

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Two Rivers Public School District
Two Rivers, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Two Rivers Public School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Two Rivers Public School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Two Rivers Public School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Two Rivers Public School 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 Two Rivers Public School 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 Two Rivers Public School 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 Two Rivers Public School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Wisconsin Retirement System pension schedules, Wisconsin Retirement System Local Retiree Life Insurance Fund schedules, supplemental pension defined benefit plan schedules, and OPEB healthcare defined benefit plan schedules, 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 Two Rivers Public School District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of charter school authorizer operating costs, schedule of expenditures of federal awards, and the schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 combining and individual nonmajor fund financial statements, schedule of charter school authorizer operating costs, schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2025 on our consideration of the Two Rivers Public School 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 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 Two Rivers Public School District's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin
January 3, 2025

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Two Rivers Public School District ("District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District's basic financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Total governmental activities revenue was \$32,277,957 including \$6,075,422 of property taxes, \$18,856,329 of general state and federal aid, and \$2,809,467 of charges for services and operating grants. Total governmental activities expenditures were \$28,889,597; including \$12,703,303 for direct instruction.

The District's financial status, as reflected in total net position, increased by \$3,388,360.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

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. The 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 remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the district-wide statements.

The *notes to the 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.

The major features of the District's financial statements, including the activities reported and the type of information contained is shown in the following table.

Major Features of the District-wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Assets held by the District on behalf of someone else.
Required financial statements	Statement of net position. Statement of activities.	Balance Sheet. Statement of revenues, expenditures and changes in fund balance.	Statement of net position. Statement of changes in net position.
Basis of accounting and measurement focus	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.
Type of asset and liability information	All assets and liabilities; both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.	All additions or deductions during the year, regardless of when cash is received and paid.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of activities reports all revenues and expenses used to support the District. The statement of net position reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources available to support District activities. The two district-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resource, is one way to measure the District's overall financial position. Increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, support services, debt service, capital projects, food service, community programs and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has two kinds of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- *Fiduciary funds* - The District serves as a trustee, or fiduciary, for employees. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2024 compared to 2023. The District's combined net position increased by \$3,388,360 or 16.4% to \$24,100,888.

Table 1 Condensed Statement of Net Position (in thousands of dollars)			
	Governmental Activities		Total % change
	2024	2023	2023 - 2024
Current and other assets	\$ 39,120	\$ 49,725	-21.3%
Capital assets	31,582	15,593	102.5%
Total assets	<u>70,702</u>	<u>65,318</u>	8.2%
Deferred outflows of resources	<u>9,900</u>	<u>14,837</u>	-33.3%
Long-term liabilities			
outstanding	43,289	47,097	-8.1%
Other liabilities	6,422	3,271	96.3%
Total liabilities	<u>49,712</u>	<u>50,368</u>	-1.3%
Deferred inflows of resources	<u>6,790</u>	<u>9,076</u>	-25.2%
Net position:			
Net investment in capital assets	14,524	14,420	0.7%
Restricted	25,288	39,453	-35.9%
Unrestricted	<u>(15,711)</u>	<u>(33,160)</u>	52.6%
Total net position	<u>\$ 24,101</u>	<u>\$ 20,713</u>	16.4%
Note: Totals may not add due to rounding.			

Table 2
Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Total % Change
	2024	2023	2023 - 2024
Revenues			
Program revenues			
Charges for services	\$ 220	\$ 208	5.8%
Operating grants and contributions	2,589	2,453	5.5%
General revenues			
Property taxes	6,075	5,183	17.2%
State and federal aid	18,856	18,734	0.7%
Other	4,537	3,411	33.0%
Total revenues	<u>32,278</u>	<u>29,989</u>	7.6%
Expenses			
Instruction	12,703	13,533	-6.1%
Pupil and instructional services	4,111	4,026	2.1%
Administration and business	7,438	6,944	7.1%
Interest on debt	1,488	1,730	-14.0%
Other	3,150	2,960	6.4%
Total expenses	<u>28,890</u>	<u>29,193</u>	-1.0%
Increase in net position	<u>\$ 3,388</u>	<u>\$ 795</u>	326.2%

Note: Totals may not add due to rounding.

Table 2 provides summarized operating results and their impact on net position.

The District relies primarily on state and federal aids (58.4%) and property taxes (18.8%) to fund governmental activities. These two funding sources make up 77.2% of the total revenues.

Table 3 presents the cost of the five major District activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
(in thousands of dollars)

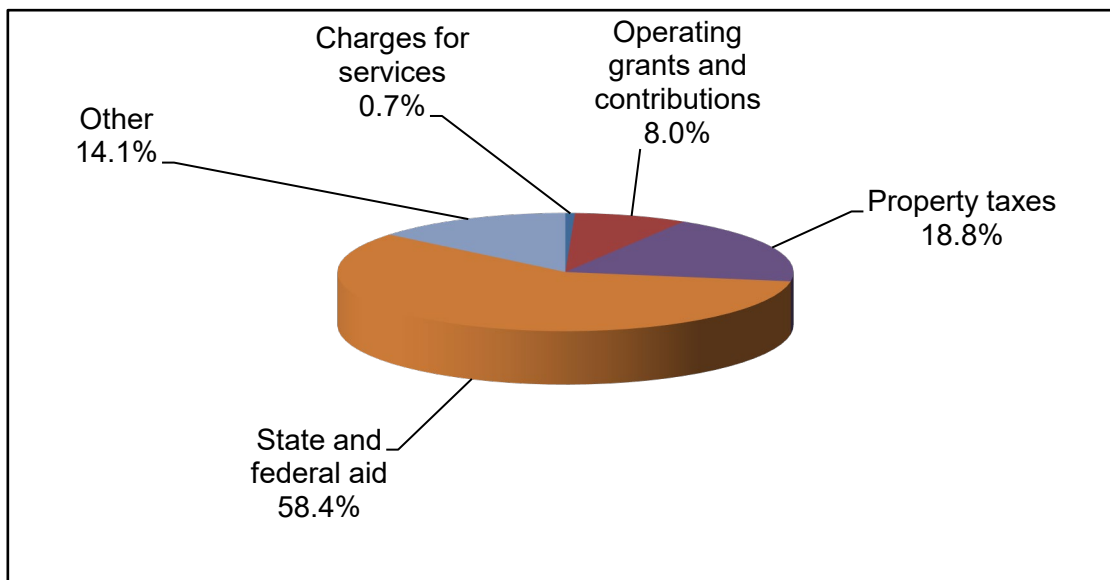
	Net Cost of Services		Total % change
	2024	2023	2023 - 2024
Instruction	\$ 10,998	\$ 11,856	-7.2%
Pupil and instructional services	4,108	4,022	2.1%
Administration and business	6,337	5,965	6.2%
Interest on debt	1,488	1,730	-14.0%
Other	3,150	2,960	6.4%
Total	<u>\$ 26,080</u>	<u>\$ 26,533</u>	-1.7%

Note: Totals may not add due to rounding.

The cost of all governmental activities this year was \$28,889,597. Individuals who directly participated or benefited from a program offering paid for \$220,432 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$2,589,035. The net cost of governmental activities, \$26,080,130, was financed by general revenues of the District.

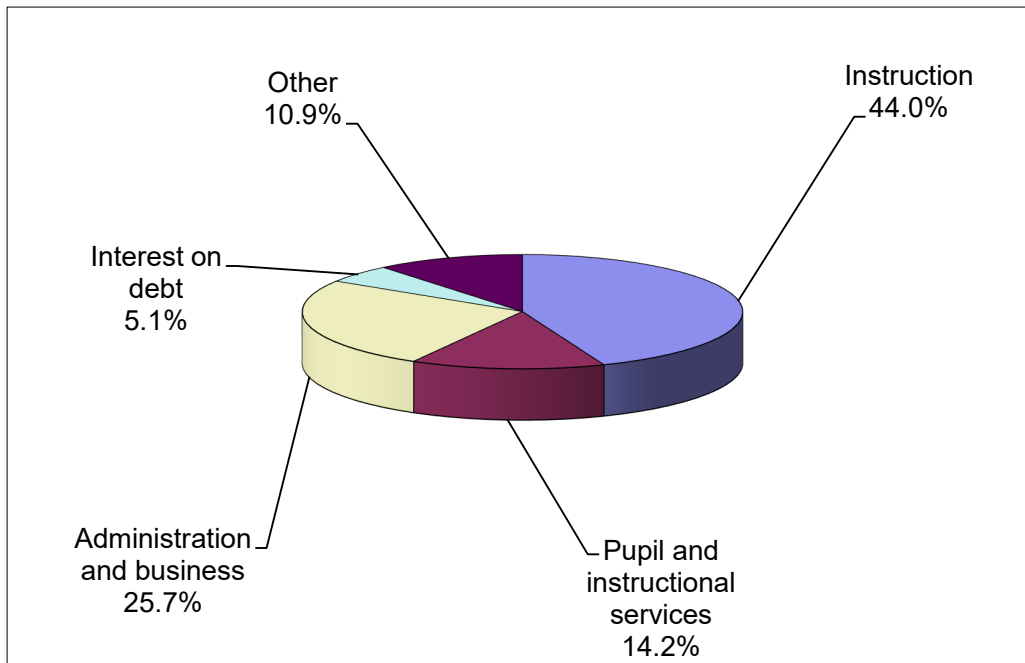
The composition of governmental revenues by type and expenditures by type are illustrated below.

Governmental Activities Revenue by Type
Chart 1



Note: Totals may not add to 100% due to rounding.

Governmental Activities Expenditure by Type
Chart 2



Note: Totals may not add to 100% due to rounding.

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of \$33,216,672 down from last year's ending fund balance of \$46,972,362.

The general fund had an increase in fund balance of \$1,041,075.

The other capital projects fund had an decrease of \$15,760,404.

The other governmental funds had a fund balance increase of \$963,639. The majority of this was from the special revenue trust and community service funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reviews an interim budget in February for the subsequent year (beginning July 1st). Consistent with current state statutes and regulations an original budget is adopted in September, prior to determination of official enrollment and certification of general state aids. Generally, the original budget is not significantly modified.

The District modified its original budget to reflect:

- Reallocation of unspent appropriations to other projects.
- Modification in several state and federal grants.

While the District's final budget for the general fund anticipated that expenditures would exceed revenues by \$5,638, the actual results for the year show revenues exceeded expenditures by \$1,041,075.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024, the District had invested \$52,391,249 in capital assets, including land, land improvements, buildings and equipment (See Table 4). Total accumulated depreciation on these assets is \$20,808,870. Asset acquisitions for governmental activities totaled \$16,688,850. The District recognized depreciation expense of \$699,845 for governmental activities. Detailed information about capital assets can be found in the notes to the financial statements.

Table 4 Capital Assets <i>(net of depreciation, in thousands of dollars)</i>			
	Governmental Activities		Total % change
	2024	2023	2023 - 2024
Land	\$ 625	\$ 625	0.0%
Land improvements	1,821	1,821	0.0%
Buildings	28,094	28,094	0.0%
Equipment	4,402	4,377	0.6%
Construction in progress	17,449	785	2123.2%
Accumulated depreciation	(20,809)	(20,109)	3.5%
Total	<u>\$ 31,582</u>	<u>\$ 15,593</u>	102.5%

Note: Totals may not add due to rounding.

Long-Term Obligations

At year end, the District had \$43,289,467 in bonds payable and other long-term debt outstanding - a decrease of 8.1% from last year (see Table 5). Detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Table 5 Outstanding Long-Term Obligations <i>(in thousands of dollars)</i>			
	Total		Total % change
	2024	2023	2023 - 2024
General obligation debt	\$ 36,664	\$ 37,355	-1.8%
Other	6,625	9,742	-32.0%
Total	<u>\$ 43,289</u>	<u>\$ 47,097</u>	-8.1%

Note: Totals may not add due to rounding.

The District retired \$691,000 of bonds and notes payable during the year.

Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are:

The District's 2023-2024 school year's enrollment decreased by 40 full time equivalent students as compared to the previous year.

The State of Wisconsin has limited revenue growth through legislation. Revenue caps have been in place since the 1993-1994 school year which requires a District to pass a referendum to raise additional revenue. Also, the implementation of the state wide voucher program in Wisconsin has had a financial impact.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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, contact Mary Kay E. Slattery, Finance Director, Two Rivers Public School District, 4521 Lincoln Avenue, Two Rivers, Wisconsin 54241, (920) 793-4560.

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

**BASIC
FINANCIAL STATEMENTS**

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

TWO RIVERS PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current assets	
Cash and investments	\$ 36,642,511
Receivables	
Accounts	28,443
Taxes	1,229,003
Interest	16,920
Due from other governments	943,687
Prepays	259,458
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	18,073,629
Capital assets being depreciated	<u>13,508,750</u>
TOTAL ASSETS	<u>70,702,401</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	8,563,190
Wisconsin Retirement System LRLIF	278,477
OPEB supplemental pension	662,581
OPEB healthcare	<u>395,613</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>9,899,861</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>80,602,262</u>
 LIABILITIES	
Short-term notes payable	750,000
Accounts payable	3,889,077
Accrued liabilities	
Payroll	1,244,391
Interest	523,505
Due to other governments	165
Deposits payable	3,505
Unearned revenue	11,580
Current portion of long-term obligations	2,136,467
Noncurrent portion of long-term obligations	<u>41,153,000</u>
TOTAL LIABILITIES	<u>49,711,690</u>
 DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	5,381,009
Wisconsin Retirement System LRLIF	454,099
OPEB supplemental pension	393,776
OPEB healthcare	<u>560,800</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>6,789,684</u>
 NET POSITION	
Net investment in capital assets	14,523,744
Restricted for	
Special revenue - nonexpendable	525,571
Special revenue	865,188
Debt service	1,026,706
Capital projects	22,837,213
Other activities	33,707
Unrestricted	<u>(15,711,241)</u>
TOTAL NET POSITION	<u>24,100,888</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u>\$ 80,602,262</u>

The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 7,911,450	\$ 22,235	\$ -	\$ (7,889,215)
Vocational instruction	556,628	4,485	-	(552,143)
Special instruction	3,074,101	-	1,626,684	(1,447,417)
Other instruction	1,161,124	51,601	-	(1,109,523)
Total instruction	12,703,303	78,321	1,626,684	(10,998,298)
Support services				
Pupil services	1,347,063	-	-	(1,347,063)
Instructional staff services	2,763,620	2,960	-	(2,760,660)
General administration services	520,245	-	-	(520,245)
Building administration services	1,874,868	-	-	(1,874,868)
Business services	5,043,011	139,151	962,351	(3,941,509)
Central services	49,943	-	-	(49,943)
Insurance	221,898	-	-	(221,898)
Interest and other	1,487,523	-	-	(1,487,523)
Other support services	453,820	-	-	(453,820)
Community services	249,925	-	-	(249,925)
Total support services	14,011,916	142,111	962,351	(12,907,454)
Non-program transactions	2,174,378	-	-	(2,174,378)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 28,889,597	\$ 220,432	\$ 2,589,035	(26,080,130)
General revenues				
Taxes				
Property taxes				6,075,422
State and federal aids not restricted to specific functions				18,856,329
Interest and investment earnings				1,243,506
Miscellaneous				3,293,233
Total general revenues				29,468,490
CHANGE IN NET POSITION				3,388,360
NET POSITION - BEGINNING OF YEAR				20,712,528
NET POSITION - END OF YEAR				\$ 24,100,888

The accompanying notes are an integral part of these statements.

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

TWO RIVERS PUBLIC SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	OTHER CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and investments	\$ 8,329,469	\$ 25,666,577	\$ 2,646,465	\$ 36,642,511
Receivables				
Taxes	710,170	-	518,833	1,229,003
Accounts	20,269	-	8,174	28,443
Interest	16,920	-	-	16,920
Due from other governments	900,072	-	43,615	943,687
Prepaid expenses	259,458	-	-	259,458
TOTAL ASSETS	10,236,358	25,666,577	3,217,087	39,120,022
LIABILITIES				
Short term note payable	750,000	-	-	750,000
Accounts payable	585,114	3,202,795	101,168	3,889,077
Accrued payroll liabilities	1,233,610	-	10,781	1,244,391
Accrued interest	3,438	-	-	3,438
Deposits payable	3,505	-	-	3,505
Due to other governments	165	-	-	165
Unearned revenue	1,194	-	11,580	12,774
TOTAL LIABILITIES	2,577,026	3,202,795	123,529	5,903,350
FUND BALANCES				
Nonspendable	259,458	-	525,571	785,029
Restricted	33,707	22,463,782	2,265,325	24,762,814
Assigned	-	-	302,662	302,662
Unassigned	7,366,167	-	-	7,366,167
TOTAL FUND BALANCES	7,659,332	22,463,782	3,093,558	33,216,672
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,236,358	\$ 25,666,577	\$ 3,217,087	

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets and deferred amounts used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital asset	\$ 52,391,249	
Governmental accumulated depreciation	(20,808,870)	31,582,379

Some revenues are unearned in the funds because they are not available to pay current period's expenditures: 1,194

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements: 3,006,559

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in fund statements: 103,618

Long-term liabilities are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	\$ (36,664,000)	
Premium	(1,645,542)	
Accrued interest	(520,067)	
WRS liability	(1,843,793)	
Net OPEB obligation	(3,136,132)	(43,809,534)

Total net position - governmental activities **\$ 24,100,888**

TWO RIVERS PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	GENERAL FUND	DEBT SERVICE FUND	OTHER CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property taxes	\$ 3,891,078	\$ -	\$ -	\$ 2,184,344	\$ 6,075,422
Other local sources	333,063	-	903,811	606,062	1,842,936
Interdistrict sources	2,836,944	-	-	-	2,836,944
Intermediate sources	32,350	-	-	-	32,350
State sources	17,772,739	-	-	14,155	17,786,894
Federal sources	2,760,913	-	-	871,030	3,631,943
Other sources	65,750	-	-	5,808	71,558
TOTAL REVENUES	27,692,837	-	903,811	3,681,399	32,278,047
EXPENDITURES					
Current					
Instruction					
Regular instruction	8,007,551	-	-	15,202	8,022,753
Vocational instruction	509,515	-	-	10,701	520,216
Special instruction	3,260,888	-	-	-	3,260,888
Other instruction	917,427	-	-	226,401	1,143,828
Total instruction	12,695,381	-	-	252,304	12,947,685
Support services					
Pupil services	1,372,387	-	-	8,590	1,380,977
Instructional staff services	2,578,419	-	-	-	2,578,419
General administration services	510,043	-	-	9,262	519,305
Building administration services	1,296,254	-	-	242	1,296,496
Business services	3,222,156	-	1,038,815	1,015,607	5,276,578
Central services	42,056	-	-	-	42,056
Insurance	221,898	-	-	-	221,898
Other support services	403,512	-	-	3,000	406,512
Community services	-	-	-	248,543	248,543
Total support services	9,646,725	-	1,038,815	1,285,244	11,970,784
Non-program transactions	2,140,753	-	-	33,625	2,174,378
Debt service					
Principal	-	-	-	691,000	691,000
Interest	15,338	-	-	1,558,395	1,573,733
Other	950	-	-	-	950
Total debt service	16,288	-	-	2,249,395	2,265,683
Capital outlay	1,002,615	-	15,625,400	47,192	16,675,207
TOTAL EXPENDITURES	25,501,762	-	16,664,215	3,867,760	46,033,737
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,191,075	-	(15,760,404)	(186,361)	(13,755,690)
OTHER FINANCING (USES) SOURCES					
Net transfer (to) from other funds	(1,150,000)	-	-	1,150,000	-
NET CHANGE IN FUND BALANCE	1,041,075	-	(15,760,404)	963,639	(13,755,690)
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	6,618,257	227,633	38,224,186	1,902,286	46,972,362
CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	-	(227,633)	-	227,633	-
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	6,618,257	-	38,224,186	2,129,919	46,972,362
FUND BALANCE - END OF YEAR	\$ 7,659,332	\$ -	\$ 22,463,782	\$ 3,093,558	\$ 33,216,672

The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds \$ (13,755,690)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported in fund statements	\$ 16,675,207	
Capital outlay reported as other expenses in fund statements	13,643	
Depreciation expense reported in the statement of activities	<u>(699,845)</u>	
Amount by which capital outlays are less than depreciation in the current period:		15,989,005

Wisconsin Retirement System pension asset, deferred inflows of resources, liability, and deferred outflows of resources changes:		187,556
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Wisconsin Retirement System LRLIF deferred inflows of resources, liability, and deferred outflows of resources changes:		(50,223)
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OPEB supplemental pension deferred outflows of resources, liability, and deferred inflows of resources changes:		2,503,582
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OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes:		(2,263,940)
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Certain revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year.		(90)
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

Amount of long-term debt principal payments in the current year is:		691,000
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In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues.

Amount of interest and other debt costs paid during the current period is	\$ 1,574,683	
Amount of interest and other debt costs accrued during the current period is	<u>(1,487,523)</u>	
Interest paid is greater than interest accrued by:		<u>87,160</u>

Change in net position - governmental activities		<u>\$ 3,388,360</u>
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The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2024

	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	EMPLOYEE BENEFIT
ASSETS	
Cash and investments	\$ 955,487
TOTAL ASSETS	955,487
NET POSITION	
Restricted for	
Pension benefits	381,131
Postemployment benefits other than pensions	574,356
TOTAL NET POSITION	955,487
TOTAL LIABILITIES AND NET POSITION	\$ 955,487

The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	PENSION (OTHER EMPLOYEE BENEFIT) TRUST FUND
	<u>EMPLOYEE BENEFIT</u>
ADDITIONS	
Interestment income	\$ 13,584
Contributions	<u>549,966</u>
TOTAL ADDITIONS	<u>563,550</u>
DEDUCTIONS	
Disbursements	<u>499,966</u>
TOTAL DEDUCTIONS	<u>499,966</u>
CHANGE IN NET POSITION	63,584
NET POSITION - BEGINNING OF YEAR	<u>891,903</u>
NET POSITION - END OF YEAR	<u>\$ 955,487</u>

The accompanying notes are an integral part of these statements.

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of the Two Rivers Public School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

Reporting Entity - The Two Rivers Public School District is organized as a unified school district governed by an elected seven-member school board. The District operates grades early childhood through grade 12. The District is comprised of all or parts of two taxing districts.

The District's basic financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund.

Other Capital Projects Fund - are 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.

The District has one fiduciary fund which accounts for an employee benefit trust.

Measurement Focus and Basis of Accounting

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

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

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

The fiduciary fund(s) are reported using the economic resources measurement focus and the accrual basis of accounting.

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, if applicable, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. 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 municipal accounting funds is allocated based on average investment balances.

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The county assumes all responsibility for delinquent real estate property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2023 tax levy is used to finance operations of the District's fiscal year ended June 30, 2024. All property taxes are considered due on January 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

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

Due To/From Other Funds - 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. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenues and expenses.

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Capital Assets - Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at their estimated acquisition value at the date of donation.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 25,000	Straight-line	50 years
Building improvements	\$ 25,000	Straight-line	20 years
Site improvements	\$ 10,000	Straight-line	10-20 years
Furniture and equipment	\$ 1,000	Straight-line	5-15 years
Computer and related technology	\$ 1,000	Straight-line	5 years
Library books *	\$ 1,000	Straight-line	7 years

* For purposes of determining the capitalization threshold for these items the District groups all purchases for the year.

Debt Premiums and Discounts - In the government-wide financial statements, debt premiums and discounts are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

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

Other Post Employment Benefits (OPEB) - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions)

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has four items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, Wisconsin Retirement System Local Retiree Life Insurance Fund (LRLIF), OPEB supplemental pension, and OPEB healthcare reported in the government-wide statement of net position. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, OPEB supplemental pension, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has four types of items, Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, OPEB supplemental pension, and OPEB healthcare, which qualifies for reporting in this category. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, OPEB supplemental pension, and OPEB healthcare results from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the District Administrator and Finance Director to assign fund balances through its fund balance policy, and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against unassigned fund balance,

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

then assigned fund balance, then committed fund balance and lastly to restricted fund balance. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of June 30, 2024, the District had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
State of Wisconsin Investment Pool	Less than one year	\$ 1,013,034
Chevron Texaco Stock	Less than one year	525,571
Mutual fund	Less than one year	955,487
Certificates of deposit	Less than one year	150,216
American Deposit Management	Less than one year	26,722,511
Total		<u>\$ 29,366,819</u>

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the District's position in the Pool is the same as the value of the Pool shares. At June 30, 2024, the Pool's fair value was 100 percent of book value.

Determining Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements:

- 1) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Stock value is determined based on published market quotations (level 1 inputs).
- 3) Mutual fund values are determined based on published market quotations (level 1 inputs).

Income Allocation - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 2 - Cash and Investments - Continued

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than seven years of the date acquired. The District does not have a formal investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. The State of Wisconsin Investment Pool is not rated.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2024, \$21,167,820 of the District's bank balance of \$34,873,116 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by municipal securities held by the bank in the bank's name. There were no deposits that were uninsured and uncollateralized.

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 624,535	\$ -	\$ -	\$ 624,535
Construction in progress	784,878	16,664,216	-	17,449,094
Total capital assets not being depreciated	1,409,413	16,664,216	-	18,073,629
Capital assets being depreciated:				
Land improvements	1,821,199	-	-	1,821,199
Buildings and improvements	28,094,489	-	-	28,094,489
Equipment	4,377,298	24,634	-	4,401,932
Total capital assets being depreciated	34,292,986	24,634	-	34,317,620
Less accumulated depreciation for:				
Land improvements	(1,723,133)	(47,445)	-	(1,770,578)
Buildings and improvements	(14,554,604)	(545,684)	-	(15,100,288)
Equipment	(3,831,288)	(106,716)	-	(3,938,004)
Total accumulated depreciation	(20,109,025)	(699,845)	-	(20,808,870)
Total capital assets being depreciated, net of accumulated depreciation	14,183,961	(675,211)	-	13,508,750
Capital assets, net of accumulated depreciation	\$ 15,593,374	\$ 15,989,005	\$ -	\$ 31,582,379

Depreciation expense was charged to governmental functions as follows:

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 3 - Capital Assets - Continued

Regular instruction	\$ 28,585
Vocational instruction	5,946
Special education instruction	9,352
Other instruction	9,884
Pupil services	1,436
Instructional staff services	528
General administration	6,149
School building administration	604,345
Business services	25,733
Other support services	7,887
Total	<u>\$ 699,845</u>

NOTE 4 - Short-Term Notes Payable

Short-term notes payable issued for working capital are as follows:

<u>Type</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Note payable	<u>\$ 1,000,000</u>	<u>\$ 750,000</u>	<u>\$ 1,000,000</u>	<u>\$ 750,000</u>

NOTE 5 - Long-Term Liabilities

Long-term obligations are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable	\$ 37,355,000	\$ -	\$ (691,000)	\$ 36,664,000	\$ 1,499,000
Premium	1,733,304	-	(87,762)	1,645,542	87,762
Wisconsin Retirement System					
Net pension liability	3,711,938	-	(2,704,779)	1,007,159	-
LRLIF	709,188	127,446	-	836,634	-
OPEB supplemental pension	3,516,392	305,515	(2,940,463)	881,444	224,826
OPEB healthcare	<u>70,730</u>	<u>2,487,196</u>	<u>(303,238)</u>	<u>2,254,688</u>	<u>324,879</u>
Total	<u>\$ 47,096,552</u>	<u>\$ 2,920,157</u>	<u>\$ (6,727,242)</u>	<u>\$ 43,289,467</u>	<u>\$ 2,136,467</u>

In prior years, the general fund liquidated vested employee benefits. Interest costs incurred during the year totaled \$1,486,573. Total interest paid during the year aggregated \$1,573,733 including \$15,338 for short-term borrowing.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 5 - Long-Term Liabilities - Continued

general property taxes. General obligation debt at June 30, 2024 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Refunding bonds	12/1/20	1.03%-1.25%	3/1/25	\$ 264,000
Refunding bonds	3/7/23	4%-5%	3/1/43	36,400,000
Total				<u>\$ 36,664,000</u>

General Obligation Debt Limit Calculation - The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$894,338,049. The legal debt limit and margin of indebtedness as of June 30, 2024, in accordance with section 67.03(1)(b) of Wisconsin Statutes follows:

Debt limit (10% of \$894,338,049)	\$ 89,433,805
Applicable long-term debt	(36,664,000)
Amount available in debt service fund	<u>1,026,706</u>
Margin of indebtedness	<u>\$ 53,796,511</u>

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term principal and interest are as follows:

Year Ending	<u>Bonds</u>		
June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,499,000	\$ 1,529,325	\$ 3,028,325
2026	1,295,000	1,462,775	2,757,775
2027	1,365,000	1,396,275	2,761,275
2028	1,435,000	1,326,275	2,761,275
2029	1,510,000	1,252,650	2,762,650
2030-2034	8,695,000	5,105,800	13,800,800
2035-2039	10,660,000	3,141,000	13,801,000
2040-2043	<u>10,205,000</u>	<u>622,400</u>	<u>10,827,400</u>
	<u>\$ 36,664,000</u>	<u>\$ 15,836,500</u>	<u>\$ 52,500,500</u>

NOTE 6 - Wisconsin Retirement System Pension

General Information about the Pension Plan

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Pension - Continued

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Pension - Continued

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)

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 \$844,902 in contributions from the employer.

Contribution rates as of June 30, 2024 are:

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

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

At June 30, 2024, the District reported a liability (asset) of \$1,007,159 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.0677398%, which was a decrease of 0.00232714% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$698,325.

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Pension - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,060,858	\$ 5,378,630
Net differences between projected and actual earnings on pension plan investments	3,509,787	
Changes in assumptions	438,991	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,447	2,379
Employer contributions subsequent to the measurement date	542,107	-
Total	\$ 8,563,190	\$ 5,381,009

\$542,107 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ 542,141
2026	567,380
2027	2,205,168
2028	(674,615)
Thereafter	-

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments:	1.7%

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Pension - Continued

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

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

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

Asset Allocation Targets and Expected Returns
As of December 31, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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

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

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%.

Single Discount Rate - A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 6 - Wisconsin Retirement System Pension - Continued

single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.8 percent) or 1-percentage point higher (7.8 percent) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 9,734,682	\$ 1,007,159	\$ (5,099,857)

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

Payables to the Pension Plan - The District reported a payable of \$339,932 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund

General Information about the Other Post-Employment Benefits

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

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

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

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

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

Employers are required to pay the following contributions based on 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2024 are:

Coverage Type	Employer Contribution
50% post retirement coverage	40% of employee contribution
25% post retirement coverage	20% of employee 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 employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance
Member Contribution Rates
For the year ended December 31, 2023

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$3,839 in contributions from the employer.

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

At June 30, 2024, the District reported a liability (asset) of \$836,634 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.18185100%, which was a decrease of 0.004296% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of \$54,085.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 74,044
Net differences between projected and actual earnings on OPEB plan investments	11,303	-
Changes in assumptions	261,705	329,448
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,551	50,607
Employer contributions subsequent to the measurement date	1,918	-
Total	\$ 278,477	\$ 454,099

\$1,918 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ (16,570)
2026	(5,443)
2027	(40,057)
2028	(65,517)
Thereafter	(49,953)

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
WRS Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyer GO 20-Bond Municipal index.

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

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

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

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40	2.32
US Mortgages	Barclays US MBS	60	2.52
Inflation			2.3
Long-Term Expected Rate of Return			4.25

Single Discount Rate - A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 7 - Wisconsin Retirement System Local Retirement Life Insurance Fund - Continued

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 payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (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 3.32 percent, 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 (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
District's proportionate share of the net OPEB liability (asset)	\$ 1,124,134	\$ 836,634	\$ 617,178

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

NOTE 8 - Supplemental Pension Defined Benefit Plan

General Information about the Supplemental Pension Plan

Plan Description - The supplemental pension is a single employer defined benefit pension plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Administrators at least age 55 with 12 years of service in the District will receive one-half of their salary at the time of retirement paid out in 36 equal monthly payments. They also may elect cash-in-lieu of medical and dental benefits for a period of three years.

Teachers at least age 55 with 20 consecutive years of service in the District and eligible to retire under the Wisconsin Retirement System who were not on the District's health plan for the entire year prior to retirement shall receive TSA contributions of \$1,000 monthly for 48 months. Monthly payments are prorated based on the employee's percentage worked.

Custodians, secretaries, COTA, and interpreters at least age 55 with 20 consecutive years of service in the District who were not on the District's health plan for the entire year prior to retirement shall receive TSA contributions of \$1,000 monthly for 48 months.

Aides (eligible for retirement at the end of the 2012-13 school year) at least age 55 with 15 consecutive years of full time service in the District and were not on the District's health plan for the entire year prior

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Supplemental Pension Defined Benefit Plan - Continued

to retirement shall receive TSA contributions of \$1,000 monthly for 48 months. Monthly payments are prorated based on the employee's percentage worked.

Aides (not eligible for retirement at the end of the 2012-13 school year) at least age 55 with 20 years of service in the District and were purchasing health insurance for the entire school year prior to retirement shall receive TSA contributions of \$500 monthly for 24 months. Monthly payments are prorated based on the employee's percentage worked.

Employees Covered - As of the June 30, 2023 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>67</u>
Total	<u>83</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance an unfunded accrued liability. For the year ended June 30, 2024, contribution rates for plan members were \$500 - \$3,684 per participant per month and \$500 - \$3,684 from the District, depending on the type of retiree plan. Plan members receiving benefits paid \$0 and the District paid \$224,826 for current year contributions due.

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date of Net Pension Liability:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	2.25%
Discount Rate:	2.25%
Salary Increases:	3%
Mortality:	2020 WRS Experience Tables

Actuarial assumptions are based upon an experience study conducted in 2021 using experience from 2018 - 2020.

Long-Term Expected Return on Plan Assets - The long-term expected real rate of return on plan investments is based off a 20 year AA municipal bond rate. The target allocation for each major asset class are summarized in the following table:

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Supplemental Pension Defined Benefit Plan - Continued

Asset Class	Target Allocation
Mortgages	15%
Bonds	53%
Others	32%

There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Discount Rate - A discount rate of 2.25% was used to measure the total supplemental pension liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the discount rate assumed the 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 of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total supplemental pension liability.

Changes in the Net Supplemental Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Beginning balance	\$ 3,827,967	\$ 311,575	\$ 3,516,392
Changes for the year:			
Service cost	210,559	-	210,559
Interest	84,182	-	84,182
Changes of benefit terms	(2,435,330)	-	(2,435,330)
Differences between expected and actual experience	(77,269)	-	(77,269)
Changes of assumptions or other input	10,774	-	10,774
Contributions - employer	-	423,671	(423,671)
Net investment income	-	4,193	(4,193)
Benefit payments	(383,671)	(383,671)	-
Net changes	(2,590,755)	44,193	(2,634,948)
Ending balance	\$ 1,237,212	\$ 355,768	\$ 881,444

Sensitivity of the Net Supplemental Pension Liability to Changes in the Discount Rate - The following presents the net supplemental pension liability calculated using the discount rate of 2.25 percent, as well as what the net supplemental pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 8 - Supplemental Pension Defined Benefit Plan - Continued

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net supplemental pension liability	\$ 934,009	\$ 881,444	\$ 830,015

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

For the year ended June 30, 2024, the District recognized pension expense (revenue) of \$(2,095,904).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 167,076	\$ 335,395
Net differences between projected and actual earnings on pension plan investments	5,272	-
Changes of assumptions or other input	265,407	58,381
Employer contributions subsequent to the measurement date	224,826	-
Total	\$ 662,581	\$ 393,776

\$224,826 reported as deferred outflows related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ 50,421
2026	49,684
2027	(28,167)
2028	(42,516)
2029	(2,348)
Thereafter	16,905

Payables to the Pension Plan - The District reported a payable of zero for the outstanding amount of contributions to the supplemental pension plan required for the year ended June 30, 2024.

NOTE 9 - Interfund Balance and Activity

Interfund transfers at June 30, 2024 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	Debt service	\$ 1,000,000
General	Long-term Capital improvements	\$ 150,000

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 9 - Interfund Balance and Activity - Continued

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10 - Post Employment Benefits Other Than Pensions

General Information about the Post-Employment Benefits Other Than Pensions

Plan Description - The other post-employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Superintendent at least age 57 with 5 years of service in the District and on the District's health plan for the entire year prior to separation will receive contributions totaling \$48,000 (\$60,000 if at least age 57 with 10 years of service) into a post-employment premium only HRA to be used for continued medical and/or dental insurance until its exhaustion.

Administrators at least age 55 with 12 years of service in the District will receive medical and dental insurance paid by the District for a period of 3 years.

Teachers at least age 55 with 20 consecutive years of service in the District, eligible to retire under the Wisconsin Retirement System, and were on the District's health plan for the entire year prior to retirement will receive contributions totaling \$48,000 into a post-employment premium only HRA to be used for continued medical and/or dental insurance until its exhaustion.

Aides (not eligible for retirement at the end of the 2012-13 school year) at least age 55 with 20 years of experience in the District and were purchasing or were eligible to purchase health insurance for the entire school year prior to retirement will receive contributions totaling \$12,000 into a post-employment premium only HRA. The funds will be disbursed at \$500 per month to be used for continued medical and/or dental insurance for a period of 24 months. Active eligible paraprofessionals as of July 1, 2018 who are eligible for health insurance are also provided this benefit.

Custodians, secretaries, COTA, and interpreters at least age 55 with 20 consecutive years of full-time service in the District and who were on the District's health plan for the entire year prior to retirement will receive contributions totaling \$48,000 into a post-employment premium only HRA. The funds will be disbursed at \$1,000 per month to be used for continued medical and/or dental insurance for a period of 48 months.

Employees Covered - As of the June 30, 2023 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>196</u>
Total	<u>242</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2024,

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 10 - Post Employment Benefits Other Than Pensions - Continued

contribution rates for plan members were \$675 - \$2,019 per participant per month and \$675 - \$2,019 from the District, depending on the type of retiree plan. Plan members receiving benefits contributed \$260 and the District contributed \$324,879 to the plan.

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

Actuarial Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal - Level %
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	2.25%
Discount Rate:	2.25%
Salary Increases:	3%
Mortality:	2020 WRS Experience Mortality Table
Medical Care Cost Trend:	6.5% decreasing by .1% per year to 5% and level thereafter
Dental Care Cost Trend:	5%

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2021. Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System experience from 2018 - 2020.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return on plan investments is based off a 20 year AA municipal bond rate. The target allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Mortgages	15%
Bonds	53%
Others	32%

There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Discount Rate - A discount rate of 2.25% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20 year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability.

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 10 - Post Employment Benefits Other Than Pensions - Continued

Changes in the Net OPEB Healthcare Liability

	Increase (Decrease)		
	Total OPEB Healthcare Liability	Fiduciary Net Position	Net OPEB Healthcare Liability
	(a)	(b)	(a) - (b)
Beginning balance	\$ 599,747	\$ 529,017	\$ 70,730
Changes for the year:			
Service cost	38,352	-	38,352
Interest	13,514	-	13,514
Changes of benefit terms	2,435,330	-	2,435,330
Differences between expected and actual experience	(217,451)	-	(217,451)
Changes of assumptions or other input	(42,095)	-	(42,095)
Contributions - employer	-	36,574	(36,574)
Net investment income	-	7,118	(7,118)
Benefit payments	(36,574)	(36,574)	-
Net changes	2,191,076	7,118	2,183,958
Ending balance	\$ 2,790,823	\$ 536,135	\$ 2,254,688

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

The following presents the net OPEB healthcare liability calculated using the healthcare cost trend rate of 7 percent decreasing to 4.5 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6 percent decreasing to 3.5 percent) or 1-percentage-point higher (8 percent decreasing to 5.5 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (6% decreasing to 3.5%)	Current Healthcare Cost Rate (7% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (8% decreasing to 5.5%)
Net OPEB healthcare liability	\$ 2,226,007	\$ 2,254,688	\$ 2,286,403

Sensitivity of the Net OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the net OPEB healthcare liability calculated using the discount rate of 2.25 percent, as well as what the net OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net OPEB healthcare liability	\$ 2,365,010	\$ 2,254,688	\$ 2,145,025

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

For the year ended June 30, 2024, the District recognized OPEB healthcare expense (revenue) of \$2,405,968. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 10 - Post Employment Benefits Other Than Pensions - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,093	\$ 257,444
Net differences between projected and actual earnings on pension plan investments	8,604	-
Changes of assumptions or other input	18,037	303,356
Employer contributions subsequent to the measurement date	324,879	-
Total	\$ 395,613	\$ 560,800

\$324,879 is reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense (revenue) as follows:

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2025	\$ (70,580)
2026	(72,312)
2027	(72,778)
2028	(73,477)
2029	(52,794)
Thereafter	(148,125)

Payables to the OPEB Healthcare Plan -The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2024.

NOTE 11 - Fund Balance and Net Position

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nondisposable		
General	Prepaid expenses	\$ 259,458
Special revenue trust	Nonexpendable	\$ 525,571
Restricted		
General	Common school fund	\$ 33,707
Special revenue trust	Donor specific expenses	\$ 655,919
Debt service	Principal and interest	\$ 1,026,706
Long-term capital improvements	DPI regulation	\$ 373,431
Other capital projects	DPI regulation	\$ 22,463,782
Food service	DPI regulation	\$ 209,269
Assigned		
Community service	Specific expenses	\$ 302,662

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 11 - Fund Balance and Net Position - Continued

Governmental Activities

Restricted

Special revenue	Nonexpendable	\$ 525,571
Special revenue	Donor specific expenses and DPI regulation	\$ 865,188
Debt service fund	Principal and interest	\$ 1,026,706
Capital projects	DPI regulation	\$ 22,837,213
Other activities	Common school fund	\$ 33,707

NOTE 12 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 13 - Commitments and Contingent Liabilities

The District has a service agreement with Cooperative Education Service Agency #7 for services to be provided to the District in 2024-2025. Expected costs are \$65,899.

The District has a transportation agreement with estimated costs for the following school year:

2024-2025	\$ 804,547
2025-2026	804,547
2026-2027	828,683
Total	<u>\$ 2,437,777</u>

The District is aware that two of their school buildings contain some level of asbestos in which they will incur removal costs upon remodeling, selling, or abandoning these buildings at some future date. However, at this point, the District does not feel they have enough information to reasonably estimate the fair value of the asset retirement obligation and will not record a liability.

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

NOTE 14 - Limitation of School District Revenue

Wisconsin statutes limits the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2024

NOTE 15 - Change Within the Financial Reporting Entity

The debt service fund changed from a major fund to a nonmajor fund.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balance	
	Funds	
	Debt Service	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ 227,633	\$ 1,902,286
Change from major to nonmajor	(227,633)	227,633
June 30, 2023, as restated	\$ -	\$ 2,129,919

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

TWO RIVERS PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	POSITIVE (NEGATIVE)
REVENUES										
Property taxes	\$ 3,435,945	\$ -	\$ 3,435,945	\$ 3,891,078	\$ -	\$ 3,891,078	\$ 3,891,078	\$ -	\$ 3,891,078	\$ -
Other local sources	166,603	-	166,603	337,257	-	337,257	333,063	-	333,063	(4,194)
Interdistrict sources	2,639,615	-	2,639,615	2,838,572	-	2,838,572	2,836,944	-	2,836,944	(1,628)
Intermediate sources	14,032	3,754	17,786	16,697	4,895	21,592	22,169	10,181	32,350	10,758
State sources	16,455,298	1,077,976	17,533,274	16,611,078	1,135,550	17,746,628	16,599,678	1,173,061	17,772,739	26,111
Federal sources	2,117,992	482,160	2,600,152	2,413,220	485,160	2,898,380	2,240,400	520,513	2,760,913	(137,467)
Other sources	37,805	-	37,805	50,158	-	50,158	65,750	-	65,750	15,592
TOTAL REVENUES	24,867,290	1,563,890	26,431,180	26,158,060	1,625,605	27,783,665	25,989,082	1,703,755	27,692,837	(90,828)
EXPENDITURES										
Current										
Instruction										
Regular instruction	9,063,843	-	9,063,843	8,425,136	-	8,425,136	8,007,551	-	8,007,551	417,585
Vocational instruction	579,253	-	579,253	505,838	-	505,838	509,515	-	509,515	(3,677)
Special instruction	-	3,840,421	3,840,421	-	3,388,797	3,388,797	-	3,260,888	3,260,888	127,909
Other instruction	913,451	-	913,451	893,281	-	893,281	917,427	-	917,427	(24,146)
Total instruction	10,556,547	3,840,421	14,396,968	9,824,255	3,388,797	13,213,052	9,434,493	3,260,888	12,695,381	517,671
Support services										
Pupil services	881,194	504,158	1,385,352	1,092,247	399,556	1,491,803	876,650	495,737	1,372,387	119,416
Instructional staff services	2,329,418	421,593	2,751,011	2,361,564	437,434	2,798,998	2,140,830	437,589	2,578,419	220,579
General administration services	429,434	-	429,434	536,195	-	536,195	510,043	-	510,043	26,152
Building administration services	1,243,221	-	1,243,221	1,304,681	-	1,304,681	1,296,254	-	1,296,254	8,427
Business services	3,221,034	3,000	3,224,034	3,277,212	3,000	3,280,212	3,207,785	14,371	3,222,156	58,056
Central services	49,054	-	49,054	58,540	-	58,540	42,056	-	42,056	16,484
Insurance	249,531	-	249,531	221,781	-	221,781	221,898	-	221,898	(117)
Other support services	693,918	-	693,918	467,286	-	467,286	403,512	-	403,512	63,774
Total support services	9,096,804	928,751	10,025,555	9,319,506	839,990	10,159,496	8,699,028	947,697	9,646,725	512,771
Non-program transactions	1,796,050	36,000	1,832,050	2,087,043	36,000	2,123,043	2,090,377	50,376	2,140,753	(17,710)
Debt service										
Interest	9,000	-	9,000	12,320	-	12,320	15,338	-	15,338	(3,018)
Other	950	-	950	950	-	950	950	-	950	-
Total debt service	9,950	-	9,950	13,270	-	13,270	16,288	-	16,288	(3,018)
Capital outlay	166,657	-	166,657	1,119,166	-	1,119,166	1,002,615	-	1,002,615	116,551
TOTAL EXPENDITURES	21,626,008	4,805,172	26,431,180	22,363,240	4,264,787	26,628,027	21,242,801	4,258,961	25,501,762	1,126,265
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,241,282	(3,241,282)	-	3,794,820	(2,639,182)	1,155,638	4,746,281	(2,555,206)	2,191,075	1,035,437
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(3,241,282)	3,241,282	-	(3,794,820)	2,644,820	(1,150,000)	(3,705,206)	2,555,206	(1,150,000)	-
NET CHANGE IN FUND BALANCE	-	-	-	-	5,638	5,638	1,041,075	-	1,041,075	1,035,437
FUND BALANCE - BEGINNING OF YEAR	6,618,257	-	6,618,257	6,618,257	-	6,618,257	6,618,257	-	6,618,257	-
FUND BALANCE - END OF YEAR	\$ 6,618,257	\$ -	\$ 6,618,257	\$ 6,618,257	\$ 5,638	\$ 6,623,895	\$ 7,659,332	\$ -	\$ 7,659,332	\$ 1,035,437

The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2024

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Based upon requests from District staff, District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the public budget hearing, the Board of Education may alter the proposed budget.
5. After the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
6. Appropriations lapse at year-end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
7. Encumbrance accounting is not used by the District.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following expenditure classifications were in excess of \$1,000 over budget.

General/Special Education	Vocational instruction	\$	3,677
General/Special Education	Other instruction		24,146
General/Special Education	Non-program transactions		17,710
General/Special Education	Interest		3,018

TWO RIVERS PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years *

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.06773980%	\$ 1,007,159	\$ 12,678,200	7.94%	98.85%
2022	0.07006694%	3,711,938	12,388,049	29.96%	95.72%
2021	0.07047176%	(5,680,153)	12,076,418	-47.04%	106.02%
2020	0.07059778%	(4,407,517)	12,001,629	-36.72%	105.26%
2019	0.07063419%	(2,277,568)	11,117,641	-20.49%	102.96%
2018	0.07159165%	2,547,006	10,810,781	23.56%	96.45%
2017	0.07213492%	(2,141,771)	10,721,264	-19.98%	102.93%
2016	0.07193179%	592,890	10,455,412	5.67%	99.12%
2015	0.07283533%	1,183,560	10,212,460	11.59%	98.20%
2014	0.07448748%	(1,829,616)	10,020,734	-18.26%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 884,902	\$ (884,902)	\$ -	\$ 12,897,729	6.86%
2023	836,866	(836,866)	-	12,522,387	6.68%
2022	805,467	(805,467)	-	12,076,418	6.67%
2021	810,659	(810,659)	-	12,001,629	6.75%
2020	728,208	(728,208)	-	11,117,641	6.55%
2019	724,322	(724,322)	-	10,810,781	6.70%
2018	729,046	(729,046)	-	10,721,264	6.80%
2017	690,055	(690,055)	-	10,455,412	6.60%
2016	694,444	(694,444)	-	10,212,460	6.80%
2015	701,451	(701,451)	-	10,020,734	7.00%

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

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Changes to benefit terms - There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Change 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 ended December 31, 2021, including the following:

- * Lowering the long-term expected rate of return from 7% to 6.8%
- * Lowering the discount rate from 7% to 6.8%
- * Lowering the price inflation rate from 2.5% to 2.4%
- * Lowering the post-retirement adjustments from 1.9% to 1.7%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

- * Lowering the long-term expected rate of return from 7.2% to 7%
- * Lowering the discount rate from 7.2% to 7%
- * Lowering the wage inflation rate from 3.2% to 3%
- * Lowering the price inflation rate from 2.7% to 2.5%
- * Lowering the post-retirement adjustments from 2.1% to 1.9%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

TWO RIVERS PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2024

Notes to Required Supplementary Information for the Year Ended June 30, 2024 - Continued

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

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

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2024

Notes to Required Supplementary Information for the Year Ended June 30, 2024 - Continued

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

TWO RIVERS PUBLIC SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED JUNE 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Fiscal Years *

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2023	0.181851%	\$ 836,634	\$ 10,586,000	7.90%	33.90%
2022	0.186147%	709,188	10,467,000	6.78%	38.81%
2021	0.190013%	1,123,047	10,454,000	10.74%	29.57%
2020	0.198633%	1,092,625	10,024,000	10.90%	31.36%
2019	0.198532%	845,388	9,568,000	8.84%	37.58%
2018	0.195823%	505,289	9,256,000	5.46%	48.69%
2017	0.193446%	581,998	8,134,958	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 3,839	\$ (3,839)	\$ -	\$ 10,874,000	0.04%
2023	3,576	(3,576)	-	10,674,000	0.03%
2022	3,734	(3,734)	-	10,454,000	0.04%
2021	3,960	(3,960)	-	10,024,000	0.04%
2020	3,589	(3,589)	-	9,568,000	0.04%
2019	3,772	(3,772)	-	9,256,000	0.04%
2018	3,673	(3,673)	-	8,134,958	0.05%

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

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Changes of benefit terms - There were no changes of benefit terms for any participating employer in the local retiree life insurance fund.

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

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

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

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

- * Lowering the long-term expected rate of return from 5% to 4.25%
- * Lowering the wage inflation rate from 3.2% to 3%
- * Lowering the price inflation rate from 2.7% to 2.5%
- * Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality table.

TWO RIVERS PUBLIC SCHOOL DISTRICT
SUPPLEMENTAL PENSION DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 210,559	\$ 205,926	\$ 209,561	\$ 170,584	\$ 175,501	\$ 182,195	\$ 219,088	\$ 194,343	\$ 124,717	\$ 124,717
Interest	84,182	86,295	85,270	126,478	141,228	131,872	124,755	149,086	159,450	166,189
Changes of benefit terms	(2,435,330)	-	(1,161)	-	97,295	-	-	-	-	-
Differences between expected and actual experience	(77,269)	2,688	132,052	-	(190,638)	-	(441,597)	-	378,637	-
Changes of assumptions or other input	10,774	-	-	200,425	(65,535)	(43,847)	(7,437)	152,881	474,567	-
Benefit payments	(383,671)	(398,641)	(358,070)	(323,600)	(292,065)	(245,019)	(289,213)	(362,358)	(408,787)	(442,556)
Net Changes in Total Pension Liability	(2,590,755)	(103,732)	67,652	173,887	(134,214)	25,201	(394,404)	133,952	728,584	(151,650)
Total Pension Liability - Beginning	3,827,967	3,931,699	3,864,047	3,690,160	3,824,374	3,799,173	4,193,577	4,059,625	3,331,041	3,482,691
Total Pension Liability - Ending (a)	\$ 1,237,212	\$ 3,827,967	\$ 3,931,699	\$ 3,864,047	\$ 3,690,160	\$ 3,824,374	\$ 3,799,173	\$ 4,193,577	\$ 4,059,625	\$ 3,331,041
Plan Fiduciary Net Position										
Contributions - employer	\$ 423,671	\$ 433,642	\$ 393,070	\$ 143,965	\$ 327,063	\$ 280,019	\$ 304,193	\$ 396,959	\$ 444,050	\$ 466,926
Net investment income	4,193	4,281	4,186	7,369	5,715	4,794	5,219	5,170	5,124	6,985
Benefit payments	(383,671)	(398,641)	(358,070)	(323,600)	(292,065)	(245,019)	(289,213)	(362,358)	(408,787)	(442,556)
Net Changes in Plan Fiduciary Net Position	44,193	39,282	39,186	(172,266)	40,713	39,794	20,199	39,771	40,387	31,355
Plan Fiduciary Net Position - Beginning	311,575	272,293	233,107	405,373	364,660	324,866	304,667	264,896	224,509	193,154
Plan Fiduciary Net Position - Ending (b)	\$ 355,768	\$ 311,575	\$ 272,293	\$ 233,107	\$ 405,373	\$ 364,660	\$ 324,866	\$ 304,667	\$ 264,896	\$ 224,509
Net Pension Liability - Ending (a) - (b)	\$ 881,444	\$ 3,516,392	\$ 3,659,406	\$ 3,630,940	\$ 3,284,787	\$ 3,459,714	\$ 3,474,307	\$ 3,888,910	\$ 3,794,729	\$ 3,106,532
Plan fiduciary net position as a percentage of the total pension liability	28.76%	8.14%	6.93%	6.03%	10.99%	9.54%	8.55%	7.27%	6.53%	6.74%
Covered payroll	\$ 3,948,612	\$ 11,306,656	\$ 11,306,656	\$ 10,920,118	\$ 10,920,118	\$ 9,914,488	\$ 9,914,488	\$ 9,259,932	\$ 9,259,932	\$ 8,971,643
Net pension liability as a percentage of covered payroll	22.32%	31.10%	32.37%	33.25%	30.08%	34.90%	35.04%	42.00%	40.98%	34.63%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 439,792	\$ 439,792	\$ 386,843	\$ 355,153	\$ 377,475	\$ 377,475	\$ 414,468	\$ 414,468	\$ 514,399	\$ 514,399
Contributions in relation to the actuarially determined contributions	(423,671)	(433,642)	(393,070)	(143,965)	(327,063)	(280,019)	(304,193)	(396,959)	(444,050)	(466,926)
Contribution deficiency (excess)	<u>\$ 16,121</u>	<u>\$ 6,150</u>	<u>\$ (6,227)</u>	<u>\$ 211,188</u>	<u>\$ 50,412</u>	<u>\$ 97,456</u>	<u>\$ 110,275</u>	<u>\$ 17,509</u>	<u>\$ 70,349</u>	<u>\$ 47,473</u>
Covered payroll	\$ 3,948,612	\$ 11,306,656	\$ 11,306,656	\$ 10,920,118	\$ 10,920,118	\$ 9,914,488	\$ 9,914,488	\$ 9,259,932	\$ 9,259,932	\$ 8,971,643
Contributions as a percentage of covered payroll	10.73%	3.84%	3.48%	1.32%	3.00%	2.82%	3.07%	4.29%	4.80%	5.20%
Actuarial valuation date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2015	6/30/2015	6/30/2014
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % open amortization, fair value asset valuation, 2.25% discount rate, 2% inflation, 3% salary increases, 2020 WRS Experience Tables.

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions - there were no changes in assumptions.

TWO RIVERS PUBLIC SCHOOL DISTRICT
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CHANGES IN THE NET OPEB HEALTHCARE LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Healthcare Liability								
Service cost	\$ 38,352	\$ 37,508	\$ 36,784	\$ 29,982	\$ 49,079	\$ 50,963	\$ 65,881	\$ 65,881
Interest	13,514	13,658	13,421	19,639	35,800	32,685	34,264	36,024
Changes of benefit terms	2,435,330	-	(7,389)	-	(97,295)	-	-	-
Differences between expected and actual experience	(217,451)	(21,200)	51,150	-	(77,760)	-	18,947	-
Changes of assumptions or other input	(42,095)	-	(44,062)	28,345	(247,066)	(10,643)	(256,982)	-
Benefit payments	(36,574)	(36,942)	(42,596)	(49,328)	(44,213)	(58,269)	(67,587)	(253,588)
Net Changes in Total OPEB Healthcare Liability	2,191,076	(6,976)	7,308	28,638	(381,455)	14,736	(205,477)	(151,683)
Total OPEB Healthcare Liability - Beginning	599,747	606,723	599,415	570,777	952,232	937,496	1,142,973	1,294,656
Total OPEB Healthcare Liability - Ending (a)	\$ 2,790,823	\$ 599,747	\$ 606,723	\$ 599,415	\$ 570,777	\$ 952,232	\$ 937,496	\$ 1,142,973
Plan Fiduciary Net Position								
Contributions - employer	\$ 36,574	\$ 36,942	\$ 42,596	\$ 263,962	\$ 44,213	\$ 58,269	\$ 67,587	\$ 253,588
Net investment income	7,118	8,191	9,188	5,303	4,501	4,176	4,766	5,326
Benefit payments	(36,574)	(36,942)	(42,596)	(49,328)	(44,213)	(58,269)	(67,587)	(253,588)
Net Changes in Plan Fiduciary Net Position	7,118	8,191	9,188	219,937	4,501	4,176	4,766	5,326
Plan Fiduciary Net Position - Beginning	529,017	520,826	511,638	291,701	287,200	283,024	278,258	272,932
Plan Fiduciary Net Position - Ending (b)	\$ 536,135	\$ 529,017	\$ 520,826	\$ 511,638	\$ 291,701	\$ 287,200	\$ 283,024	\$ 278,258
Net OPEB Healthcare Liability - Ending (a) - (b)	\$ 2,254,688	\$ 70,730	\$ 85,897	\$ 87,777	\$ 279,076	\$ 665,032	\$ 654,472	\$ 864,715
Plan fiduciary net position as a percentage of the total OPEB Healthcare Liability	19.21%	88.21%	85.84%	85.36%	51.11%	30.16%	30.19%	24.35%
Covered payroll	\$ 11,519,661	\$ 11,306,656	\$ 11,306,656	\$ 10,937,127	\$ 10,937,127	\$ 9,914,487	\$ 9,914,487	\$ 8,480,426
Net OPEB Healthcare Liability as a percentage of covered payroll	19.57%	0.63%	0.76%	0.80%	2.55%	6.71%	6.60%	10.20%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ 42,320	\$ 42,320	\$ 46,205	\$ 177,937	\$ 88,331	\$ 88,331	\$ 119,672	\$ 119,672
Contributions in relation to the actuarially determined contributions	(36,574)	(36,942)	(42,596)	(263,962)	(44,213)	(58,269)	(67,587)	(253,588)
Contribution deficiency (excess)	\$ 5,746	\$ 5,378	\$ 3,609	\$ (86,025)	\$ 44,118	\$ 30,062	\$ 52,085	\$ (133,916)
Covered payroll	\$ 11,519,661	\$ 11,306,656	\$ 11,306,656	\$ 10,937,127	\$ 10,937,127	\$ 9,914,487	\$ 9,914,487	\$ 8,480,426
Contributions as a percentage of covered payroll	0.32%	0.33%	0.38%	2.41%	0.40%	0.59%	0.68%	2.99%
Actuarial valuation date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017	7/1/2015
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2017. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Methods and assumptions used to determine actuarial calculations - entry age normal cost, level % open amortization, fair value asset valuation, 2.25% discount rate, 2% inflation, 3% salary increases, 2020 WRS Experience Tables.

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions - there were no changes in assumptions.

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN
SUPPLEMENTARY INFORMATION**

TWO RIVERS PUBLIC SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			DEBT	LONG-TERM	TOTAL
	SPECIAL	FOOD	COMMUNITY	SERVICE	CAPITAL	NONMAJOR
	REVENUE	SERVICE	SERVICE	FUND	IMPROVEMENTS	GOVERNMENTAL
	TRUST					FUNDS
ASSETS						
Cash and investments	\$ 1,185,034	\$ 187,565	\$ 392,562	\$ 507,873	\$ 373,431	\$ 2,646,465
Taxes receivable	-	-	-	518,833	-	518,833
Accounts receivable	-	8,174	-	-	-	8,174
Due from other governments	-	43,615	-	-	-	43,615
TOTAL ASSETS	1,185,034	239,354	392,562	1,026,706	373,431	3,217,087
LIABILITIES						
Short term notes payable						
Accounts payable	3,544	9,600	88,024	-	-	101,168
Accrued payroll liabilities	-	8,905	1,876	-	-	10,781
Unearned revenue	-	11,580	-	-	-	11,580
TOTAL LIABILITIES	3,544	30,085	89,900	-	-	123,529
FUND BALANCES						
Nonspendable	525,571	-	-	-	-	525,571
Restricted	655,919	209,269	-	1,026,706	373,431	2,265,325
Assigned	-	-	302,662	-	-	302,662
TOTAL FUND BALANCES	1,181,490	209,269	302,662	1,026,706	373,431	3,093,558
TOTAL LIABILITIES AND						
FUND BALANCES	\$ 1,185,034	\$ 239,354	\$ 392,562	\$ 1,026,706	\$ 373,431	\$ 3,217,087

TWO RIVERS PUBLIC SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE TRUST	FOOD SERVICE	COMMUNITY SERVICE	DEBT SERVICE FUND	LONG-TERM CAPITAL IMPROVEMENTS	
REVENUES						
Property taxes	\$ -	\$ -	\$ 158,000	\$ 2,026,344	\$ -	\$ 2,184,344
Other local sources	401,088	157,526	14,815	22,124	10,509	606,062
State sources	-	14,155	-	-	-	14,155
Federal sources	-	871,030	-	-	-	871,030
Other sources	5,074	734	-	-	-	5,808
TOTAL REVENUES	<u>406,162</u>	<u>1,043,445</u>	<u>172,815</u>	<u>2,048,468</u>	<u>10,509</u>	<u>3,681,399</u>
EXPENDITURES						
Current						
Instruction						
Regular instruction	15,202	-	-	-	-	15,202
Vocational instruction	10,701	-	-	-	-	10,701
Other instruction	226,401	-	-	-	-	226,401
Total instruction	<u>252,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,304</u>
Support service						
Pupil services	8,590	-	-	-	-	8,590
General administration services	9,262	-	-	-	-	9,262
Building administration services	242	-	-	-	-	242
Business services	3,761	1,011,846	-	-	-	1,015,607
Other support services	-	-	3,000	-	-	3,000
Community services	-	-	248,543	-	-	248,543
Total support services	<u>21,855</u>	<u>1,011,846</u>	<u>251,543</u>	<u>-</u>	<u>-</u>	<u>1,285,244</u>
Non-program transactions	<u>33,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,625</u>
Debt service						
Principal	-	-	-	691,000	-	691,000
Interest	-	-	-	1,558,395	-	1,558,395
Capital outlay	<u>31,855</u>	<u>13,161</u>	<u>2,176</u>	<u>-</u>	<u>-</u>	<u>47,192</u>
TOTAL EXPENDITURES	<u>339,639</u>	<u>1,025,007</u>	<u>253,719</u>	<u>2,249,395</u>	<u>-</u>	<u>3,867,760</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>66,523</u>	<u>18,438</u>	<u>(80,904)</u>	<u>(200,927)</u>	<u>10,509</u>	<u>(186,361)</u>
OTHER FINANCING SOURCES						
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>150,000</u>	<u>1,150,000</u>
NET CHANGE IN FUND BALANCE	<u>66,523</u>	<u>18,438</u>	<u>(80,904)</u>	<u>799,073</u>	<u>160,509</u>	<u>963,639</u>
FUND BALANCES - BEGINNING OF YEAR,						
AS PREVIOUSLY REPORTED	1,114,967	190,831	383,566	-	212,922	1,902,286
CHANGE WITHIN THE FINANCIAL REPORTING ENTITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,633</u>	<u>-</u>	<u>227,633</u>
FUND BALANCES - BEGINNING OF YEAR,						
AS RESTATED	<u>1,114,967</u>	<u>190,831</u>	<u>383,566</u>	<u>227,633</u>	<u>212,922</u>	<u>2,129,919</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,181,490</u>	<u>\$ 209,269</u>	<u>\$ 302,662</u>	<u>\$ 1,026,706</u>	<u>\$ 373,431</u>	<u>\$ 3,093,558</u>

TWO RIVERS PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2024

<u>OPERATING ACTIVITY</u>	<u>WUFAR OBJECT CODE</u>	<u>COST</u>
Employee salary	100	\$ -
Employee benefits	200	-
Purchased services	300	-
Non-capital objects	400	-
Capital objects	500	-
Insurance and judgements	700	-
Total		<u>\$ -</u>

TWO RIVERS PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED RECEIVABLE (UNEARNED REVENUE) JULY 1, 2023	REVENUES GRANTOR REIMBURSE- MENTS	EXPENDITURES	ACCRUED RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2024	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE								
Wisconsin Department of Public Instruction								
<u>Child Nutrition Cluster</u>								
School Breakfast Program July 1, 2023 - June 30, 2024	2024-365824-DPI-SB-SEVERE-546	10.553	N/A	\$ -	\$ 192,745	\$ 192,745	\$ -	\$ -
Food Distribution July 1, 2023 - June 30, 2024	None	10.555	N/A	-	81,733	81,733	-	-
National School Lunch Program July 1, 2023 - June 30, 2024	2024-365824-DPI-NSL-547	10.555	N/A	-	532,690	532,690	-	-
Summer Food Service Program July 1, 2023 - June 30, 2024	2024-365824-DPI-NSL-547	10.559	N/A	-	-	37,922	37,922	-
Fresh Fruit and Vegetable Program July 1, 2023 - June 30, 2024	2024-365824-DPI-FFVPPUB-594	10.582	N/A	-	3,799	3,799	-	-
Fresh Fruit and Vegetable Program July 1, 2022 - June 30, 2023	2023-365824-DPI-FFVPOCTPUB-376	10.582	N/A	-	-	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-FFVPOCTPUB-376		N/A	-	16,447	22,140	5,693	-
Total Child Nutrition Cluster				-	827,414	871,029	43,615	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				-	827,414	871,029	43,615	-
FEDERAL COMMUNICATIONS COMMISSION								
Universal Service Administration Company								
Emergency Connectivity Fund Program (ARPA) July 1, 2022 - June 30, 2023	None	32.009	N/A	-	66,000	66,000	-	-
U.S. DEPARTMENT OF EDUCATION								
Wisconsin Department of Public Instruction								
<u>Title 1A - Grants to Local Educational Agencies</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-T1A-141	84.010	N/A	99,396	99,396	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-T1A-141		\$ 414,682	-	285,978	413,904	127,926	-
Total Title 1 A Cluster				99,396	451,374	479,904	127,926	-
<u>Special Education Cluster</u>								
<u>Special Education - Grants to States IDEA (Flow Thru)</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-FLOW-341	84.027A	N/A	227,436	227,436	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-FLOW-341		507,200	-	224,406	342,577	118,171	-
<u>Special Education - Grants to States - Discretionary</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-RIP-LEA-342	84.027A	N/A	6,450	6,450	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-RTPIC-342		16,000	-	-	16,000	16,000	-
<u>Special Education - Preschool Grants</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-PRESCH-347	84.173A	N/A	2,785	2,785	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-PRESCH-347		38,500	-	2,488	36,427	33,939	-
Total Special Education Cluster				236,671	463,565	395,004	168,110	-
<u>Title II-A - Supporting Effective Instruction State Grant</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-TIIA-365	84.367A	N/A	7,313	7,313	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-TIIA-365		65,985	-	38,473	65,985	27,512	-
<u>Title IV-A - Student Support & Academic Enrichment</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-TIVA-381	84.424A	N/A	4,140	4,140	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-TIVA-381		32,675	-	-	18,099	18,099	-
<u>Education Stabilization Fund</u>								
<u>COVID-19 - Elementary and Secondary School Emergency Relief</u>								
March 13, 2020 - September 30, 2023	2023-365824-DPI-ESSERFII-163	84.425D	N/A	352,526	352,526	-	-	-
March 13, 2020 - September 30, 2023	2024-365824-DPI-ESSERFII-163		1,006,900	-	55,835	55,835	-	-
<u>COVID-19 - Elementary and Secondary School Emergency Relief</u>								
March 13, 2020 - September 30, 2024	2023-365824-DPI-ESSERFIII-165	84.425U	N/A	360,270	360,270	-	-	-
March 13, 2020 - September 30, 2024	2024-365824-DPI-ESSERFIII-165		2,223,322	-	875,256	1,360,941	485,685	-
<u>COVID-19 - ESSER Homeless Children and Youth - Part 2</u>								
March 13, 2020 - September 30, 2023	2024-365824-DPI-ARPHCYII-173	84.425W	N/A	-	6,325	6,325	-	-
Total Education Stabilization Fund				724,249	1,700,138	1,507,185	531,296	-
<u>Cooperative Educational Service Agency #6</u>								
<u>Career and Technical Education - Basic Grants to States</u>								
July 1, 2022 - June 30, 2023	None	84.048	N/A	2,995	2,995	-	-	-
July 1, 2023 - June 30, 2024	None		N/A	-	5,607	17,343	11,736	-
<u>Cooperative Educational Service Agency #7</u>								
<u>Title III-A - English Language Learners</u>								
July 1, 2022 - June 30, 2023	2023-365824-DPI-TIIIA-391	84.365A	N/A	-	-	-	-	-
July 1, 2023 - June 30, 2024	2024-365824-DPI-TIIIA-391		N/A	-	7,204	7,204	-	-
TOTAL U.S. DEPARTMENT OF EDUCATION				1,063,311	2,630,883	2,406,640	839,068	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<u>Cooperative Educational Service Agency #7</u>								
<u>Public Health Emergency Response</u>								
July 1, 2023 - June 30, 2024	None	93.354	20,779	-	20,779	20,779	-	-
<u>Wisconsin Department of Health Services</u>								
<u>Medical Assistance</u>								
July 1, 2023 - June 30, 2024	None	93.778	N/A	-	371,616	371,616	-	-
Total Medicaid Cluster				-	371,616	371,616	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	392,395	392,395	-	-
TOTAL FEDERAL AWARDS				\$ 1,063,311	\$ 3,850,692	\$ 3,670,064	\$ 882,683	\$ -

The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

AWARDING AGENCY	PASS-THROUGH	STATE	RECEIVABLE	REVENUE		RECEIVABLE	SUBRECIPIENT
PASS-THROUGH AGENCY	IDENTIFYING	I.D.	(UNEARNED	GRANTOR		(UNEARNED	PASS-THROUGH
AWARD DESCRIPTION	NUMBER	NUMBER	REVENUE)	REIMBURSEMENTS	EXPENDITURES	REVENUE)	EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	365824-100	255.101	\$ -	\$ 1,137,182	\$ 1,137,182	\$ -	\$ -
Participant in program at CESA #7	None	255.101	-	7,556	7,556	-	-
State School Lunch Aid	365824-107	255.102	-	8,321	8,321	-	-
Common School Fund Library Aid	365824-104	255.103	-	116,592	116,592	-	-
General Transportation Aid	365824-102	255.107	-	31,410	31,410	-	-
General Aids Cluster							
Equalization Aid	365824-116	255.201	-	14,743,689	14,743,689	-	-
Total General Aids Cluster			-	14,743,689	14,743,689	-	-
Peer-To-Peer Suicide Prevention Grant	365824-183	255.246	-	-	-	-	-
Special Education Transition Readiness Grant	365824-174	255.257	-	-	28,690	28,690	-
School Based Mental Health Services	365824-177	255.297	61,630	115,719	54,089	-	-
Alcohol and Other Drug Abuse	365824-143	255.306	8,084	8,084	-	-	-
Alcohol and Other Drug Abuse - Student Mini Grant	365824-142	255.321	2,723	2,723	3,225	3,225	-
School Breakfast Program	365824-108	255.344	-	5,834	5,834	-	-
Early College Credit Program	365824-178	255.445	-	14,045	14,045	-	-
Student Achievement Guarantee in Education	365824-160	255.504	-	294,372	294,372	-	-
Educator Effectiveness Evaluation System	365824-154	255.940	13,040	25,360	12,320	-	-
Per Pupil Aid	365824-113	255.945	-	1,219,848	1,219,848	-	-
Career and Technical Education Incentive	365824-152	255.950	-	22,839	22,839	-	-
Assessments of Reading Readiness	365824-166	255.956	-	12,374	12,374	-	-
Aid for Special Education Transition Grant BBL	365824-168	255.960	-	7,189	7,189	-	-
Cooperative Educational Service Agency #6							
Youth Apprenticeship Grant	None	445.112	-	1,628	1,628	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			85,477	17,774,765	17,721,203	31,915	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
Wisconsin Department of Workforce Development							
Wisconsin Fast Forward Grant	None	445.109	2,272	2,272	11,590	11,590	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			2,272	2,272	11,590	11,590	-
WISCONSIN DEPARTMENT OF JUSTICE							
Wisconsin Department of Justice							
School Safety Initiative - Digital Mapping Grant	None	445.206	5,644	11,288	5,644	-	-
TOTAL WISCONSIN DEPARTMENT OF JUSTICE			5,644	11,288	5,644	-	-
WISCONSIN DEPARTMENT OF ADMINISTRATION							
Wisconsin Department of Administration							
Dual Enrollment Credential Grant	None	235.150	-	2,799	9,098	6,299	-
TOTAL WISCONSIN DEPARTMENT OF ADMINISTRATION			-	2,799	9,098	6,299	-
WISCONSIN DEPARTMENT OF REVENUE							
Wisconsin Department of Revenue							
Exempt Personal Property Aid	None	None	-	17,563	17,563	-	-
Exempt Computer Aid	None	None	10,201	10,201	10,201	10,201	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			10,201	27,764	27,764	10,201	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 103,594	\$ 17,818,888	\$ 17,775,299	\$ 60,005	\$ -

The accompanying notes are an integral part of these statements.

TWO RIVERS PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2024

NOTE 1 - Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Two Rivers Public School District. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Special Education and School Age Parents

2023-2024 eligible costs under the State Special Education Program are \$3,471,334.

NOTE 4 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

NOTE 5 - 10% De Minimis Cost Rate

Elected not to use.

**TWO RIVERS PUBLIC SCHOOL DISTRICT
TWO RIVERS, WISCONSIN**

OTHER REPORTS



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

To the Board of Education
Two Rivers Public School District
Two Rivers, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Two Rivers Public School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Two Rivers Public School District's basic financial statements and have issued our report thereon dated January 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Two Rivers Public School 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 Two Rivers Public School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Two Rivers Public School 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, 2024-001, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Two Rivers Public School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have

a direct and material effect on the 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*.


Two Rivers Public School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Two Rivers Public School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Two Rivers Public School 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 Two Rivers Public School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The signature is written in a cursive, flowing style.

Manitowoc, Wisconsin
January 3, 2025



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

To the Board of Education
Two Rivers Public School District
Two Rivers, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Two Rivers Public School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of Two Rivers Public School District's major federal and state programs for the year ended June 30, 2024. Two Rivers Public School District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance


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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Government Auditing Standards requires the auditor to perform limited procedures on Two Rivers Public School District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Two Rivers Public School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

HAWKINS ASH CPAS, LLP

A handwritten signature in dark ink that reads "Hawkins Ash CPAs, LLP". The script is cursive and fluid, with the letters "H", "A", and "C" being particularly prominent.

Manitowoc, Wisconsin
January 3, 2025

TWO RIVERS PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements? | No |

Federal Awards

- | | |
|---|------------|
| 3. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | No |
| 4. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 5. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |

6. Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

84.027/84.173

Special Education Cluster

84.425D/84.425U/84.425W

Education Stabilization

State Assistance

- | | |
|--|------------|
| 7. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | No |
| 8. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 9. Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | No |

10. Identification of major state programs:

State ID Number

Name of State Program or Cluster

255.201

Equalization Aid

255.945

Per Pupil Aid

- | | |
|---|-----------|
| 11. Dollar threshold used to distinguish between: | |
| Type A and Type B federal programs: | \$750,000 |
| Type A and Type B state programs: | \$533,304 |
| 12. Auditee qualified as low-risk auditee? | Yes |

TWO RIVERS PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2024

Section II - Financial Statement Findings and Questioned Costs

2024-001 - Preparation of Financial Statements

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2023-001.

Recommendation: Obtain adequate training to prepare GAAP basis financial statements or use external sources to prepare the financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a certified public accounting (CPA) firm. Management has concluded to hire a CPA firm.

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Other Issues

1. Does the auditors' report or the notes to the financial statements include a disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the auditors' report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weaknesses, or significant deficiencies) related to state awards with pass-through entities that require audits to be conducted in accordance with the *State Single Audit Guidelines*:

Wisconsin Department of Health Services	No
Wisconsin Department of Justice	No
Wisconsin Department of Public Instruction	No
Wisconsin Department of Revenue	No
Wisconsin Department of Workforce Development	No

TWO RIVERS PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2024

3. Was a management letter or other document conveying audit comments issued as a result of this audit?

Yes

4. Name and signature of partner

Randall L. Miller, CPA

Randall L. Miller, Partner

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
JUNE 30, 2024

Summary Schedule of Prior Audit Findings

2023-001 - Preparation of Financial Statements - Repeat. Initially occurred 6/30/06

Corrective Action Plan

2024-001 - Preparation of Financial Statements - Contact: Mary Kay Slattery, Finance Director. Completion date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.