| 2041-2044    | <u>8,970,000</u>                                       | <u>915,000</u>       |
| Total        | <u>\$ 66,445,000</u>                                   | <u>\$ 22,513,260</u> |

## Lease Disclosures

### Lessee - Lease Liabilities

#### Governmental Activities

| <u>Lease Liabilities</u>     | <u>Beginning Balance</u> | <u>Additions</u>  | <u>Deductions</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|------------------------------|--------------------------|-------------------|-------------------|-----------------------|------------------------------------|
| Renaissance Academy Building | \$ 2,595,466             | \$ -              | \$ 13,048         | \$ 2,582,418          | \$ 26,734                          |
| Leased equipment             | <u>333,077</u>           | <u>148,669</u>    | <u>133,277</u>    | <u>348,469</u>        | <u>139,061</u>                     |
| Total                        | <u>\$ 2,928,543</u>      | <u>\$ 148,669</u> | <u>\$ 146,325</u> | <u>\$ 2,930,887</u>   | <u>\$ 165,795</u>                  |

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

Future minimum lease payments are as follows:

| <u>Years</u> | <u>Principal</u>    | <u>Interest</u>     |
|--------------|---------------------|---------------------|
| 2026         | \$ 165,795          | \$ 207,744          |
| 2027         | 165,891             | 192,676             |
| 2028         | 133,127             | 177,968             |
| 2029         | 75,610              | 164,491             |
| 2030         | 84,387              | 153,843             |
| 2031-2035    | 645,161             | 609,763             |
| 2036-2040    | 1,028,547           | 328,173             |
| 2041-2045    | 632,369             | 54,441              |
| Total        | <u>\$ 2,930,887</u> | <u>\$ 1,889,099</u> |

## Net Position

Net position reported on the district-wide statement of net position at June 30, 2025, includes the following:

### Governmental Activities

Net investment in capital assets:

|  |                      |
|--|----------------------|
| Land   | \$ 1,334,831         |
| Construction in progress   | 11,320,313           |
| Other capital assets, net of accumulated depreciation/amortization | 80,208,000           |
| Less long-term debt outstanding                                    | (69,375,887)         |
| Plus unspent capital related debt proceeds                         | 16,263,614           |
| Less unamortized debt premium                                      | <u>(1,909,868)</u>   |
| Total net investment in capital assets                             | <u>\$ 37,841,003</u> |

## 4. Other Information

### Employees' Retirement System

#### Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. 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.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Vesting

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

## Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

## Postretirement Adjustments

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

| <u>Year</u> | <u>Core Fund<br/>Adjustment %</u> | <u>Variable Fund<br/>Adjustment %</u> |
|-------------|-----------------------------------|---------------------------------------|
| 2015        | 2.9                               | 2.0                                   |
| 2016        | 0.5                               | (5.0)                                 |
| 2017        | 2.0                               | 4.0                                   |
| 2018        | 2.4                               | 17.0                                  |
| 2019        | 0.0                               | (10.0)                                |
| 2020        | 1.7                               | 21.0                                  |
| 2021        | 5.1                               | 13.0                                  |
| 2022        | 7.4                               | 15.0                                  |
| 2023        | 1.6                               | (21.0)                                |
| 2024        | 3.6                               | 15.0                                  |

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## 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 \$1,780,661 in contributions from the District.

Contribution rates for the plan year reported as of June 30, 2025 are:

| <u>Employee Category</u>                                     | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (including Teachers, Executives & Elected officials) | 6.90            | 6.90            |

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

At June 30, 2025, the District reported a liability of \$2,046,066 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the District's proportion was 0.12451980%, which was a decrease of 0.00285915% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$2,669,866.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between projected and actual experience   | \$ 6,354,155                                  | \$ 5,970,913                                 |
| Changes in assumptions  | 607,107                                       | -  |
| Net differences between projected and actual earnings on pension plan investments                             | 3,109,106                                     | -  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 24,306  | 25,086                                       |
| Employer contributions subsequent to the measurement date   | <u>954,827</u>                                | <u>-</u>                                     |
| Total   | <u>\$ 11,049,501</u>                          | <u>\$ 5,995,999</u>                          |

## School District of River Falls

Notes to Financial Statements  
June 30, 2025

\$954,827 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. 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>Years Ending<br/>June 30:</u> | <u>Deferred<br/>Outflows of<br/>Resources and<br/>Deferred Inflows<br/>of Resources<br/>(Net)</u> |
|----------------------------------|---|
| 2026                             | \$ 1,226,920  |
| 2027                             | 4,240,092   |
| 2028                             | (1,045,321)   |
| 2029                             | (323,016)   |

### Actuarial Assumptions

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

|  |  |
|--|--|
| Actuarial Valuation Date:                          | December 31, 2023  |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2024  |
| Experience Study:                                  | January 1, 2021 - December 31, 2023<br>Published November 19, 2024 |
| Actuarial Cost Method:                             | Entry Age Normal   |
| Asset Valuation Method:                            | Fair Value   |
| Long-Term Expected Rate of Return:                 | 6.8%   |
| Discount Rate:                                     | 6.8%   |
| Salary Increases:                                  |  |
| Wage Inflation                                     | 3.0%   |
| Seniority/Merit                                    | 0.1%-5.7%  |
| Mortality:   | 2020 WRS Experience Mortality Table                                |
| Postretirement Adjustments*:                       | 1.7%   |

\* *No postretirement 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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

## School District of River Falls

Notes to Financial Statements  
June 30, 2025

### 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:

| <b>Asset Allocation Targets and Expected Returns* as of December 31, 2024</b> |                           |  |   |
|---|---------------------------|--|---|
| <b>Core Fund Asset Class</b>  | <b>Asset Allocation %</b> | <b>Long-Term Expected Nominal Rate of Return %</b> | <b>Long-Term Expected Real Rate of Return %**</b> |
| Public Equity   | 38                        | 7.0  | 4.3   |
| Public Fixed Income   | 27                        | 6.1  | 3.4   |
| Inflation Sensitive   | 19                        | 4.8  | 2.1   |
| Real Estate   | 8                         | 6.5  | 3.8   |
| Private Equity/Debt   | 20                        | 9.5  | 6.7   |
| Leverage***   | (12)                      | 3.7  | 1.1   |
| Total Core Fund   | 100                       | 7.5  | 4.8   |
| <b>Variable Fund Asset</b>  |                           |  |   |
| U.S. Equities   | 70                        | 6.5  | 3.8   |
| International Equities  | 30                        | 7.4  | 4.7   |
| Total Variable Fund   | 100                       | 6.9  | 4.2   |

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

\*\* *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.6%*

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA rating). 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 investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

|   | <u>1% Decrease<br/>to Discount<br/>Rate (5.8%)</u> | <u>Current<br/>Discount Rate<br/>(6.8%)</u> | <u>1% Increase to<br/>Discount Rate<br/>(7.8%)</u> |
|---|--|---|--|
| District's proportionate share of the net pension liability (asset) | \$ 19,194,774                                      | \$ 2,046,066                                | \$ (10,137,598)                                    |

## Pension Plan Fiduciary Net Position

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

## Risk Management

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

## Commitments and Contingencies

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

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

The District has active construction projects as of June 30, 2025. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. As of June 30, 2025, the District had approximately \$14.7 million of remaining construction commitments.

## Other Postemployment Benefits

The District administers a single-employer defined benefit plan to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their dependents. The Board of Education of the District is designated as the administrator of the OPEB plan and it reserves the right to alter, amend or terminate the OPEB at any time for any reason, without consent. The OPEB Plan does not issue a publicly available report.

### Plan Membership

At June 30, 2025, OPEB membership consisted of the following:

|   |                   |
|---|-------------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 41                |
| Active plan members   | <u>442</u>        |
|   | <u><u>483</u></u> |

### Benefits Provided

OPEB plan consists of several interdependent pieces arising from the rule of the plan. Benefits provided include:

**District Administrators:** At least age 55 with a minimum of five years of service. The District shall provide an annual HRA contribution for a period of five years. The amount of these contributions is determined by years of service with the District up to a maximum of \$20,000 in return for those with at least 15 years of service. These monies may be used to continue coverage in the District's group medical plan.

**Teachers:** Hired prior to July 2, 2001; at least age 55 (57 if less than age 50 as of June 30, 2012) with a minimum of 15 years of service. The District will provide an annual HRA contribution for a period of five years. The amount of these contributions is determined by years of service in the District. The HRA funds may be used for continued medical coverage on the District's group medical plan.

**Support Staff:** Retirees may remain on the group medical plan provided that the retiree self-pays the full required medical premium amount. Eligible retirees may also use an accumulated unused sick leave towards payment of such premiums until their exhaustion. The amount of this sick leave benefit differs by classification.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

Superintendent: At least age 55 with a minimum of five years of service. The District shall provide an annual HRA contribution for a period of five years. The amount of these contributions is determined by years of service with the District up to a maximum of \$42,000 in return for those with at least 10 years of service. These monies may be used to continue coverage in the District's group medical plan.

## Contributions

Contribution requirements are established through the District's Trust Agreement. The District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June 30, 2025, the District contributed \$344,608 to the plan.

## Investments

### Investment Policy

The Board of Education's policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the board.

### Concentrations

All of the OPEB Trust assets have been invested in annuities.

### Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 1.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Net OPEB Asset

The District's OPEB asset was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2023.

The components of the net OPEB asset of the District at June 30, 2025, were as follows:

|   |                    |
|---|--------------------|
| Total OPEB liability  | \$ 4,561,658       |
| Less plan fiduciary net position  | <u>4,572,550</u>   |
| District's net OPEB liability (asset)                                   | <u>\$ (10,892)</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | <u>(419.81)%</u>   |

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Inflation                   | 2.5%  |
| Salary increases            | 3.0%  |
| Investment rate of return   | 1.8%  |
| Healthcare cost trend rates | 6.25% decreasing to 5.00% over 5 years and then to 4.00% over the next 48 years |

Mortality tables were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period 2018-2020.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Fixed income       | 100 %                    | 1.8 %   |

## Discount Rate

The discount rate used to measure the total OPEB liability was 3.7%. 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 is projected to be available to make all projected future benefit payments of current plan members. Since assets are held solely in fixed interest accounts, the long-term expected rate of return on OPEB plan investments was based upon the 20-year AA municipal bond rate and applied to all periods of projected benefit payments to determine the total OPEB liability.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## Changes in the Net OPEB Liability (Asset)

|  | Increase (Decrease)         |                                       |  |
|--|-----------------------------|---------------------------------------|--|
|  | Total OPEB<br>Liability (a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(Asset) (a)-(b) |
| Balances at 6/30/2024                              | \$ 4,773,221                | \$ 4,724,288                          | \$ 48,933                                |
| Changes for the year:                              |                             |                                       |  |
| Service cost                                       | 275,193                     | -                                     | 275,193                                  |
| Interest   | 161,854                     | -                                     | 161,854                                  |
| Differences between expected and actual experience | -                           | (506)                                 | 506                                      |
| Changes in assumptions                             | (67,733)                    | -                                     | (67,733)                                 |
| Contributions-employer                             | -                           | 344,608                               | (344,608)                                |
| Net investment income                              | -                           | 85,037                                | (85,037)                                 |
| Benefit payments                                   | (580,877)                   | (580,877)                             | -  |
| Net changes  | (211,563)                   | (151,738)                             | (59,825)                                 |
| Balances at 6/30/2025                              | <u>\$ 4,561,658</u>         | <u>\$ 4,572,550</u>                   | <u>\$ (10,892)</u>                       |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.4% as of June 30, 2024 to 3.7% as of the June 30, 2025 reporting period.

### Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.7%) or 1-percentage-point higher (4.7%) than the current discount rate:

|                            | 1% Decrease<br>(2.7%) | Discount Rate<br>(3.7%) | 1% Increase<br>(4.7%) |
|----------------------------|-----------------------|-------------------------|-----------------------|
| Net OPEB liability (asset) | \$ 276,584            | \$ (10,892)             | \$ (261,750)          |

### Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25% decreasing to 3.00%) or 1-percentage-point higher (7.25% decreasing to 5.00%) than the current healthcare cost trend rates:

|                            | 1% Decrease<br>(5.25%<br>Decreasing to<br>3.00%) | Healthcare<br>Cost Trend<br>Rates (6.25%<br>Decreasing to<br>4.00%) | 1% Increase<br>(7.25%<br>Decreasing to<br>5.00%) |
|----------------------------|--|---|--|
| Net OPEB liability (asset) | \$ (372,845)                                     | \$ (10,892)   | \$ 444,062                                       |

### OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$443,631. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience                               | \$ 446,631                                    | \$ -   |
| Net difference between projected and actual earnings on<br>OPEB plan investments | 176,190                                       | -  |
| Changes of assumptions or other inputs   | <u>4,291</u>                                  | <u>80,318</u>                                |
| Total  | <u>\$ 627,112</u>                             | <u>\$ 80,318</u>                             |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

### Years Ending June 30:

|            |            |
|------------|------------|
| 2026       | \$ 105,554 |
| 2027       | 96,837     |
| 2028       | 96,419     |
| 2029       | 72,249     |
| 2030       | 72,148     |
| Thereafter | 103,587    |

## Local Retiree Life Insurance Fund (LRLIF)

### 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 postemployment life insurance benefits for all eligible employees.

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 be found at the link above.

### Benefits Provided

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

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## 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 postretirement benefit.

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

Contribution rates for the plan year reported as of June 30, 2025 are:

| <u>Coverage Type</u>        | <u>Employer Contribution</u> |
|-----------------------------|------------------------------|
| 50% Postretirement Coverage | 40% of member contribution   |
| 25% Postretirement Coverage | 20% of member contribution   |

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 plan year are as listed below:

| <u>Life Insurance Member Contribution Rates* for the Plan Year</u> |              |                     |
|--|--------------|---------------------|
| <u>Attained Age</u>  | <u>Basic</u> | <u>Supplemental</u> |
| Under 30   | \$0.05       | \$0.05              |
| 30-34  | 0.06         | 0.06                |
| 35-39  | 0.07         | 0.07                |
| 40-44  | 0.08         | 0.08                |
| 45-49  | 0.12         | 0.12                |
| 50-54  | 0.22         | 0.22                |
| 55-59  | 0.39         | 0.39                |
| 60-64  | 0.49         | 0.49                |
| 65-69  | 0.57         | 0.57                |

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

During the reporting period, the LRLIF recognized \$8,812 in contributions from the employer.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

At June 30, 2025, the District reported a liability of \$1,639,033 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. 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, 2024, the District's proportion was 0.41894800%, which was a decrease of 0.00263100% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense (revenue) of \$77,946.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred Outflow<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|--|--|
| Differences between expected and actual experience  | \$ -                                     | \$ 170,516                               |
| Net differences between projected and actual earnings on plan investments                                     | 22,508                                   | -  |
| Changes in actuarial assumptions  | 402,172                                  | 919,299                                  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 36,790                                   | 25,860                                   |
| Employer contributions subsequent to the measurement date   | <u>4,556</u>                             | <u>-</u>                                 |
| Total   | <u>\$ 466,026</u>                        | <u>\$ 1,115,675</u>                      |

\$4,556 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026. 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>Years Ending<br/>June 30:</u> | <u>Deferred<br/>Outflows of<br/>Resources and<br/>Deferred Inflows<br/>of Resources<br/>(Net)</u> |    |
|----------------------------------|---|----|
| 2026                             | \$ (52,281)   |    |
| 2027                             | (126,551)   |    |
| 2028                             | (184,635)   |    |
| 2029                             | (184,789)   |    |
| 2030                             | (48,175)  |    |
| Thereafter                       | (57,774)  | 72 |

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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## Actuarial Assumptions

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

|  |   |
|--|---|
| Actuarial Valuation Date:                      | January 1, 2024   |
| Measurement Date of Net OPEB Liability (Asset) | December 31, 2024   |
| Experience Study:                              | January 1, 2021-December 31, 2023.<br>Published November 19, 2024 |
| Actuarial Cost Method:                         | Entry Age Normal  |
| 20 Year Tax-Exempt Municipal Bond Yield*       | 4.08%   |
| Long-Term Expected Rate of Return:             | 4.25%   |
| Discount Rate:                                 | 4.09%   |
| Salary Increases:                              |   |
| Wage Inflation                                 | 3.00%   |
| Seniority/Merit                                | 0.10%-5.7%  |
| Mortality:                                     | 2020 WRS Experience Mortality Table                               |

\*Based on the Bond Buyers GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

## 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.

### State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2024

| <u>Asset Class</u>                | <u>Index</u>                 | <u>Target Allocation</u> | <u>Long-Term Expected Geometric Real Rate of Return</u> |
|-----------------------------------|------------------------------|--------------------------|---|
| U.S. Intermediate Credit Bonds    | Bloomberg U.S. Interm Credit | 40.00%                   | 2.41%   |
| U.S. Mortgages                    | Bloomberg U.S. MBS           | 60.00                    | 2.71  |
| Inflation                         |                              |                          | 2.30  |
| Long-Term Expected Rate of Return |                              |                          | 4.25  |

## Single Discount Rate

A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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, 2037.

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.

# School District of River Falls

Notes to Financial Statements  
June 30, 2025

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

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

|  | <u>1% Decrease<br/>to Discount<br/>Rate (3.09%)</u> | <u>Current<br/>Discount Rate<br/>(4.09%)</u> | <u>1% Increase to<br/>Discount Rate<br/>(5.09%)</u> |
|--|---|--|---|
| District's proportionate share of the net OPEB liability | \$ 2,190,796  | \$ 1,639,033                                 | \$ 1,213,849  |

## Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## School District of River Falls

Budgetary Comparison Schedule - General Fund  
Year Ended June 30, 2025

|                                       | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance With<br/>Final Budget</u> |
|---------------------------------------|----------------------------|-------------------------|----------------------|---------------------------------------|
| <b>Revenues</b>                       |                            |                         |                      |                                       |
| Property taxes                        | \$ 17,623,254              | \$ 17,623,254           | \$ 17,623,254        | \$ -                                  |
| Other local sources                   | 684,000                    | 695,903                 | 872,756              | 176,853                               |
| Interdistrict sources                 | 1,810,780                  | 1,835,194               | 1,844,386            | 9,192                                 |
| Intermediate sources                  | 3,500                      | 3,500                   | 4,674                | 1,174                                 |
| State sources                         | 25,250,062                 | 25,375,634              | 25,436,862           | 61,228                                |
| Federal sources                       | 477,488                    | 477,488                 | 484,311              | 6,823                                 |
| Other sources                         | 135,000                    | 135,000                 | 149,391              | 14,391                                |
|                                       | <u>45,984,084</u>          | <u>46,145,973</u>       | <u>46,415,634</u>    | <u>269,661</u>                        |
| <b>Expenditures</b>                   |                            |                         |                      |                                       |
| Instruction:                          |                            |                         |                      |                                       |
| Undifferentiated instruction          | 7,778,619                  | 8,000,135               | 8,097,731            | (97,596)                              |
| Regular instruction                   | 11,874,917                 | 11,928,712              | 10,913,692           | 1,015,020                             |
| Vocational instruction                | 889,711                    | 916,975                 | 1,140,605            | (223,630)                             |
| Physical instruction                  | 933,058                    | 933,058                 | 983,040              | (49,982)                              |
| Co-curricular activities              | 799,837                    | 834,619                 | 781,515              | 53,104                                |
| Other special needs                   | 340,280                    | 374,181                 | 369,323              | 4,858                                 |
|                                       | <u>22,616,422</u>          | <u>22,987,680</u>       | <u>22,285,906</u>    | <u>701,774</u>                        |
| Support services:                     |                            |                         |                      |                                       |
| Pupil services                        | 1,610,269                  | 1,459,385               | 1,545,420            | (86,035)                              |
| Instructional staff services          | 1,125,763                  | 1,250,096               | 1,480,494            | (230,398)                             |
| Administration                        | 4,770,280                  | 4,908,998               | 4,886,444            | 22,554                                |
| Buildings and grounds                 | 6,089,139                  | 5,703,180               | 4,859,982            | 843,198                               |
| Pupil transportation                  | 2,032,530                  | 2,032,530               | 2,245,946            | (213,416)                             |
| Central services                      | 66,300                     | 66,300                  | 90,068               | (23,768)                              |
| Insurance and judgments               | 400,000                    | 400,000                 | 410,382              | (10,382)                              |
| Debt service                          | 383,500                    | 309,500                 | 369,237              | (59,737)                              |
| Other support services                | 317,143                    | 426,000                 | 527,949              | (101,949)                             |
|                                       | <u>16,794,924</u>          | <u>16,555,989</u>       | <u>16,415,922</u>    | <u>140,067</u>                        |
| Non program:                          |                            |                         |                      |                                       |
| Purchased instructional services      | 1,997,046                  | 1,997,585               | 2,026,112            | (28,527)                              |
| Other non program                     | 11,903                     | 11,903                  | 13,982               | (2,079)                               |
|                                       | <u>2,008,949</u>           | <u>2,009,488</u>        | <u>2,040,094</u>     | <u>(30,606)</u>                       |
|                                       | <u>41,420,295</u>          | <u>41,553,157</u>       | <u>40,741,922</u>    | <u>811,235</u>                        |
| Excess of revenues over expenditures  | <u>4,563,789</u>           | <u>4,592,816</u>        | <u>5,673,712</u>     | <u>1,080,896</u>                      |
| <b>Other Financing Sources (Uses)</b> |                            |                         |                      |                                       |
| Leases issued                         | -                          | -                       | 148,669              | (148,669)                             |
| Property sales                        | 5,000                      | 5,000                   | 5,655                | (655)                                 |
| Transfers out                         | (4,568,789)                | (4,597,816)             | (5,682,055)          | 1,084,239                             |
|                                       | <u>(4,563,789)</u>         | <u>(4,592,816)</u>      | <u>(5,527,731)</u>   | <u>934,915</u>                        |
| Net change in fund balance            | <u>\$ -</u>                | <u>\$ -</u>             | <u>145,981</u>       | <u>\$ 2,015,811</u>                   |
| <b>Fund Balance, Beginning</b>        |                            |                         | <u>14,573,751</u>    |                                       |
| <b>Fund Balance, Ending</b>           |                            |                         | <u>\$ 14,719,732</u> |                                       |

See notes to required supplementary information

## School District of River Falls

Budgetary Comparison Schedule - Special Revenue - Special Education Fund  
Year Ended June 30, 2025

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>      | <u>Variance With<br/>Final Budget</u> |
|---|----------------------------|-------------------------|--------------------|---------------------------------------|
| <b>Revenues</b>                             |                            |                         |                    |                                       |
| Interdistrict sources                       | \$ 75,654                  | \$ 75,654               | \$ 43,688          | \$ (31,966)                           |
| State sources                               | 2,020,862                  | 2,020,862               | 1,897,181          | (123,681)                             |
| Federal sources                             | 935,340                    | 935,340                 | 875,378            | (59,962)                              |
| Other sources                               | -                          | -                       | 100                | 100                                   |
|   | <u>3,031,856</u>           | <u>3,031,856</u>        | <u>2,816,347</u>   | <u>(215,509)</u>                      |
| <b>Total revenues</b>                       |                            |                         |                    |                                       |
| <b>Expenditures</b>                         |                            |                         |                    |                                       |
| Instruction:                                |                            |                         |                    |                                       |
| Special instruction                         | 5,972,791                  | 6,080,261               | 6,130,298          | (50,037)                              |
|   | <u>5,972,791</u>           | <u>6,080,261</u>        | <u>6,130,298</u>   | <u>(50,037)</u>                       |
| <b>Total instruction</b>                    |                            |                         |                    |                                       |
| Support services:                           |                            |                         |                    |                                       |
| Pupil services                              | 1,075,317                  | 996,573                 | 1,019,936          | (23,363)                              |
| Instructional staff services                | 340,509                    | 340,810                 | 327,189            | 13,621                                |
| Buildings and grounds                       | 3,000                      | 3,000                   | 73                 | 2,927                                 |
| Pupil transportation                        | 117,555                    | 117,555                 | 136,337            | (18,782)                              |
|   | <u>1,536,381</u>           | <u>1,457,938</u>        | <u>1,483,535</u>   | <u>(25,597)</u>                       |
| <b>Total support services</b>               |                            |                         |                    |                                       |
| Non program:                                |                            |                         |                    |                                       |
| Purchased instructional services            | 84,973                     | 84,973                  | 34,569             | 50,404                                |
| Other program                               | 6,500                      | 6,500                   | -                  | 6,500                                 |
|   | <u>91,473</u>              | <u>91,473</u>           | <u>34,569</u>      | <u>56,904</u>                         |
| <b>Total non program</b>                    |                            |                         |                    |                                       |
| <b>Total expenditures</b>                   |                            |                         |                    |                                       |
|   | <u>7,600,645</u>           | <u>7,629,672</u>        | <u>7,648,402</u>   | <u>(18,730)</u>                       |
| <b>Excess of revenues over expenditures</b> |                            |                         |                    |                                       |
|   | <u>(4,568,789)</u>         | <u>(4,597,816)</u>      | <u>(4,832,055)</u> | <u>(196,779)</u>                      |
| <b>Other Financing Uses</b>                 |                            |                         |                    |                                       |
| Transfers in                                | 4,568,789                  | 4,597,816               | 4,832,055          | 234,239                               |
|   | <u>4,568,789</u>           | <u>4,597,816</u>        | <u>4,832,055</u>   | <u>234,239</u>                        |
| <b>Net change in fund balance</b>           |                            |                         |                    |                                       |
|   | <u>\$ -</u>                | <u>\$ -</u>             | <u>-</u>           | <u>\$ 37,460</u>                      |
| <b>Fund Balance, Beginning</b>              |                            |                         |                    |                                       |
|   |                            |                         | <u>-</u>           |                                       |
| <b>Fund Balance, Ending</b>                 |                            |                         |                    |                                       |
|   |                            |                         | <u>\$ -</u>        |                                       |

**School District of River Falls**

Schedule of Changes in the Total OPEB Liability and the Net OPEB Liability and Related Ratios  
Year Ended June 30, 2025

|  | 2025                | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost   | \$ 275,193          | \$ 280,128          | \$ 260,974          | \$ 249,358          | \$ 280,968          | \$ 230,982          | \$ 226,558          | \$ 213,043          | \$ 290,161          |
| Interest   | 161,854             | 143,030             | 151,122             | 94,906              | 147,194             | 178,211             | 195,098             | 185,631             | 188,259             |
| Changes in benefit terms   | -                   | -                   | -                   | 58,172              | -                   | -                   | -                   | -                   | -                   |
| Differences between expected and actual experience                             | -                   | 479,086             | -                   | 94,167              | -                   | 86,794              | -                   | 140,844             | -                   |
| Changes in assumptions or other inputs   | (67,733)            | 78,585              | 20,185              | 45,060              | 191,452             | (80,459)            | 38,340              | (267,293)           | -                   |
| Benefit payments   | (580,877)           | (519,228)           | (603,863)           | (653,516)           | (681,424)           | (682,178)           | (618,890)           | (556,253)           | (691,457)           |
| Net change in total OPEB liability   | (211,563)           | 461,601             | (171,582)           | (111,853)           | (61,810)            | (266,650)           | (158,894)           | (284,028)           | (213,037)           |
| <b>Total OPEB Liability, Beginning</b>   | <b>4,773,221</b>    | <b>4,311,620</b>    | <b>4,483,202</b>    | <b>4,595,055</b>    | <b>4,656,865</b>    | <b>4,923,515</b>    | <b>5,082,409</b>    | <b>5,366,437</b>    | <b>5,579,474</b>    |
| <b>Total OPEB liability, Ending</b>  | <b>\$ 4,561,658</b> | <b>\$ 4,773,221</b> | <b>\$ 4,311,620</b> | <b>\$ 4,483,202</b> | <b>\$ 4,595,055</b> | <b>\$ 4,656,865</b> | <b>\$ 4,923,515</b> | <b>\$ 5,082,409</b> | <b>\$ 5,366,437</b> |
| <b>Plan Fiduciary Net Position</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions, employer  | \$ 344,608          | \$ 624,116          | \$ 306,164          | \$ 817,471          | \$ 568,593          | \$ 995,000          | \$ 450,000          | \$ 1,350,000        | \$ -                |
| Net investment income  | 85,037              | 76,039              | 63,997              | 71,199              | 82,100              | 75,393              | 66,375              | 50,678              | 67,680              |
| Benefit payments   | (581,383)           | (519,228)           | (603,863)           | (653,516)           | (681,424)           | (682,178)           | (618,890)           | (556,253)           | (691,457)           |
| Net change in plan fiduciary net position                                      | (151,738)           | 180,927             | (233,702)           | 235,154             | (30,731)            | 388,215             | (102,515)           | 844,425             | (623,777)           |
| <b>Plan Fiduciary Net Position, Beginning</b>                                  | <b>4,724,288</b>    | <b>4,543,361</b>    | <b>4,777,063</b>    | <b>4,541,909</b>    | <b>4,572,640</b>    | <b>4,184,425</b>    | <b>4,286,940</b>    | <b>3,442,515</b>    | <b>4,066,292</b>    |
| <b>Plan Fiduciary Net Position, Ending</b>                                     | <b>\$ 4,572,550</b> | <b>\$ 4,724,288</b> | <b>\$ 4,543,361</b> | <b>\$ 4,777,063</b> | <b>\$ 4,541,909</b> | <b>\$ 4,572,640</b> | <b>\$ 4,184,425</b> | <b>\$ 4,286,940</b> | <b>\$ 3,442,515</b> |
| Net OPEB liability (asset), ending   | \$ (10,892)         | \$ 48,933           | \$ (231,741)        | \$ (293,861)        | \$ 53,146           | \$ 84,225           | \$ 739,090          | \$ 795,469          | \$ 1,923,922        |
| <b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b> | 100.24%             | 98.97%              | 105.37%             | 106.55%             | 98.84%              | 98.19%              | 84.99%              | 84.35%              | 64.15%              |
| <b>Covered-Employee Payroll</b>  | \$ 24,729,975       | \$ 24,729,975       | \$ 23,349,731       | \$ 22,669,642       | \$ 21,298,220       | \$ 20,577,990       | \$ 18,633,389       | \$ 18,090,669       | \$ 12,384,929       |
| <b>Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</b>  | -0.04%              | 0.20%               | -0.99%              | -1.30%              | 0.25%               | 0.41%               | 3.97%               | 4.40%               | 15.53%              |

Schedule of Employer Contributions - OPEB  
Year Ended June 30, 2025

|  | 2025          | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution                                  | \$ 344,608    | \$ 624,116    | \$ 306,164    | \$ 817,471    | \$ 275,677    | \$ 748,470    | \$ 222,040    | \$ 1,111,380  | \$ 398,188    |
| Contributions in relation to the actuarially determined contribution | 344,608       | 624,116       | 306,164       | 817,471       | 568,335       | 995,000       | 450,000       | 1,350,000     | -             |
| Contribution deficiency  | \$ -          | \$ -          | \$ -          | \$ -          | \$ (292,658)  | \$ (246,530)  | \$ (227,960)  | \$ (238,620)  | \$ 398,188    |
| Covered-employee payroll   | \$ 24,729,975 | \$ 24,729,975 | \$ 23,349,731 | \$ 22,669,642 | \$ 21,298,220 | \$ 20,577,990 | \$ 18,633,389 | \$ 18,090,669 | \$ 12,384,929 |
| Contributions as a percentage of covered-employee payroll            | 1.39%         | 2.52%         | 1.31%         | 3.61%         | 2.67%         | 4.84%         | 2.42%         | 7.46%         | 0.00%         |

Schedule of Investment Returns - OPEB  
Year Ended June 30, 2025

|   | 2025  | 2024  | 2023  | 2022  | 2021  | 2020  | 2019  | 2018  | 2017  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual money-weighted rate of return, net of investment expense | 1.79% | 1.61% | 1.37% | 1.57% | 1.80% | 1.72% | 1.73% | 1.33% | 1.60% |

See notes to required supplementary information

## School District of River Falls

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability)

Wisconsin Retirement System (WRS)

Year Ended June 30, 2025

| <b>WRS<br/>Year-End Date<br/>(Measurement Date)</b> | <b>District's<br/>Proportion<br/>of the Net<br/>Pension<br/>Asset<br/>(Liability)</b> | <b>District's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Asset<br/>(Liability)</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>District's<br/>Proportionate<br/>Share<br/>of the Net<br/>Pension Asset<br/>(Liability) as a<br/>Percentage of<br/>Covered<br/>Payroll</b> | <b>Plan Fiduciary<br/>Net Position as<br/>a Percentage<br/>of the Total<br/>Pension<br/>Liability</b> |
|---|---|--|---|---|---|
| 12/31/24  | 0.12451980%   | \$ (2,046,066)   | \$ 25,744,591                             | 7.95%   | 98.79%  |
| 12/31/23  | 0.12737895%   | (1,893,877)  | 24,049,287                                | 7.87%   | 98.85%  |
| 12/31/22  | 0.12858997%   | (6,812,315)  | 23,220,647                                | 29.34%  | 95.72%  |
| 12/31/21  | 0.12759375%   | 10,184,291   | 22,387,724                                | 45.49%  | 106.02%   |
| 12/31/20  | 0.00125569%   | 7,839,425  | 21,166,798                                | 37.04%  | 105.26%   |
| 12/31/19  | 0.12436482%   | 4,010,089  | 20,186,129                                | 19.87%  | 102.96%   |
| 12/31/18  | 0.12343193%   | (4,391,321)  | 19,020,887                                | 23.09%  | 96.45%  |
| 12/31/17  | 0.12383660%   | 3,676,855  | 18,300,208                                | 20.09%  | 102.93%   |
| 12/31/16  | 0.12438012%   | (1,025,189)  | 17,827,249                                | 5.75%   | 99.12%  |
| 12/31/15  | 0.12526479%   | (2,035,529)  | 17,754,809                                | 11.46%  | 98.20%  |

Schedule of Employer Contributions  
Wisconsin Retirement System (WRS)  
Year Ended June 30, 2025

| <b>District<br/>Year-End Date</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions<br/>in Relation<br/>to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>Percentage of<br/>Covered<br/>Payroll</b> |
|-----------------------------------|---|--|---|----------------------------|--|
| 06/30/25                          | \$ 1,846,446  | \$ 1,846,446   | \$ -  | \$ 26,660,558              | 6.93%  |
| 06/30/24                          | 1,711,473   | 1,711,473  | -   | 24,690,153                 | 6.93%  |
| 06/30/23                          | 1,605,593   | 1,605,593  | -   | 23,652,353                 | 6.79%  |
| 06/30/22                          | 1,529,418   | 1,529,418  | -   | 22,826,500                 | 6.70%  |
| 06/30/21                          | 1,474,703   | 1,474,703  | -   | 21,847,500                 | 6.75%  |
| 06/30/20                          | 1,384,766   | 1,384,766  | -   | 20,816,876                 | 6.65%  |
| 06/30/19                          | 1,285,268   | 1,285,268  | -   | 19,406,979                 | 6.62%  |
| 06/30/18                          | 1,252,921   | 1,252,921  | -   | 18,566,722                 | 6.75%  |
| 06/30/17                          | 1,309,372   | 1,309,372  | -   | 19,513,271                 | 6.71%  |
| 06/30/16                          | 1,186,152   | 1,186,152  | -   | 17,709,948                 | 6.70%  |

See notes to required supplementary information

## School District of River Falls

Schedule of Employer's Proportionate Share of the Net OPEB Asset (Liability)  
 Wisconsin Local Retiree Life Insurance (LRLIF)  
 Year Ended June 30, 2025

| <u>OPEB<br/>Year-End Date<br/>(Measurement Date)</u> | <u>District's<br/>Proportion<br/>of the Net<br/>OPEB<br/>Asset<br/>(Liability)</u> | <u>District's<br/>Proportionate<br/>Share of the<br/>Net OPEB<br/>Asset<br/>(Liability)</u> | <u>District's<br/>Covered<br/>Payroll</u> | <u>District's<br/>Proportionate<br/>Share<br/>of the Net<br/>OPEB Asset<br/>(Liability) as a<br/>Percentage of<br/>Covered<br/>Payroll</u> | <u>Plan Fiduciary<br/>Net Position as<br/>a Percentage<br/>of the Total<br/>OPEB<br/>Liability</u> |
|--|--|---|---|--|--|
| 12/31/24   | 0.41894800%  | \$ (1,639,033)  | \$ 23,269,000                             | 7.04%  | 37.20%   |
| 12/31/23   | 0.42157900%  | (1,939,539)   | 22,494,000                                | 8.62%  | 33.90%   |
| 12/31/22   | 0.42410300%  | (1,615,759)   | 21,895,000                                | 7.38%  | 38.81%   |
| 12/31/21   | 0.42032600%  | (2,484,282)   | 21,408,000                                | 11.60%   | 29.57%   |
| 12/31/20   | 0.40421500%  | (2,223,474)   | 20,624,000                                | 10.78%   | 31.36%   |
| 12/31/19   | 0.40599900%  | (1,728,823)   | 19,702,000                                | 8.77%  | 37.58%   |
| 12/31/18   | 0.41282700%  | (1,065,233)   | 18,184,000                                | 5.86%  | 48.69%   |
| 12/31/17   | 0.41616000%  | (1,252,051)   | 17,500,712                                | 7.15%  | 44.81%   |

Schedule of Employer Contributions  
 Wisconsin Local Retiree Life Insurance (LRLIF)  
 Year Ended June 30, 2025

| <u>District<br/>Year-End Date</u> | <u>Contractually<br/>Required<br/>Contributions</u> | <u>Contributions<br/>in Relation<br/>to the<br/>Contractually<br/>Required<br/>Contributions</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Contributions<br/>as a Percentage<br/>of<br/>Covered<br/>Payroll</u> |
|-----------------------------------|---|--|---|----------------------------|---|
| 06/30/25                          | \$ 9,042  | 9,042  | \$ -  | \$ 26,660,558              | 0.03%   |
| 06/30/24                          | 8,871   | 8,871  | -   | 24,690,153                 | 0.04%   |
| 06/30/23                          | 8,509   | 8,509  | -   | 21,895,000                 | 0.04%   |
| 06/30/22                          | 8,603   | 8,603  | -   | 21,408,000                 | 0.04%   |
| 06/30/21                          | 8,060   | 8,060  | -   | 20,624,000                 | 0.04%   |
| 06/30/20                          | 8,016   | 8,016  | -   | 20,816,876                 | 0.04%   |
| 06/30/19                          | 7,998   | 7,998  | -   | 19,406,979                 | 0.04%   |
| 06/30/18                          | 8,682   | 8,682  | -   | 18,566,722                 | 0.05%   |

# School District of River Falls

Notes to Required Supplementary Information  
June 30, 2025

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## 1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. A budget has been adopted for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes.

The budgeted amounts presented are as approved in the original budget and as amended during the year. Both the original budget and budget amendments must be approved by Board of Education Resolution.

Appropriations lapse at year-end unless specifically authorized as a carryover by the Board of Education. There were no carryovers to the following year. Budgets are adopted at the two digit sub-function level of expenditure in the general fund and at the one digit function level for all other funds.

## 2. Other Postemployment Benefit (OPEB) Plan

The District implemented GASB Statement No. 74 in fiscal year 2017 and GASB Statement No. 75 in fiscal year 2018. Information prior to those fiscal years is not available.

The District is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

### Changes in Benefit Terms

There were no changes of benefit terms.

### Changes in Assumptions

The expected long-term investment returns were updated as follows:

- Increased to 1.80% in 2025
- Increased to 1.70% in 2024

The discount rates were updated as follows:

- Increased to 3.70% in 2025
- Increased to 3.40% in 2024

## School District of River Falls

Notes to Required Supplementary Information  
June 30, 2025

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### 3. Wisconsin Retirement System (WRS) Pension

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

#### Changes of Benefit Terms

There were no changes of benefit terms for any participating employer in the 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 postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

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

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

### 4. Local Retiree Life Insurance Fund

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

The District is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

## School District of River Falls

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Notes to Required Supplementary Information  
June 30, 2025

### Changes of Benefit Terms

There were no changes of benefit terms for any participating employer in the Local Retiree Life Insurance Fund.

### Changes in 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 OPEB liability beginning with the year-end December 31, 2021, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Price inflation, separation rates and 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**

**School District of River Falls**

Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2025

|  | Special Revenue Funds |                   |                      | Capital<br>Improvement<br>Trust | Total Nonmajor<br>Governmental<br>Funds |
|--|-----------------------|-------------------|----------------------|---------------------------------|---|
|  | Trust<br>Fund         | Food<br>Service   | Community<br>Service |                                 |   |
| <b>Assets</b>                                  |                       |                   |                      |                                 |   |
| Cash and investments                           | \$ 533,999            | \$ 405,641        | \$ 178,380           | \$ 832,774                      | \$ 1,950,794                            |
| Accounts receivable                            | 59                    | -                 | -                    | -                               | 59                                      |
| Due from other funds                           | -                     | -                 | -                    | 850,000                         | 850,000                                 |
| Due from other governments                     | -                     | 13,122            | -                    | -                               | 13,122                                  |
| <b>Total assets</b>                            | <b>\$ 534,058</b>     | <b>\$ 418,763</b> | <b>\$ 178,380</b>    | <b>\$ 1,682,774</b>             | <b>\$ 2,813,975</b>                     |
| <b>Liabilities and Fund Balances</b>           |                       |                   |                      |                                 |   |
| <b>Liabilities</b>                             |                       |                   |                      |                                 |   |
| Accounts payable                               | \$ 9,488              | \$ 51,347         | \$ 24,877            | \$ 138,547                      | \$ 224,259                              |
| Accrued liabilities                            | 121                   | 149               | 25,726               | -                               | 25,996                                  |
| Unearned revenue                               | -                     | 17,585            | -                    | -                               | 17,585                                  |
| <b>Total liabilities</b>                       | <b>9,609</b>          | <b>69,081</b>     | <b>50,603</b>        | <b>138,547</b>                  | <b>267,840</b>                          |
| <b>Fund Balances</b>                           |                       |                   |                      |                                 |   |
| Restricted                                     | 524,449               | 349,682           | 127,777              | 1,544,227                       | 2,546,135                               |
| <b>Total fund balances</b>                     | <b>524,449</b>        | <b>349,682</b>    | <b>127,777</b>       | <b>1,544,227</b>                | <b>2,546,135</b>                        |
| <b>Total liabilities and<br/>fund balances</b> | <b>\$ 534,058</b>     | <b>\$ 418,763</b> | <b>\$ 178,380</b>    | <b>\$ 1,682,774</b>             | <b>\$ 2,813,975</b>                     |

**School District of River Falls**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2025

|   | Special Revenue Funds |                   |                      | Capital<br>Improvement<br>Trust | Total Nonmajor<br>Governmental<br>Funds |
|---|-----------------------|-------------------|----------------------|---------------------------------|---|
|   | Trust<br>Fund         | Food<br>Service   | Community<br>Service |                                 |   |
| <b>Revenues</b>                                 |                       |                   |                      |                                 |   |
| Property taxes                                  | \$ -                  | \$ -              | \$ 220,000           | \$ -                            | \$ 220,000                              |
| Other local sources                             | 161,836               | 1,256,006         | 998,547              | 40,382                          | 2,456,771                               |
| State sources                                   | -                     | 25,315            | -                    | -                               | 25,315                                  |
| Federal sources                                 | -                     | 647,880           | -                    | -                               | 647,880                                 |
| Other sources                                   | 501,764               | -                 | -                    | -                               | 501,764                                 |
| <b>Total revenues</b>                           | <b>663,600</b>        | <b>1,929,201</b>  | <b>1,218,547</b>     | <b>40,382</b>                   | <b>3,851,730</b>                        |
| <b>Expenditures</b>                             |                       |                   |                      |                                 |   |
| Instruction:                                    |                       |                   |                      |                                 |   |
| Other instruction                               | 593,443               | -                 | -                    | -                               | 593,443                                 |
| <b>Total instruction</b>                        | <b>593,443</b>        | <b>-</b>          | <b>-</b>             | <b>-</b>                        | <b>593,443</b>                          |
| Community service                               | -                     | -                 | 1,204,300            | -                               | 1,204,300                               |
| Support services:                               |                       |                   |                      |                                 |   |
| Administration                                  | -                     | -                 | -                    | 402,596                         | 402,596                                 |
| Pupil transportation                            | -                     | -                 | 19,495               | -                               | 19,495                                  |
| Food service                                    | -                     | 1,979,726         | -                    | -                               | 1,979,726                               |
| Other support services                          | 2,200                 | -                 | 44,687               | -                               | 46,887                                  |
| <b>Total support services</b>                   | <b>2,200</b>          | <b>1,979,726</b>  | <b>64,182</b>        | <b>402,596</b>                  | <b>2,448,704</b>                        |
| <b>Total expenditures</b>                       | <b>595,643</b>        | <b>1,979,726</b>  | <b>1,268,482</b>     | <b>402,596</b>                  | <b>4,246,447</b>                        |
| Excess of revenues over<br>(under) expenditures | 67,957                | (50,525)          | (49,935)             | (362,214)                       | (394,717)                               |
| <b>Other Financing Source</b>                   |                       |                   |                      |                                 |   |
| Transfers in                                    | -                     | -                 | -                    | 850,000                         | 850,000                                 |
| Net change in fund balance                      | 67,957                | (50,525)          | (49,935)             | 487,786                         | 455,283                                 |
| <b>Fund Balances, Beginning</b>                 | <b>456,492</b>        | <b>400,207</b>    | <b>177,712</b>       | <b>1,056,441</b>                | <b>2,090,852</b>                        |
| <b>Fund Balances, Ending</b>                    | <b>\$ 524,449</b>     | <b>\$ 349,682</b> | <b>\$ 127,777</b>    | <b>\$ 1,544,227</b>             | <b>\$ 2,546,135</b>                     |

## **OTHER REPORTS**

**Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Education of  
School District of River Falls

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of River Falls (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001, that we consider to be a material weakness.

## **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*.

## **The 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 responses. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
December 11, 2025

## School District of River Falls

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Schedule of Findings and Responses  
Year Ended June 30, 2025

### Financial Statement Findings Required to Be Reported in Accordance With *Government Auditing Standards*

#### **Finding 2025-001: Material Weakness - Internal Control Over Financial Reporting**

*Repeat of Prior Year Finding 2024-001*

*Criteria:* A system of internal control should be in place that provides reasonable assurance that year-end financial statements, including the schedules of expenditures of federal and state awards, are in such a condition that the auditor is not able to identify any material changes as a result of the audit. The District should also present the books and records to the auditor in such a condition that the auditor is not able to identify any material journal entries as a result of the audit procedures.

*Condition:* There is a lack of controls over the year-end financial reporting process. We as your auditors, prepared the District's financial statements, including the schedules of expenditures of federal and state awards.

*Cause:* The District has chosen to have the auditors prepare its annual financial statements, including the schedules of expenditures of federal and state awards.

*Effect:* Because of the lack of controls over year-end financial reporting, your financial statements may be materially misstated before the annual audit is completed. In addition, the annual financial statements and the schedules of expenditures of federal and state awards are not available to the District until they are issued.

*Recommendation:* Most small districts operate with only enough staff to process monthly transactions and reports and will continue to rely on outside consultants to handle year-end financial reporting. The Board of Education should continue to make a reasonable effort to be knowledgeable about the District's financial condition and financial reporting requirements.

*Views of Responsible Officials:* Management agrees with finding 2025-001 and will make efforts to implement recommended procedures.

| Fd     | Sourc | Source                         | 2024-25<br>FY Activity | 2025-26<br>Original Budget | 2025-26<br>FYTD Activity | 2025-26<br>FYTD % | 2024-25<br>FYTD % |
|--------|-------|--------------------------------|------------------------|----------------------------|--------------------------|-------------------|-------------------|
| 10     |       | GENERAL FUND                   |                        |                            |                          |                   |                   |
| 10 211 |       | PROPERTY TAX                   | 17,623,254.00          | 19,954,725.00              | 0.00                     | 0.00              | 0.00              |
| 10 212 |       | CHARGE BACK- PROPERTY TAXES    | 11,903.00              | 1,862.00                   | 0.00                     | 0.00              | 0.00              |
| 10 213 |       | MOBILE HOME TAX                | 8,999.52               | 13,000.00                  | 0.00                     | 0.00              | 0.00              |
| 10 249 |       | BUS TRANSPORTATION REVENUE     | 14,763.03              | 18,000.00                  | 13,096.13                | 72.76             | 38.12             |
| 10 264 |       | Non-Cap Asset Sales            | 976.65                 | 1,000.00                   | 941.45                   | 94.15             | 5.75              |
| 10 271 |       | ADMISSIONS                     | 58,599.00              | 45,000.00                  | 24,849.00                | 55.22             | 62.21             |
| 10 284 |       | INTEREST EARNINGS              | 461,684.82             | 150,000.00                 | 127,994.95               | 85.33             | 58.25             |
| 10 291 |       | GIFTS, FUNDRAISING & CONTRIBUT | 59,164.60              | 40,000.00                  | 9,000.00                 | 22.50             | 70.00             |
| 10 292 |       | STUDENT FEES                   | 242,483.25             | 235,000.00                 | 147,741.37               | 62.87             | 56.79             |
| 10 293 |       | RENTALS                        | 14,146.73              | 7,000.00                   | 11,116.30                | 158.80            | 91.57             |
| 10 297 |       | STUDENT FINES                  | 35.00                  | 0.00                       | 500.00                   | 0.00              | 0.00              |
| 10 343 |       | CO-CURRICULAR COST SHARING     | 16,073.43              | 14,000.00                  | 0.00                     | 0.00              | 0.00              |
| 10 345 |       | OPEN ENROLLMENT                | 1,816,194.00           | 2,168,665.00               | 0.00                     | 0.00              | 0.00              |
| 10 348 |       | TRANSPORTATION FEES - OTHR WI  | 12,118.17              | 5,000.00                   | 322.41                   | 6.45              | 48.65             |
| 10 515 |       | STATE AID THRU CESA            | 595.50                 | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 10 517 |       | FEDERAL AID THRU CESA          | 4,078.20               | 3,500.00                   | 0.00                     | 0.00              | 0.00              |
| 10 612 |       | TRANSPORTATION AID             | 86,101.00              | 85,000.00                  | 0.00                     | 0.00              | 0.00              |
| 10 613 |       | LIBRARY AID                    | 280,659.00             | 280,659.00                 | 0.00                     | 0.00              | 0.00              |
| 10 619 |       | OTHER STATE CATEGORICAL AID    | 40,031.25              | 2,000.00                   | 0.00                     | 0.00              | 135.34            |
| 10 621 |       | STATE EQUALIZATION AID         | 21,889,139.00          | 21,790,947.00              | 3,245,237.00             | 14.89             | 15.61             |
| 10 630 |       | STATE GRANT                    | 185,127.34             | 69,334.00                  | 0.00                     | 0.00              | 0.00              |
| 10 660 |       | DNR - PILT PROGRAM PAYMENTS    | 45,701.16              | 41,000.00                  | 0.00                     | 0.00              | 0.00              |
| 10 691 |       | TAX EXEMPT COMPUTER AID        | 142,488.42             | 142,488.00                 | 0.00                     | 0.00              | 0.00              |
| 10 695 |       | PER PUPIL AID                  | 2,514,638.00           | 2,514,638.00               | 0.00                     | 0.00              | 0.00              |
| 10 699 |       | State Grant-Misc               | 252,976.50             | 239,797.00                 | 0.00                     | 0.00              | 0.00              |
| 10 713 |       | VOCATIONAL ED. ACT             | 19,229.00              | 23,924.00                  | 0.00                     | 0.00              | 0.00              |
| 10 730 |       | FEDERAL GRANT                  | 72,579.55              | 82,118.00                  | 0.00                     | 0.00              | 0.00              |
| 10 751 |       | TITLE 1 GRANT                  | 237,758.59             | 245,146.00                 | 0.00                     | 0.00              | 0.00              |
| 10 780 |       | SBS MEDICAID                   | 154,744.25             | 125,000.00                 | 0.00                     | 0.00              | 0.00              |
| 10 861 |       | CAPITAL ASSET SALE             | 5,654.76               | 5,000.00                   | 4,117.40                 | 82.35             | 64.46             |
| 10 878 |       | CAPITAL LEASES                 | 148,669.00             | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 10 961 |       | CASH ADJUSTMENTS               | 0.00                   | 0.00                       | 32,527.37                | 0.00              | 0.00              |
| 10 964 |       | INSURANCE                      | 16,533.64              | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 10 971 |       | INS DIV / E-RATE               | 111,770.30             | 130,000.00                 | 94,256.45                | 72.50             | 103.58            |
| 10 990 |       | MISC. REFUND                   | 21,086.69              | 5,000.00                   | 82.00                    | 1.64              | 374.56            |
| 10 --- |       | GENERAL FUND                   | 46,569,956.35          | 48,438,803.00              | 3,711,781.83             | 7.66              | 8.61              |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 21     |       | SPECIAL REVENUE FUND           |                        |                            |                          |                   |                   |
| 21 262 |       | NON-CAP FOR RESALE             | 124,076.16             | 0.00                       | 32,489.49                | 0.00              | 0.00              |
| 21 279 |       | OTHER SCHOOL ACTIVITY INCOME   | 161,835.91             | 0.00                       | 40,148.05                | 0.00              | 0.00              |
| 21 291 |       | GIFTS, FUNDRAISING & CONTRIBUT | 377,687.83             | 0.00                       | 226,851.10               | 0.00              | 0.00              |
| 21 --- |       | SPECIAL REVENUE FUND           | 663,599.90             | 0.00                       | 299,488.64               | 0.00              | 0.00              |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 27     |       | SPECIAL EDUCATION FUND         |                        |                            |                          |                   |                   |
| 27 110 |       | OPERATING TRANSFER/GENERAL     | 4,832,054.86           | 4,864,052.00               | 0.00                     | 0.00              | 0.00              |
| 27 346 |       | TUITION - 66:30                | 36,733.71              | 75,654.00                  | 0.00                     | 0.00              | 0.00              |
| 27 446 |       | SPED TUITION NON-WI SCHOOL DIS | 6,953.90               | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 27 611 |       | HANDICAPPED AID                | 1,868,312.00           | 2,660,000.00               | 361,036.00               | 13.57             | 13.50             |
| 27 697 |       | Transition Grant               | 16,109.49              | 20,000.00                  | 0.00                     | 0.00              | 0.00              |

| Fd     | Sourc | Source                         | 2024-25<br>FY Activity | 2025-26<br>Original Budget | 2025-26<br>FYTD Activity | 2025-26<br>FYTD % | 2024-25<br>FYTD % |
|--------|-------|--------------------------------|------------------------|----------------------------|--------------------------|-------------------|-------------------|
| 27     |       | SPECIAL EDUCATION FUND         |                        |                            |                          |                   |                   |
| 27 699 |       | State Grant-Misc               | 12,759.39              | 25,364.00                  | 0.00                     | 0.00              | 11.18             |
| 27 730 |       | FEDERAL GRANT                  | 766,080.15             | 853,021.00                 | 17,023.00                | 2.00              | 0.00              |
| 27 780 |       | SBS MEDICAID                   | 109,297.56             | 100,000.00                 | 0.00                     | 0.00              | 0.08              |
| 27 990 |       | MISC. REFUND                   | 100.00                 | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 27 --- |       | SPECIAL EDUCATION FUND         | 7,648,401.06           | 8,598,091.00               | 378,059.00               | 4.40              | 3.53              |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 39     |       | REFERENDUM APPROVED DEBT SRVC  |                        |                            |                          |                   |                   |
| 39 211 |       | PROPERTY TAX                   | 7,908,636.00           | 7,055,655.00               | 0.00                     | 0.00              | 0.00              |
| 39 284 |       | INTEREST EARNINGS              | 118,332.40             | 52,000.00                  | 28,964.37                | 55.70             | 111.61            |
| 39 968 |       | DEBT ISSUE PREMIUM & ACC. INT. | 367,761.65             | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 39 --- |       | REFERENDUM APPROVED DEBT SRVC  | 8,394,730.05           | 7,107,655.00               | 28,964.37                | 0.41              | 5.52              |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 46     |       | LONG TERM CAPTL IMPVMNT TRUST  |                        |                            |                          |                   |                   |
| 46 110 |       | OPERATING TRANSFER/GENERAL     | 850,000.00             | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 46 284 |       | INTEREST EARNINGS              | 40,382.40              | 25,000.00                  | 24,854.22                | 99.42             | 119.20            |
| 46 --- |       | LONG TERM CAPTL IMPVMNT TRUST  | 890,382.40             | 25,000.00                  | 24,854.22                | 99.42             | 119.20            |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 49     |       | CONSTRUCTION ACCOUNT           |                        |                            |                          |                   |                   |
| 49 284 |       | INTEREST EARNINGS              | 1,045,848.40           | 175,000.00                 | 507,796.67               | 290.17            | 33.00             |
| 49 --- |       | CONSTRUCTION ACCOUNT           | 1,045,848.40           | 175,000.00                 | 507,796.67               | 290.17            | 33.00             |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 50     |       | FOOD SERVICE FUND              |                        |                            |                          |                   |                   |
| 50 251 |       | PUPILS                         | 739,762.18             | 786,525.00                 | 272,526.95               | 34.65             | 33.60             |
| 50 252 |       | ADULTS                         | 21,588.60              | 25,300.00                  | 8,134.30                 | 32.15             | 30.84             |
| 50 259 |       | OTHER FOOD SERV. SALES         | 494,647.65             | 502,075.00                 | 151,528.68               | 30.18             | 31.70             |
| 50 264 |       | Non-Cap Asset Sales            | 0.00                   | 0.00                       | 9,300.00                 | 0.00              | 0.00              |
| 50 284 |       | INTEREST EARNINGS              | 7.67                   | 0.00                       | 3.17                     | 0.00              | 0.00              |
| 50 617 |       | FOOD SERVICE AID-STATE         | 25,314.90              | 24,800.00                  | 0.00                     | 0.00              | 0.00              |
| 50 715 |       | CASH IN LIEU OF COMMODITIES    | 133,375.00             | 125,000.00                 | 47,133.00                | 37.71             | 115.11            |
| 50 717 |       | FOOD SERVICE AID-FEDERAL       | 514,505.24             | 550,000.00                 | 131,295.25               | 23.87             | 20.82             |
| 50 990 |       | MISC. REFUND                   | 0.00                   | 0.00                       | 95.00                    | 0.00              | 0.00              |
| 50 --- |       | FOOD SERVICE FUND              | 1,929,201.24           | 2,013,700.00               | 620,016.35               | 30.79             | 32.40             |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |
| 60     |       | CUSTODIAL FUND                 |                        |                            |                          |                   |                   |
| 60 262 |       | NON-CAP FOR RESALE             | 63,202.55              | 0.00                       | 39,650.11                | 0.00              | 0.00              |
| 60 279 |       | OTHER SCHOOL ACTIVITY INCOME   | 32,045.92              | 0.00                       | 17,561.74                | 0.00              | 0.00              |
| 60 291 |       | GIFTS, FUNDRAISING & CONTRIBUT | 18,513.92              | 0.00                       | 7,971.50                 | 0.00              | 0.00              |
| 60 --- |       | CUSTODIAL FUND                 | 113,762.39             | 0.00                       | 65,183.35                | 0.00              | 0.00              |
|        |       |                                | =====                  | =====                      | =====                    | =====             | =====             |

| Fd Sourc | Source                         | 2024-25<br>FY Activity | 2025-26<br>Original Budget | 2025-26<br>FYTD Activity | 2025-26<br>FYTD % | 2024-25<br>FYTD % |
|----------|--------------------------------|------------------------|----------------------------|--------------------------|-------------------|-------------------|
| 73       | PENSION AND OPEB TRUST FUND    |                        |                            |                          |                   |                   |
| 73 284   | INTEREST EARNINGS              | 84,530.66              | 73,000.00                  | 22,814.76                | 31.25             | 31.82             |
| 73 951   | OPEB ADC CONTRIBUTION          | 344,608.00             | 350,000.00                 | 0.00                     | 0.00              | 0.00              |
| 73 ---   | PENSION AND OPEB TRUST FUND    | 429,138.66             | 423,000.00                 | 22,814.76                | 5.39              | 5.83              |
| =====    |                                |                        |                            |                          |                   |                   |
| 80       | COMMUNITY SERVICE FUND         |                        |                            |                          |                   |                   |
| 80 211   | PROPERTY TAX                   | 220,000.00             | 220,000.00                 | 0.00                     | 0.00              | 0.00              |
| 80 272   | COMMUNITY SERVICE FEES         | 994,626.60             | 1,061,805.00               | 694,567.84               | 65.41             | 62.00             |
| 80 284   | INTEREST EARNINGS              | 1,550.09               | 1,500.00                   | 2,044.79                 | 136.32            | 0.00              |
| 80 291   | GIFTS, FUNDRAISING & CONTRIBUT | 2,370.00               | 2,500.00                   | 810.00                   | 32.40             | 0.00              |
| 80 ---   | COMMUNITY SERVICE FUND         | 1,218,546.69           | 1,285,805.00               | 697,422.63               | 54.24             | 50.82             |
| =====    |                                |                        |                            |                          |                   |                   |

Number of Accounts: 229

\*\*\*\*\* End of report \*\*\*\*\*

| Fd | Object | Expense Object                | 2024-25<br>FY Activity | 2025-26<br>Original Budget | 2025-26<br>FYTD Activity | 2025-26<br>FYTD % | 2024-25<br>FYTD % |
|----|--------|-------------------------------|------------------------|----------------------------|--------------------------|-------------------|-------------------|
| 10 |        | GENERAL FUND                  |                        |                            |                          |                   |                   |
| 10 | 1--    | EMPLOYEE SALARIES             | 22,104,167.35          | 22,968,265.00              | 6,884,452.22             | 29.97             | 29.48             |
| 10 | 2--    | EMPLOYEE BENEFITS             | 8,120,972.86           | 8,998,101.00               | 3,163,347.80             | 35.16             | 35.65             |
| 10 | 3--    | PURCHASED SERVICES            | 6,688,428.08           | 7,790,277.00               | 1,720,849.76             | 22.09             | 28.61             |
| 10 | 4--    | NON-CAPITAL OBJECTS           | 1,492,960.10           | 1,916,683.00               | 654,583.36               | 34.15             | 34.56             |
| 10 | 5--    | CAPITAL OBJECTS               | 1,420,744.30           | 966,120.00                 | 243,805.89               | 25.24             | 73.79             |
| 10 | 6--    | DEBT RETIREMENT               | 369,236.98             | 355,252.00                 | 332,932.27               | 93.72             | 35.58             |
| 10 | 7--    | INSURANCE & JUDGMENTS         | 410,381.92             | 421,774.00                 | 416,609.03               | 98.78             | 100.30            |
| 10 | 8--    | OPERATING TRANSFERS-OUT       | 5,682,054.86           | 4,864,052.00               | 0.00                     | 0.00              | 0.00              |
| 10 | 9--    | OTHER OBJECTS                 | 135,030.11             | 158,279.00                 | 59,761.92                | 37.76             | 42.69             |
| 10 | ---    | GENERAL FUND                  | 46,423,976.56          | 48,438,803.00              | 13,476,342.25            | 27.82             | 29.36             |
|    |        |                               | =====                  | =====                      | =====                    | =====             | =====             |
| 21 |        | SPECIAL REVENUE FUND          |                        |                            |                          |                   |                   |
| 21 | 2--    | EMPLOYEE BENEFITS             | 901.16                 | 0.00                       | 10.58                    | 0.00              | 0.00              |
| 21 | 3--    | PURCHASED SERVICES            | 72,247.79              | 0.00                       | 11,282.03                | 0.00              | 0.00              |
| 21 | 4--    | NON-CAPITAL OBJECTS           | 386,061.65             | 0.00                       | 191,632.78               | 0.00              | 0.00              |
| 21 | 5--    | CAPITAL OBJECTS               | 4,000.00               | 0.00                       | 0.00                     | 0.00              | 0.00              |
| 21 | 9--    | OTHER OBJECTS                 | 132,432.05             | 0.00                       | 41,607.34                | 0.00              | 0.00              |
| 21 | ---    | SPECIAL REVENUE FUND          | 595,642.65             | 0.00                       | 244,532.73               | 0.00              | 0.00              |
|    |        |                               | =====                  | =====                      | =====                    | =====             | =====             |
| 27 |        | SPECIAL EDUCATION FUND        |                        |                            |                          |                   |                   |
| 27 | 1--    | EMPLOYEE SALARIES             | 5,501,524.20           | 6,006,650.00               | 1,602,298.13             | 26.68             | 25.51             |
| 27 | 2--    | EMPLOYEE BENEFITS             | 2,015,110.21           | 2,267,870.00               | 676,871.59               | 29.85             | 29.22             |
| 27 | 3--    | PURCHASED SERVICES            | 91,771.23              | 249,100.00                 | 57,790.64                | 23.20             | 28.41             |
| 27 | 4--    | NON-CAPITAL OBJECTS           | 34,321.72              | 54,700.00                  | 25,429.55                | 46.49             | 38.58             |
| 27 | 5--    | CAPITAL OBJECTS               | 0.00                   | 4,221.00                   | 0.00                     | 0.00              | 0.00              |
| 27 | 9--    | OTHER OBJECTS                 | 5,673.70               | 15,550.00                  | 3,045.24                 | 19.58             | 17.38             |
| 27 | ---    | SPECIAL EDUCATION FUND        | 7,648,401.06           | 8,598,091.00               | 2,365,435.15             | 27.51             | 26.60             |
|    |        |                               | =====                  | =====                      | =====                    | =====             | =====             |
| 39 |        | REFERENDUM APPROVED DEBT SRVC |                        |                            |                          |                   |                   |
| 39 | 6--    | DEBT RETIREMENT               | 9,649,192.50           | 7,146,905.00               | 1,263,452.50             | 17.68             | 8.10              |
| 39 | ---    | REFERENDUM APPROVED DEBT      | 9,649,192.50           | 7,146,905.00               | 1,263,452.50             | 17.68             | 8.10              |
|    |        |                               | =====                  | =====                      | =====                    | =====             | =====             |
| 46 |        | LONG TERM CAPTL IMPVMNT TRUST |                        |                            |                          |                   |                   |
| 46 | 3--    | PURCHASED SERVICES            | 402,596.45             | 650,000.00                 | 627,761.21               | 96.58             | 35.58             |
| 46 | 5--    | CAPITAL OBJECTS               | 0.00                   | 0.00                       | 43,122.27                | 0.00              | 0.00              |
| 46 | ---    | LONG TERM CAPTL IMPVMNT T     | 402,596.45             | 650,000.00                 | 670,883.48               | 103.21            | 35.58             |
|    |        |                               | =====                  | =====                      | =====                    | =====             | =====             |

| Fd                   | Object | Expense Object              | 2024-25<br>FY Activity | 2025-26<br>Original Budget | 2025-26<br>FYTD Activity | 2025-26<br>FYTD % | 2024-25<br>FYTD % |
|----------------------|--------|-----------------------------|------------------------|----------------------------|--------------------------|-------------------|-------------------|
| 49                   |        | CONSTRUCTION ACCOUNT        |                        |                            |                          |                   |                   |
| 49                   | 3--    | PURCHASED SERVICES          | 10,787,061.89          | 17,150,000.00              | 9,359,941.69             | 54.58             | 8.37              |
| 49                   | 4--    | NON-CAPITAL OBJECTS         | 21,902.93              | 0.00                       | 49,640.52                | 0.00              | 0.00              |
| 49                   | 5--    | CAPITAL OBJECTS             | 668,590.44             | 0.00                       | 417,188.29               | 0.00              | 184.14            |
| 49                   | 7--    | INSURANCE & JUDGMENTS       | 13,926.00              | 0.00                       | 1,572.53                 | 0.00              | 0.00              |
| 49                   | ---    | CONSTRUCTION ACCOUNT        | 11,491,481.26          | 17,150,000.00              | 9,828,343.03             | 57.31             | 11.94             |
|                      |        |                             | =====                  | =====                      | =====                    | =====             | =====             |
| 50                   |        | FOOD SERVICE FUND           |                        |                            |                          |                   |                   |
| 50                   | 1--    | EMPLOYEE SALARIES           | 12,207.03              | 13,500.00                  | 3,889.77                 | 28.81             | 25.30             |
| 50                   | 2--    | EMPLOYEE BENEFITS           | 1,715.22               | 1,900.00                   | 500.79                   | 26.36             | 22.67             |
| 50                   | 3--    | PURCHASED SERVICES          | 1,006,192.79           | 1,018,900.00               | 277,754.85               | 27.26             | 26.33             |
| 50                   | 4--    | NON-CAPITAL OBJECTS         | 935,955.42             | 953,500.00                 | 252,277.59               | 26.46             | 29.77             |
| 50                   | 9--    | OTHER OBJECTS               | 23,656.02              | 25,900.00                  | 8,499.25                 | 32.82             | 27.44             |
| 50                   | ---    | FOOD SERVICE FUND           | 1,979,726.48           | 2,013,700.00               | 542,922.25               | 26.96             | 28.01             |
|                      |        |                             | =====                  | =====                      | =====                    | =====             | =====             |
| 60                   |        | CUSTODIAL FUND              |                        |                            |                          |                   |                   |
| 60                   | 2--    | EMPLOYEE BENEFITS           | 0.00                   | 0.00                       | 20.20                    | 0.00              | 0.00              |
| 60                   | 9--    | OTHER OBJECTS               | 115,098.77             | 0.00                       | 31,163.37                | 0.00              | 0.00              |
| 60                   | ---    | CUSTODIAL FUND              | 115,098.77             | 0.00                       | 31,183.57                | 0.00              | 0.00              |
|                      |        |                             | =====                  | =====                      | =====                    | =====             | =====             |
| 73                   |        | PENSION AND OPEB TRUST FUND |                        |                            |                          |                   |                   |
| 73                   | 9--    | OTHER OBJECTS               | 580,877.10             | 565,000.00                 | 0.00                     | 0.00              | 0.00              |
| 73                   | ---    | PENSION AND OPEB TRUST FU   | 580,877.10             | 565,000.00                 | 0.00                     | 0.00              | 0.00              |
|                      |        |                             | =====                  | =====                      | =====                    | =====             | =====             |
| 80                   |        | COMMUNITY SERVICE FUND      |                        |                            |                          |                   |                   |
| 80                   | 1--    | EMPLOYEE SALARIES           | 787,003.86             | 820,059.00                 | 369,138.71               | 45.01             | 49.61             |
| 80                   | 2--    | EMPLOYEE BENEFITS           | 189,331.69             | 208,884.00                 | 92,879.01                | 44.46             | 49.83             |
| 80                   | 3--    | PURCHASED SERVICES          | 114,436.85             | 96,162.00                  | 39,361.12                | 40.93             | 40.38             |
| 80                   | 4--    | NON-CAPITAL OBJECTS         | 63,424.95              | 67,050.00                  | 27,109.47                | 40.43             | 29.86             |
| 80                   | 5--    | CAPITAL OBJECTS             | 16,708.56              | 850.00                     | 686.40                   | 80.75             | 0.00              |
| 80                   | 9--    | OTHER OBJECTS               | 97,576.82              | 92,800.00                  | 66,639.12                | 71.81             | 63.16             |
| 80                   | ---    | COMMUNITY SERVICE FUND      | 1,268,482.73           | 1,285,805.00               | 595,813.83               | 46.34             | 48.62             |
|                      |        |                             | =====                  | =====                      | =====                    | =====             | =====             |
| Grand Expense Totals |        |                             | 80,155,475.56          | 85,848,304.00              | 29,018,908.79            | 33.80             | 24.48             |

Number of Accounts: 2197

| <u>Fd Fund</u>                   | <u>Beginning Balance</u> | <u>November 2025-26 Beginning Balance</u> | <u>Month End Balance Current Year</u> | <u>Month End Balance Prior Year</u> |
|----------------------------------|--------------------------|---|---------------------------------------|-------------------------------------|
| 10 GENERAL FUND                  | 14,719,728.32CR          | 8,201,366.09CR                            | 4,955,167.90CR                        | 4,996,609.54CR                      |
| 21 SPECIAL REVENUE FUND          | 524,449.03CR             | 583,817.55CR                              | 579,404.94CR                          | 464,754.65CR                        |
| 27 SPECIAL EDUCATION FUND        | 0.00                     | 1,585,478.76                              | 1,987,376.15                          | 1,760,036.62                        |
| 39 REFERENDUM APPROVED DEBT SRVC | 1,831,687.07CR           | 594,709.98CR                              | 597,198.94CR                          | 2,745,351.98CR                      |
| 46 LONG TERM CAPTL IMPVMNT TRUST | 1,544,226.96CR           | 894,033.90CR                              | 898,197.70CR                          | 843,082.85CR                        |
| 49 CONSTRUCTION ACCOUNT          | 17,361,520.58CR          | 8,200,662.35CR                            | 8,040,974.22CR                        | 26,786,010.09CR                     |
| 50 FOOD SERVICE FUND             | 349,681.44CR             | 485,722.75CR                              | 426,775.54CR                          | 487,761.75CR                        |
| 60 CUSTODIAL FUND                | 54,103.79CR              | 52,629.42CR                               | 88,103.57CR                           | 54,669.71CR                         |
| 73 PENSION AND OPEB TRUST FUND   | 4,572,549.34CR           | 4,595,364.10CR                            | 4,595,364.10CR                        | 4,744,972.84CR                      |
| 80 COMMUNITY SERVICE FUND        | 127,775.43CR             | 232,499.11CR                              | 229,384.23CR                          | 198,651.39CR                        |
| <b>Grand Equity Totals</b>       | <b>41,085,721.96CR</b>   | <b>22,255,326.49CR</b>                    | <b>18,423,194.99CR</b>                | <b>39,561,828.18CR</b>              |

**Number of Accounts:** 148

\*\*\*\*\* End of report \*\*\*\*\*

**School District of River Falls  
Budget Projections/Estimates**

|                         | 2025-27 Biennium |                 | 2027-29 Biennium |                 | 2029-31 Biennium |                 |                 |
|-------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|
|                         | Previous Year    | Current Year    | Forecast         |                 |                  |                 |                 |
|                         | 2024-25          | 2025-26         | 2026-27          | 2027-28         | 2028-29          | 2029-30         | 2030-31         |
| September FTE           | 3359             | 3279            | 3222             | 3212            | 3176             | 3121            | 3122            |
| Per Pupil Increase      | \$ 325           | \$ 325          | \$ 325           | \$ 325          | \$ 325           | \$ 325          | \$ 325          |
| Property Value Growth   | 6.27%            | 7.39%           | 3%               | 3%              | 3%               | 3%              | 3%              |
| Fund 10 Revenues        | \$ 46,569,958    | \$ 48,412,833   | \$ 50,423,677    | \$ 51,014,139   | \$ 51,477,887    | \$ 52,229,691   | \$ 52,947,415   |
| Fund 10 Expenditures    | \$ 46,150,973    | \$ 48,691,895   | \$ 50,710,001    | \$ 52,651,005   | \$ 54,397,393    | \$ 56,331,853   | \$ 58,468,328   |
| Surplus/Deficit         | \$ -             | \$ (279,062)    | \$ (286,324)     | \$ (1,636,866)  | \$ (2,919,506)   | \$ (4,102,162)  | \$ (5,520,913)  |
| Total Levy              | \$ 25,763,793    | \$ 27,232,242   | \$ 28,792,351    | \$ 30,348,093   | \$ 31,150,356    | \$ 30,962,787   | \$ 32,498,365   |
| Mill Rate               | \$ 7.00          | \$ 6.89         | \$ 7.08          | \$ 7.24         | \$ 7.22          | \$ 6.96         | \$ 7.10         |
| Recurring Referendum \$ | \$ 1,000,000.00  | \$ 1,000,000.00 | \$ 1,000,000.00  | \$ -            | \$ -             | \$ -            | \$ -            |
| Referendum Debt Levy \$ | \$ 7,908,636.00  | \$ 7,055,655.00 | \$ 6,259,055.00  | \$ 6,419,180.00 | \$ 6,625,430.00  | \$ 5,199,005.00 | \$ 5,197,630.00 |

**Special Education State Aid**

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| "In theory" reimbursement rate         | 33.00%          | 42%             | 45%             |
| Actual/Estimated* reimbursement rate   | 30.60%          | 35%             | 40%             |
| Actual/Estimated* reimbursement amount | \$ 1,868,312.00 | \$ 2,406,908.00 | \$ 3,078,444.00 |

1.12.26 F&F