



PARKVIEW SCHOOL DISTRICT
FINANCIAL STATEMENTS
Including Independent Auditor's Report
As of and for the Year Ended June 30, 2022

Johnson Block and Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565
Phone (608) 987-2206

Parkview School District
June 30, 2022
Table of Contents

Independent Auditor’s Report	1
Basic Financial Statements	
Government-Wide Financial Statements:	
Exhibit A-1 Statement of Net Position	4
Exhibit A-2 Statement of Activities.....	6
Fund Financial Statements:	
Exhibit A-3 Balance Sheet – Governmental Funds.....	7
Exhibit A-4 Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	8
Exhibit A-5 Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds.....	9
Exhibit A-6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	10
Notes to the Financial Statements.....	11
<u>Required Supplementary Information:</u>	
Exhibit B-1 Budgetary Comparison Schedule for the General Fund.....	38
Exhibit B-2 Budgetary Comparison Schedule for the Special Education.....	39
Exhibit B-3 Schedule of Changes in the District’s Total OPEB Liability and Related Ratios...	40
Exhibit B-4 Wisconsin Retirement System Schedules	41
Notes to the Required Supplementary Information.....	42
<u>Supplementary Information:</u>	
Exhibit C-1 Combining Balance Sheet – Non-major Governmental Funds	48
Exhibit C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	49
Exhibit C-3 Schedule of Charter School Authorizer Operating Costs	50



INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Parkview School District
Orfordville, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Parkview School District ("District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022 and the respective changes in financial position thereof for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the District adopted provisions of GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of charter school authorizer operating costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 will also issue a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block and Company, Inc.
December 9, 2022

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Parkview School District
Statement of Net Position
June 30, 2022

		<u>Governmental Activities</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	1,925,395
Taxes receivable		1,312,091
Due from other governmental units		468,224
Accounts receivable		31,188
Inventories and prepaid supplies		30,002
Total current assets		<u>3,766,900</u>
Non-current assets		
Capital assets:		
Property and equipment		27,057,959
Less: accumulated depreciation		<u>(13,844,168)</u>
Net book value of capital assets		13,213,791
Right to use leased assets		
Net accumulated amortization \$525,006		197,584
Net pension asset - restricted		<u>2,819,010</u>
Total non-current assets		<u>16,230,385</u>
Total assets		<u>19,997,285</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on advanced refunding		1,010,858
Pension outflows		5,344,668
OPEB outflows		94,136
Total deferred outflows of resources		<u>6,449,662</u>
Total assets and deferred outflows of resources	\$	<u>26,446,947</u>

Exhibit A-1 (Continued)
Parkview School District
Statement of Net Position
June 30, 2022

LIABILITIES

Current liabilities:

Accounts payable	\$	72,886
Accrued wages and related payables		311,321
Customer deposits		22,860
Accrued interest payable		94,485
Nonvested employee HRA deposits		30,791
Current portion of long-term obligations		1,253,183
Total current liabilities		1,785,526

Noncurrent liabilities:

Bonds and notes payable, including bond premium of \$362,763		12,593,763
Lease liability		253,862
Finance purchases		393,356
Other postemployment benefits		462,432
Vested employee sick leave		98,244
Less: current portion of long-term obligations		(1,253,183)
Total noncurrent liabilities		12,548,474

Total liabilities		14,334,000
-------------------	--	------------

DEFERRED INFLOWS OF RESOURCES

Pension inflows		6,640,150
OPEB inflows		43,462
Total deferred inflows of resources		6,683,612

NET POSITION

Net investment in capital assets		1,215,394
Restricted for:		
Debt service		106,972
Food service		169,773
Community service		25,277
Special revenue		245,387
Capital projects		31,358
Net Pension Asset		2,819,010
Unrestricted		816,164
Total net position		5,429,335

Total liabilities, deferred inflows of resources and net position	\$	26,446,947
---	----	------------

Exhibit A-2
Parkview School District
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction:					
Regular instruction	\$ 4,075,037	\$ 53,135	\$ 1,346,517	\$	\$ (2,675,385)
Vocational education	259,604	60	3,389		(256,155)
Special education	974,904		601,267		(373,637)
Other instruction	546,115	44,049			(502,066)
Total instruction	<u>5,855,660</u>	<u>97,244</u>	<u>1,951,173</u>		<u>(3,807,243)</u>
Support services:					
Pupil services	826,445	191,006	1,000		(634,439)
Instructional staff services	662,441		281,394		(381,047)
General administration services	451,541				(451,541)
Building administration services	420,797				(420,797)
Business administration	3,557,280	40,117	762,963	31,691	(2,722,509)
Central services	74,988		299		(74,689)
Insurance	108,069		7,233		(100,836)
Other support services	420,830		22,325		(398,505)
Community services	18,023	2,090			(15,933)
Interest and other debt costs	429,928				(429,928)
Amortization - unallocated	210,301				(210,301)
Depreciation - unallocated	34,470				(34,470)
Total support services	<u>7,215,113</u>	<u>233,213</u>	<u>1,075,214</u>	<u>31,691</u>	<u>(5,874,995)</u>
Non-program transactions:					
Purchased instructional services	1,539,079		88,821		(1,450,258)
Post-Secondary scholarships	1,740		1,000		(740)
Other non-program transactions	2,166				(2,166)
Total non-program transactions	<u>1,542,985</u>		<u>89,821</u>		<u>(1,453,164)</u>
Total governmental activities	\$ <u>14,613,758</u>	\$ <u>330,457</u>	\$ <u>3,116,208</u>	\$ <u>31,691</u>	\$ <u>(11,135,402)</u>
General revenues:					
Property taxes					
					3,003,773
					1,918,271
					10,000
Federal and State aid not restricted for specific purposes					
					7,171,246
					33,416
					109,668
					11,850
Total general revenues					<u>12,258,224</u>
Changes in net position					
					1,122,822
Net position - beginning of the year					
					4,306,513
Net position - end of year					
					\$ <u><u>5,429,335</u></u>

Exhibit A-3
Parkview School District
Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 1,277,389	\$ 171,520	\$ 476,486	\$ 1,925,395
Taxes receivable	1,312,091			1,312,091
Due from other governments	451,070		17,154	468,224
Accounts receivable	1,251	29,937		31,188
Inventories and prepaid supplies	<u>19,022</u>		<u>10,980</u>	<u>30,002</u>
 Total assets	 <u>\$ 3,060,823</u>	 <u>\$ 201,457</u>	 <u>\$ 504,620</u>	 <u>\$ 3,766,900</u>
LIABILITIES				
Accounts payable	\$ 63,410		\$ 9,476	\$ 72,886
Accrued wages and related payables	310,832		489	311,321
Customer deposits			22,860	22,860
Nonvested employee HRA deposits	<u>30,791</u>			<u>30,791</u>
 Total liabilities	 <u>405,033</u>		 <u>32,825</u>	 <u>437,858</u>
FUND BALANCES				
Nonspendable	19,022		10,980	30,002
Restricted		201,457	460,815	662,272
Unassigned	<u>2,636,768</u>			<u>2,636,768</u>
 Total fund balances	 <u>2,655,790</u>	 <u>201,457</u>	 <u>471,795</u>	 <u>3,329,042</u>
 Total liabilities and fund balances	 <u>\$ 3,060,823</u>	 <u>\$ 201,457</u>	 <u>\$ 504,620</u>	 <u>\$ 3,766,900</u>

Exhibit A-4
Parkview School District
Reconciliation of the Governmental Funds Balance
Sheet with the Statement of Net Position
June 30, 2022

Total fund balances - governmental funds:		\$	3,329,042
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:			
Governmental capital assets	27,057,959		
Governmental accumulated depreciation	<u>(13,844,168)</u>		13,213,791
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:			
Right to use leased assets, net accumulated amortization of \$525,006			197,584
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.			
			2,819,010
The unamortized loss on advanced refunding is not a current financial resource and is, therefore, not reported in the fund statements.			
			1,010,858
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.			
Deferred outflows of resources			5,438,804
Deferred inflows of resources			(6,683,612)
Long term liabilities, including bonds and notes payable, 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:			
Bonds and notes payable, including bond premium of \$362,763	12,593,763		
Lease liability	253,862		
Finance purchases	393,356		
Accrued interest on long-term debt	94,485		
Other postemployment benefits	462,432		
Vested employee sick leave	<u>98,244</u>		<u>(13,896,142)</u>
Total net position - governmental activities		\$	<u>5,429,335</u>

Exhibit A-5
Parkview School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 3,003,773	\$ 1,918,271	\$ 10,000	\$ 4,932,044
Other local sources	249,017	159	301,448	550,624
Interdistrict sources	743,584			743,584
Intermediate sources	6,400			6,400
State sources	7,709,411		20,622	7,730,033
Federal sources	1,068,867		557,496	1,626,363
Other sources	108,624		2,420	111,044
Total revenues	<u>12,889,676</u>	<u>1,918,430</u>	<u>891,986</u>	<u>15,700,092</u>
EXPENDITURES				
Instruction:				
Regular instruction	4,386,178		11,462	4,397,640
Vocational instruction	271,070		1,391	272,461
Special instruction	1,056,737			1,056,737
Other instruction	561,498		5,416	566,914
Total instruction	<u>6,275,483</u>		<u>18,269</u>	<u>6,293,752</u>
Support services:				
Pupil services	686,210		182,907	869,117
Instructional staff services	693,857		101	693,958
General administration services	481,645			481,645
Building administration services	453,970			453,970
Business administration	2,175,300		689,129	2,864,429
Central services	64,515		730	65,245
Insurance	108,069			108,069
Community service			17,453	17,453
Debt service	277,438	1,957,012		2,234,450
Other support services	362,597		2,271	364,868
Total support services	<u>5,303,601</u>	<u>1,957,012</u>	<u>892,591</u>	<u>8,153,204</u>
Non-program transactions:				
Purchased instructional services	1,539,079			1,539,079
Post-Secondary scholarships			1,740	1,740
Other non-program transactions			2,166	2,166
Total non-program transactions	<u>1,539,079</u>		<u>3,906</u>	<u>1,542,985</u>
Total expenditures	<u>13,118,163</u>	<u>1,957,012</u>	<u>914,766</u>	<u>15,989,941</u>
Excess (deficiency) of revenues over over expenditures	<u>(228,487)</u>	<u>(38,582)</u>	<u>(22,780)</u>	<u>(289,849)</u>
OTHER FINANCING SOURCES				
Lease proceeds	35,851			35,851
Sale of capital assets	16,250			16,250
Transfers (to) from general fund	<u>(30,000)</u>		<u>30,000</u>	
Total other financing sources:	<u>22,101</u>		<u>30,000</u>	<u>52,101</u>
Net change in fund balances	(206,386)	(38,582)	7,220	(237,748)
Fund balance-beginning	2,862,176	240,039	464,575	3,566,790
Fund balance - ending	<u>\$ 2,655,790</u>	<u>\$ 201,457</u>	<u>\$ 471,795</u>	<u>\$ 3,329,042</u>

Exhibit A-6
Parkview School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds		\$ (237,748)
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 governmental fund statements	168,085	
Depreciation expenses reported in the statement of activities	<u>(1,090,928)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		(922,843)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:		
		(4,400)
Right to use leased assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over the applicable lease term as annual amortization expenses in the statement of activities.		
Lease outlay reported in governmental fund statements		35,851
Amortization expenses reported in the statement of activities		(210,301)
Long-term debt proceeds provide current financial resources to government funds, but issuing long-term debt increases long-term liabilities in the statement of net position.		
Repayment of principal on long-term debt is reported in 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.		
Principal payments on long-term debt		1,620,000
Principal payments on lease liabilities		162,358
Principal payments on finance purchases		79,251
Proceeds from lease liabilities		(35,851)
Governmental funds report debt premiums as other financing sources when received. However, in the statement of net position, these are reported as additions to long-term debt. Premiums are allocated over the period the debt is outstanding in the statement of activities as interest income. This amount is the net effect of these differences in the treatment of debt premiums		
		30,231
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	370,592	
The amount of interest accrued during the current period	<u>341,649</u>	
Interest paid is greater (less) than interest accrued by		28,943
Deferred charges associated with long-term debt refundings are reported in the statement of net position, but are not a current financial resource and, therefore, are not reported in the governmental funds. This is the net increase in deferred charges during the current period.		
		(86,030)
Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Change in OPEB liability and related deferred outflows and inflows of resources		(14,356)
Change in long-term vested employee sick leave		15,420
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.		662,297
Change in net position - governmental activities		<u>\$ 1,122,822</u>

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District
June 30, 2022
Index to Notes to the Basic Financial Statements

	Page
Note 1. <u>Summary of Significant Accounting Policies</u>	11
A. Reporting Entity	11
B. Basis of Financial Statement Presentation	11 – 13
C. Measurement Focus and Basis of Accounting	13 – 14
D. Assets and Liabilities	15 – 16
E. Retirement Plans	17
F. Claims and Judgments.....	17
G. Estimates	17
H. Budgets.....	17
I. Interfund Activity.....	17
J. Equity Classifications.....	18 - 19
K. Pensions.....	19
L. Deferred Outflows and Inflows of Resources	19
M. Deferred Amount on Refunding.....	19
N. Change in Accounting Principle.....	19
Note 2. <u>Explanation of Certain Differences Between Governmental Fund Statements and District-Wide Statements</u>	20
Note 3. <u>Cash and Cash Equivalents/Investments</u>	20 – 23
Note 4. <u>Capital Assets</u>	23 – 24
Note 5. <u>Long-Term Obligations</u>	24 – 27
Note 6. <u>Leases</u>	27
Note 7. <u>Interfund Balances and Activity</u>	28
Note 8. <u>Defined Benefit Pension Plan</u>	28 – 33
Note 9. <u>Governmental Fund Balances</u>	33
Note 10. <u>Risk Management</u>	34
Note 11. <u>Limitation of School District Revenues</u>	34
Note 12. <u>Contingent Liabilities</u>	34
Note 13. <u>Other Postemployment Benefits</u>	34 – 37
Note 14. <u>Effect of New Accounting Standards on Current Period Financial Statements</u>	37
Note 15. <u>Commitments/Subsequent Events</u>	37

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Parkview School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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:

A. Reporting Entity

The Parkview School District is organized as a common school district governed by an elected seven-member school board. The District operates grades four-year-old kindergarten through grade 12. The District is comprised of all or parts of nine taxing districts.

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

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

B. Basis of Financial Statement 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 for fiduciary funds, which are presented in the fund financial statements by type. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The District does not report any business-type activities.

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 for 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.

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

Fund Financial Statements:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Financial Statement Presentation (Continued)

Fund Financial Statements (Continued):

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental Funds

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Financial Statement Presentation (Continued)

Major Funds

The District reports the following major governmental funds:

General Fund

Debt Service Fund

Non-Major Funds

The District reports the following non-major funds:

Special Revenue Funds –

Food Service Fund – accounts for the activities of the District’s food service, generally school hot lunch program

Community Service Fund – accounts for activities associated with providing recreational and enrichment programs to the community

Special Revenue Fund – accounts for funds that can be used for District operations. The source of such funds is gifts and donations from private parties.

Capital Projects Fund

C. Measurement Focus and Basis of Accounting

The district-wide statement of net position and statement of activities are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange 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 leases are reported as other financing sources.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Property taxes are recognized as revenue in the period for which the taxes are levied. All property taxes are considered due on January 1st, 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 30th and are available to pay current liabilities.

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

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

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

Cash and Cash Equivalents/Investments

The District has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund’s portion of total cash and investments is reported as cash and cash equivalents/investments by the District’s individual major funds, and in the aggregate for non-major and fiduciary funds. Interest earned is distributed monthly to the various funds based on each fund’s proportionate equity in the cash and investments pool.

All deposits of the District are made in board designated official depositories and are secured as required by State Statute. The District may designate, as an official depository, any bank or savings association. Also, the District may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities

Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory in the general fund and governmental activities consist of expendable supplies held for consumption. The costs are recorded as expenditures under the purchase method. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

Capital Assets

In the district-wide financial statements, capital assets are reported at actual cost or estimated historical costs, based on management's records of such assets. Donated assets are reported at acquisition value.

All capital assets that meet the District's capitalization threshold of \$5,000 are capitalized and updated for additions. Assets that are disposed of are taken off on an annual basis. All improvements to capital assets are capitalized while the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful are expensed.

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

Computer equipment	3 years
Vehicles and buses	5-8 years
Other equipment	5-20 years
Site improvements	10 years
Buildings	40-50 years
Subsequent modernization of buildings	20 years

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

Right to use Leased Assets

The District has recorded a right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentive, and plus ancillary changes necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Vested Employee Benefits

Compensated Absences

The District's policy allows employees to accumulate a maximum amount of 1,200 hours of sick pay. Upon retirement and upon meeting certain criteria, employees shall be paid at the rate of \$4.50 per hour for unused sick leave accumulated at the time of retirement. An employee with accumulated sick leave hours earned above 1,200 hours at the end of the current year may sell the hours to the District at the rate of \$4.50 per hour.

The District's policy concerning vacation days does not allow employees to accrue vacation days beyond year-end. Employees earn varying amounts of vacation, as noted in the employee's contract, based on the number of months worked during the year and the years of service with the District. Upon retirement, termination, or resignation, the employee loses all accumulated vacation days.

Sick leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The accrued sick leave liability is reported on the district-wide financial statements. In the governmental fund financial statements, none of the liability is reported as it is not expected to be paid using expendable available resources.

Other Postemployment Benefits

Teachers and administrators who are at least 55 years of age and have worked for the District for a set number of years may choose to retire early. Depending on the number of years of service with the District, such individuals may be eligible for District contributions into an employee's Health Reimbursement Account.

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

Long-Term Obligations

All long-term debt to be repaid from governmental resources is reported as liabilities in the district-wide statements. The long-term debt consists primarily of notes, bonds or loans payable, lease liabilities, finance purchases, and accrued compensated absences.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Retirement Plans

District employees participate in the Wisconsin Retirement System. All contributions made by the district on behalf of its employees are reported as expenditures when earned.

F. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Budgets

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. The legally adopted budget and budgetary expenditure controls is exercised at the total operating budget level for all funds. Reported budget amounts are as amended by School Board resolution.

I. Interfund Activity

Charges for services between funds are reported as revenues in the seller funds and as expenditure/expense in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. These transfers are eliminated from the statement of activities. On the fund financial statements, short-term interfund loans are classified as due to/from other funds. These amounts are eliminated in the statement of net position.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Equity Classifications

District-wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provision or enabling legislation.
- Committed – includes amounts constrained to specific purposes by the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the Board of Education takes the same highest level action to remove or change the constraint.
- Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Except where the Board expressly directs a different order of expenditure of fund balance amounts in connection with approving a specific expense or payment, fund balance resources shall be spent in the following order when various funding sources are available for a particular purpose: (1) restricted fund balances, (2) committed fund balances, (3) assigned fund balances, and (4) unassigned fund balances.

The District shall strive to maintain an unassigned year-end fund balance in the general fund that is equivalent to at least 15% of the anticipated general fund expenditure budget for the subsequent fiscal year. This fund balance is intended to be used for purposes including: cash flow management, reducing the need for short-term borrowing, safeguarding against unexpected expenses or unrealized revenues, and maintaining a high credit rating for the District.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Equity Classifications (Continued)

If the District's year-end fund balance in the General Fund is depleted below the minimum target level established by this policy, the Board directs the District Administrator or designee to develop a plan to restore the fund balance over time and present it to the Board for approval. The plan shall include recommendations for revenue adjustments and/or expenditure reductions as may be appropriate. The Board shall review and update this fund balance replenishment plan on an annual basis until the minimum fund balance level designated in this policy is achieved.

The District Business Manager is delegated authority to assign fund balance resources for a specific intended purpose. The Business Manager's assignment of fund balance resources for a specific purpose, or the removal of an assignment previously made by the manager, must be reasonably justified, documented and reported to the Board. The Board reserves the right, to the extent consistent with applicable law and accounting standards, to act via motion to reclassify unrestricted fund balance resources as it deems necessary or appropriate.

K. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Wisconsin Retirement Systems (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element 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 deferred outflows of resources are for the WRS pension system, OPEB, and deferred amount on refunding

In addition to liabilities, the statement of net position reports a separate section for deferred inflows 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 inflow of resources (revenues) until then. The deferred inflows of resources are related to the WRS pension system and OPEB.

M. Deferred Amount on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunding debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as deferred outflows of resources.

N. Change in Accounting Principle

Effective July 1, 2021, the District adopted GASB statement No. 87, Leases. GASB No. 87 replaces previous lease accounting methodology and establishes a single model for lease accounting based on the principle that leases are a financing right to use an underlying asset. GASB No. 87 requires recognition of certain lease assets and liabilities for lessee agreements and lease receivables and deferred inflows of resources for lessor agreements.

Effective July 1, 2021, \$718,819 of property and equipment and \$346,785 of related accumulated depreciation were reclassified as right to use leased assets, net of accumulated amortization, of \$372,034. The District also reclassified \$472,607 of lease liabilities to financed purchases. This has no effect on beginning balance on the statement of activities.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on the modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported recognize the change in vested employee benefits.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3 CASH AND CASH EQUIVALENTS/ INVESTMENTS

As previously discussed, cash for all District funds is pooled for investment purposes with the exception of separate pupil organization and scholarship accounts. At June 30, 2022, the cash and investments included the following:

Account Balances	
Deposits with financial institutions	\$ 1,844,614
Petty cash	286
Investments:	
WI local government investment pool	49,704
Fixed annuity account	30,791
Total cash and investments	\$ 1,925,395

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Per statement of net position	
Cash and cash equivalents	\$ 1,925,395

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 3

CASH AND CASH EQUIVALENTS/ INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

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

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

Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in months)</u>	
		<u>12 months or less</u>	<u>13-36 months</u>
Certificates of deposit	\$ 28,024	\$ 27,044	\$ 980
WI local government investment pool	49,704	49,704	
Fixed annuity account	30,791	30,791	
Total	<u>\$ 108,519</u>	<u>\$ 107,539</u>	<u>\$ 980</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits 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. As of June 30, 2022, the District's investment in the Wisconsin Local Government Investment Pool was not rated. The fixed annuity account is held with an insurance company. The insurance company is rated A+ with A.M. Best.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 3

CASH AND CASH EQUIVALENTS/ INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment of collateral securities that are in possession of another party. The District does not have an investment policy for custodial credit risk.

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposit' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000, provided funds were available at the time of any potential loss. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. Additionally, deposits in each local and area credit union are insured by the NCUA in the amount of \$250,000 for all accounts.

As of June 30, 2022, \$278,024 of the District's deposits was insured by FDIC coverage, and \$250,000 of the District's deposits was insured by the NCUA. \$1,351,053 was uninsured and uncollateralized.

Wisconsin Local Governmental Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2022, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the District.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 3

CASH AND CASH EQUIVALENTS/ INVESTMENTS (CONTINUED)

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers’ Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of June 30, 2022 was: 95% in U.S. Government Securities, 1% in certificates of deposit and Bankers Acceptance notes and 4% in commercial paper. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Government securities and investments in mutual funds are excluded from this risk. The District places no limit on the amount the District may invest in any one issuer. At June 30, 2022, the investment portfolio had no concentrations of applicable investments greater than 5% of the total portfolio.

NOTE 4

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Balance 7/1/2021	Additions	Deletions	Balance 6/30/2022
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 387,739	\$	\$	\$ 387,739
Construction work in progress		31,429		31,429
Total capital assets not being depreciated	<u>387,739</u>	<u>31,429</u>		<u>419,168</u>
<i>Capital assets, being depreciated:</i>				
Buildings	21,505,743	51,023	(1,422)	21,555,344
Land improvements	388,391	56,611		445,002
Furniture and equipment	4,487,950	29,022	(8,100)	4,508,872
Vehicles	129,573			129,573
Total capital assets, being depreciated	<u>26,511,657</u>	<u>136,656</u>	<u>(9,522)</u>	<u>26,638,791</u>
Total capital assets	<u>26,899,396</u>	<u>168,085</u>	<u>(9,522)</u>	<u>27,057,959</u>
Less accumulated depreciation:				
Buildings	8,305,823	950,250	(1,422)	9,254,651
Land improvements	288,259	9,613		297,872
Furniture and equipment	4,079,306	113,226	(3,700)	4,188,832
Vehicles	84,974	17,839		102,813
Total accumulated depreciation	<u>12,758,362</u>	<u>1,090,928</u>	<u>(5,122)</u>	<u>13,844,168</u>
Total net capital assets	<u>\$ 14,141,034</u>	<u>\$ (922,843)</u>	<u>\$ (4,400)</u>	<u>\$ 13,213,791</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 77
Vocational instruction	4,318
Special education	826
Other instruction	10,967
Pupil services	40
Instructional staff services	12,018
Business administration	975,036
Central services	9,808
Community service	1,762
Other support services	41,606
Depreciation not charged to a specific function	34,470
Total depreciation for governmental activities	<u>\$ 1,090,928</u>

Capital outlay was charged to governmental functions as follows:

Business administration	<u>\$ 168,085</u>
Total capital outlay	<u>\$ 168,085</u>

Lease asset activity for the year ended June 30, 2022 was as follows:

	Beginning of Year	Additions	Subtractions	End of Year
Right to use Leased Assets				
Equipment	\$ 718,819	\$ 35,851	\$ (32,080)	\$ 722,590
Less: Accumulated Amortization				
Equipment	346,785	210,301	(32,080)	525,006
Total Right to used Lease Assets, net	<u>\$ 372,034</u>	<u>\$ (174,450)</u>	<u>\$</u>	<u>\$ 197,584</u>

NOTE 5

LONG-TERM OBLIGATIONS

Long-term liability balances and activity for the year ended June 30, 2022 were as follows:

	Balance 7/1/21	Additions	Removals	Balance 6/30/22	Current Portion
General obligation debt					
School improvement bonds	\$ 2,380,000	\$	\$ (760,000)	\$ 1,620,000	\$ 795,000
Refunding bonds	11,471,000		(860,000)	10,611,000	210,000
Subtotal general obligation debt	13,851,000		(1,620,000)	12,231,000	1,005,000
Unamortized bond premium	392,994		(30,231)	362,763	
Lease liability	380,368	35,851	(162,357)	253,862	162,854
Financed purchases	472,607		(79,251)	393,356	85,329
Vested employee sick pay	113,664		(15,420)	98,244	
Total	<u>\$ 15,210,633</u>	<u>35,851</u>	<u>\$ (1,907,259)</u>	<u>\$ 13,339,225</u>	<u>\$ 1,253,183</u>

The lease liability, financed purchases, and vested employee sick pay liabilities attributed to governmental activities are typically being liquidated in the general fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Total long-term interest paid and accrued during the year:

	<u>Expense</u>	<u>Paid</u>
Long-term debt	\$ 314,014	\$ 337,012
Lease liability	11,200	15,512
Finance purchases	16,435	18,068
Total	<u>\$ 341,649</u>	<u>\$ 370,592</u>

Long-Term General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2022 is comprised of the following individual issues:

Description	Issue Dates	Interest Rates	Dates of Maturity	Balance 6/30/2022
Refunding bonds	10/12/2010	4.75%-5.5%	4/1/2030	\$ 1,045,000
School improvement bonds	7/9/2014	3%-4.0%	4/1/2024	1,620,000
Refunding bonds	3/8/2021	.79%-2.16%	4/1/2034	9,566,000
Total				<u>\$ 12,231,000</u>

The 2021 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$557,939,326. The legal debt limit and margin of indebtedness as of June 30, 2022 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$557,939,326)	\$ 55,793,933
Deduct long-term debt applicable to debt margin	(12,231,000)
Margin of indebtedness	<u>\$ 43,562,933</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest at June 30, 2022 follows:

Years Ended June 30,	Bonds		
	Principal	Interest	Total
2023	\$ 1,005,000	\$ 267,235	\$ 1,272,235
2024	1,077,000	221,385	1,298,385
2025	1,065,000	165,982	1,230,982
2026	1,078,000	152,060	1,230,060
2027	1,091,000	136,132	1,227,132
2028-2032	5,456,000	393,447	5,849,447
2033-2034	1,459,000	31,261	1,490,261
Totals	<u>\$ 12,231,000</u>	<u>\$ 1,367,502</u>	<u>\$ 13,598,502</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Advance Refunding

On March 8, 2021, the District issued \$10,321,000 of General Obligation Refunding Bonds with interest rates ranging from 0.79%-2.16%. The proceeds from the bonds, along with \$1,001,048 of existing cash reserves, were used to advance refund \$10,100,000 of 2014 General Obligation School Building Bonds with interest rates between 3.0%-5.0%. The District deposited the cash reserves and proceeds of the refunding bonds into an irrevocable trust account to provide for all future debt service payments on the old bonds. After payment of bond issuance costs of \$95,676, the net amount deposited to the trust was \$11,225,565. As of June 30, 2022, the 2014 General Obligation School Building Bonds of \$10,100,000 are considered defeased. These bonds are scheduled to be called on April 1, 2024. The risk-free monetary assets of the trust cannot be replaced.

Required debt service payments by the trust are as follows:

Years Ended			
June 30,	Principal	Interest	Total
2023	\$	\$ 394,650	\$ 394,650
2024	10,100,000	394,650	10,494,650
Totals	<u>\$ 10,100,000</u>	<u>\$ 789,300</u>	<u>\$ 10,889,300</u>

Lease Liability

Aggregate cash flow requirements for the retirement of the lease liability and interest at June 30, 2022 were as follows:

Years Ended			
June 30,	Principal	Interest	Total
2023	\$ 162,854	\$ 11,426	\$ 174,280
2024	69,789	5,060	74,849
2025	7,476	2,063	9,539
2026	8,386	1,153	9,539
2027	5,357	208	5,565
Totals	<u>\$ 253,862</u>	<u>\$ 19,910</u>	<u>\$ 273,772</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Finance Purchases

Aggregate cash flow requirements for the retirement of the finance purchases and interest at June 30, 2022 were as follows:

Years Ended June 30,	Principal	Interest	Total
2023	\$ 85,329	\$ 15,026	\$ 100,355
2024	92,029	11,480	103,509
2025	81,148	7,659	88,807
2026	87,796	4,422	92,218
2027	47,054	920	47,974
Totals	<u>\$ 393,356</u>	<u>\$ 39,507</u>	<u>\$ 432,863</u>

NOTE 6

LEASES

The District has entered into lease agreements for Smart Boards, copiers, phone system, and technology equipment. The related future minimum lease obligations are discussed in the Lease Liability subsection of the Long-Term Obligations note.

In the statement of activities, lease expense for the year ended June 30, 2022 was as follows:

Lease expense	<u>Year Ending 6/30/2022</u>
Amortization expense by class of underlying asset	
Equipment	\$ 210,301
Interest on lease liabilities	11,200
Total	<u>\$ 221,501</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 7

INTERFUND BALANCES AND ACTIVITY

A transfer was made for \$30,000 from the general fund to the capital projects fund. The transfer to the capital projects fund is for funding of a long-term capital improvement trust fund.

In the statement of net position, amounts reported in governmental fund balance sheet as interfund balances have been eliminated within the district-wide statements.

NOTE 8

DEFINED BENEFIT 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, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

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, and Executives and Elected Officials. Starting on January 1, 2016, the Executive 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 \$412,569 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2022, the District reported a liability (asset) of (\$2,819,010) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the District's proportion was .03497452%, which was a decrease of .00001588% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District's recognized pension expense (income) of (\$240,090).

At June 30, 2022, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,553,969	\$ (328,390)
Net differences between projected and actual earnings on pension plan investments		(6,306,362)
Changes in assumptions	525,930	
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,925	(5,398)
Employer contributions subsequent to the measurement date	258,844	
Total	<u>\$ 5,344,668</u>	<u>\$ (6,640,150)</u>

\$258,844 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (131,745)
2024	(765,266)
2025	(335,681)
2026	(321,634)
Total	<u>\$ (1,554,326)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.0
Variable Fund Asset Class			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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: 2.5% □
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, as asset allocation target of 15% 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, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 2,000,287	\$ (2,819,010)	\$ (6,288,008)

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>.

NOTE 9

GOVERNMENTAL FUND BALANCES

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund statements at June 30, 2022 includes the following:

Restricted:		
Major Fund:		
Debt service fund - future debt service retirement	\$	201,457
Nonmajor Funds:		
Capital projects fund - future expenditures		31,358
Community service fund - future expenditures		25,277
Food service fund - future expenditures		158,793
Special revenue fund - future expenditures		245,387
Total restricted fund balance		<u>662,272</u>
Nonspendable:		
Major Funds:		
General fund - prepaid expenditures		19,022
Nonmajor Fund:		
Food service fund - inventory		10,980
Total nonspendable fund balance		<u>30,002</u>
Unassigned:		
Major Fund:		
General fund		2,636,768
Total governmental fund balance	\$	<u><u>3,329,042</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 10

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11

LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

NOTE 12

CONTINGENT LIABILITIES

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

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS

The Parkview School District reports its liability for other post-employment benefits based on an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

Plan Description – The District operates a single-employer retiree benefit plan that provides postemployment health and dental insurance benefits to eligible employees and their spouses. Benefits and eligibility for teachers and administrators are established and amended by the governing body. The plan does not issue stand-alone financial statements. Current approved benefits are as follows:

Administrators & Teachers (At least age 55 with a minimum of 20 years of service in the District and hired on or before June 30, 2013):

The District will contribute a dollar amount determined by the Board of Education annually; based on length of service, cost of single or family health insurance premiums and availability of District revenue to fund the benefit into a premium only HRA over a period of years or lump sum.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>71</u>
	<u><u>73</u></u>

Funding Policy - The District funds the policy on a pay-as-you-go basis. There are no assets accumulated in a trust that meet the criteria in Governmental Accounting Standards to pay related benefits.

Total OPEB Liability – The District’s total OPEB Liability of \$462,432 was measured at June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation	2.0 percent
Salary increases	3 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	6.50% decreasing by 0.10% down to 5.00%, and then level thereafter.
Retirees' share of benefit-related costs	Retirees' are responsible for the difference between the total premium costs and the district's premium and HRA contributions.

The discount rate is based on the Bond Buyer Go 20-Year Bond Index.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	<u>Total OPEB Liability</u>
Balance at 6/30/2020	<u>\$ 424,814</u>
Changes for the year:	
Service cost	23,715
Interest	9,434
Changes of benefit terms	21,934
Differences between expected and actual experience	28,043
Changes in assumptions or other inputs	(10,768)
Benefit payments	<u>(34,740)</u>
Net Changes	<u>37,618</u>
 Balance at 6/30/2021	 <u><u>\$ 462,432</u></u>

Benefit terms: In the actuarial study for the year ended June 30, 2021, the District revised the HRA amounts provided to individuals with total years of service upon retirement between 15, 20, and 25 years of service.

Changes in assumptions: The actuarial study for the year ended June 30, 2021 included changes to WRS rates, marriage and spousal participation, and the assumed number of dependents.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB 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 discount rate:

		Current	
	1% Decrease	Discount Rate	1% Increase
	1.25%	2.25%	3.25%
Total OPEB Liability 6/30/2021	<u>\$ 459,106</u>	<u>\$ 462,432</u>	<u>\$ 466,223</u>

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following represents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0% or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

		Healthcare Cost Trend	
	1% Decrease (5.5%	Rates (6.5% decreasing	1% Increase (7.5%
	decreasing to 4.0%)	to 5.0%)	decreasing to 6.0%)
Total OPEB Liability 6/30/2021	<u>\$ 459,106</u>	<u>\$ 462,432</u>	<u>\$ 466,223</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2022

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$55,613. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 25,239	\$ 30,371
Changes of assumptions or other inputs	27,640	13,091
Contributions after the measurement date	41,257	
Total	<u>\$ 94,136</u>	<u>43,462</u>

\$41,257 reported as deferred outflows of resources related to OPEB resulting from the Parkview School District contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ 530
2024	530
2025	530
2026	530
2027	530
Thereafter	<u>6,767</u>
Total	<u>9,417</u>

NOTE 14 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021 and GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 15

COMMITMENTS/SUBSEQUENT EVENTS

Subsequent to June 30, 2022 the board approved the following purchases:

- Purchase of a crisis alert system for \$87,000
- Parkview Elementary gym floor upgrades for \$122,470

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
Parkview School District
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Original Budget Favorable	Variance with Final Budget Favorable
	Original	Final		(Unfavorable)	(Unfavorable)
REVENUES					
Property taxes	\$ 3,003,773	\$ 3,003,773	\$ 3,003,773	\$	\$
Other local sources	68,358	68,358	249,017	180,659	180,659
Interdistrict sources	756,045	756,045	743,584	(12,461)	(12,461)
Intermediate sources	6,000	6,000	6,400	400	400
State sources	7,252,069	7,252,069	7,331,173	79,104	79,104
Federal sources	744,803	744,803	733,865	(10,938)	(10,938)
Other sources	63,897	63,897	105,984	42,087	42,087
Total revenues	<u>11,894,945</u>	<u>11,894,945</u>	<u>12,173,796</u>	<u>278,851</u>	<u>278,851</u>
EXPENDITURES					
Instruction:					
Regular instruction	4,388,508	4,388,508	4,386,178	2,330	2,330
Vocational instruction	273,500	273,500	271,070	2,430	2,430
Other instruction	526,472	526,472	561,498	(35,026)	(35,026)
Total instruction	<u>5,188,480</u>	<u>5,188,480</u>	<u>5,218,746</u>	<u>(30,266)</u>	<u>(30,266)</u>
Support services:					
Pupil services	374,750	374,750	376,535	(1,785)	(1,785)
Instructional staff services	512,273	512,273	602,078	(89,805)	(89,805)
General administration services	405,590	405,590	481,645	(76,055)	(76,055)
Building administration services	447,845	447,845	453,970	(6,125)	(6,125)
Business administration	1,956,391	1,956,391	2,140,569	(184,178)	(184,178)
Central services	42,965	42,965	64,515	(21,550)	(21,550)
Insurance	96,690	96,690	100,836	(4,146)	(4,146)
Principal and interest	267,954	267,954	277,438	(9,484)	(9,484)
Other support services	439,528	439,528	362,597	76,931	76,931
Total support services	<u>4,543,986</u>	<u>4,543,986</u>	<u>4,860,183</u>	<u>(316,197)</u>	<u>(316,197)</u>
Non-program transactions					
Purchased instructional services	1,235,494	1,235,494	1,408,497	(173,003)	(173,003)
Total expenditures	<u>10,967,960</u>	<u>10,967,960</u>	<u>11,487,426</u>	<u>(519,466)</u>	<u>(519,466)</u>
Excess (deficiency) of revenues over expenditures	<u>926,985</u>	<u>926,985</u>	<u>686,370</u>	<u>(240,615)</u>	<u>(240,615)</u>
OTHER FINANCING SOURCES (USES)					
Lease proceeds			35,851	35,851	35,851
Sale of capital assets	2,701	2,701	16,250	13,549	13,549
Transfers to other funds	(929,686)	(929,686)	(944,857)	(15,171)	(15,171)
Total other financing sources (uses)	<u>(926,985)</u>	<u>(926,985)</u>	<u>(892,756)</u>	<u>34,229</u>	<u>34,229</u>
Net change in fund balances			(206,386)	(206,386)	(206,386)
Fund balance - beginning	2,862,176	2,862,176	2,862,176		
Fund balance - ending	<u>\$ 2,862,176</u>	<u>\$ 2,862,176</u>	<u>\$ 2,655,790</u>	<u>\$ (206,386)</u>	<u>\$ (206,386)</u>

Exhibit B-2
Parkview School District
Budgetary Comparison Schedule for the Special Education Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with	Variance with
	Original	Final		Original Budget Favorable (Unfavorable)	Final Budget Favorable (Unfavorable)
REVENUES					
State sources	\$ 319,636	\$ 319,636	\$ 378,238	\$ 58,602	\$ 58,602
Federal sources	387,317	387,317	335,002	(52,315)	(52,315)
Other sources			2,640	2,640	2,640
Total revenues	<u>706,953</u>	<u>706,953</u>	<u>715,880</u>	<u>8,927</u>	<u>8,927</u>
EXPENDITURES					
Instruction	1,043,935	1,043,935	1,056,737	(12,802)	(12,802)
Support services	471,532	471,532	443,418	28,114	28,114
Non-program transactions	91,172	91,172	130,582	(39,410)	(39,410)
Total expenditures	<u>1,606,639</u>	<u>1,606,639</u>	<u>1,630,737</u>	<u>(24,098)</u>	<u>(24,098)</u>
Excess (deficiency) if revenues over expenditures	<u>(899,686)</u>	<u>(899,686)</u>	<u>(914,857)</u>	<u>(15,171)</u>	<u>(15,171)</u>
OTHER FINANCING SOURCES (USES)					
Transfer from general fund	<u>899,686</u>	<u>899,686</u>	<u>914,857</u>	<u>15,171</u>	<u>15,171</u>
Total other financing sources (uses):	<u>899,686</u>	<u>899,686</u>	<u>914,857</u>	<u>15,171</u>	<u>15,171</u>
Net change in fund balances					
Fund balance - beginning	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Fund balance - ending	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Exhibit B-3
PARKVIEW SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2022**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 23,715	\$ 19,050	\$ 19,243	\$ 20,048	\$ 20,048
Interest	9,434	14,021	15,924	15,414	18,502
Changes in benefit terms	21,934				
Differences between expected and actual experience	28,043		(41,762)		
Changes of assumptions or other inputs	(10,768)	25,451	9,373	(5,664)	
Benefit payments	(34,740)	(49,571)	(3,885)	(86,424)	(167,108)
Net change in total OPEB	\$ 37,618	\$ 8,951	\$ (1,107)	\$ (56,626)	\$ (128,558)
Total OPEB Liability - Beginning	424,814	415,863	416,970	473,596	602,154
Total OPEB Liability - Ending	\$ 462,432	\$ 424,814	\$ 415,863	\$ 416,970	\$ 473,596
Covered Employee Payroll	\$ 5,709,841	\$ 4,961,197	\$ 4,961,197	\$ 2,117,964	\$ 2,117,964
Total OPEB liability as a percentage of covered-employee payroll	8.10%	8.56%	8.38%	19.69%	22.36%

Exhibit B-4
Parkview School District
Wisconsin Retirement System Schedules
June 30, 2022

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Last 10 Calendar Years*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2021	(0.03497452%)	\$ (2,819,010)	\$ 6,112,136	(46.12%)	106.02%
2020	(0.03499040%)	(2,184,499)	5,796,291	(37.69%)	105.26%
2019	(0.03561755%)	(1,148,472)	5,564,317	(20.64%)	102.96%
2018	0.03619722%	1,287,783	5,462,577	23.57%	96.45%
2017	(0.03699755%)	(1,098,501)	5,435,492	(20.21%)	102.93%
2016	0.03820046%	314,863	5,274,582	5.97%	99.12%
2015	0.04016373%	652,653	5,386,532	12.12%	98.20%
2014	(0.04215799%)	(1,035,231)	5,619,479	(18.42%)	102.74%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years**

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2022	\$ 427,236	(427,236)		\$ 6,476,896	6.60%
2021	401,428	(401,428)		5,946,239	6.75%
2020	381,996	(381,996)		5,723,159	6.67%
2019	360,890	(360,890)		5,462,543	6.61%
2018	369,884	(369,884)		5,470,775	6.76%
2017	361,221	(361,221)		5,387,223	6.71%
2016	348,848	(348,848)		5,226,008	6.68%
2015	381,503	(381,503)		5,547,794	6.88%

**The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

Parkview School District
Notes to Required Supplementary Information
June 30, 2022

NOTE 1

BUDGET SCHEDULE

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 one digit function level for the general fund and the total expenditure level for all other funds. Reported budget amounts are as originally adopted or as amended by the School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- 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.
- Pursuant to the public budget hearing, the School Board may alter the proposed budget.
- After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.

The District is legally required by the State of Wisconsin to maintain and budget separately for a Special Education Fund. Professional standards require the Special Education Fund to be combined with the General Fund in the basic financial statements. Due to the perspective differences in budgeting, the required supplementary information reports the budgetary comparison information separately for the General Fund and the Special Education Fund.

Except as noted in the previous paragraph, annual budgets are adopted on a basis consistent with U.S generally accepted accounting principles for all governmental and special revenue funds.

Appropriations lapse at year-end unless authorized as a carryover by the School Board.

NOTE 2

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

Fund	Excess Expenditures
General Fund:	
Instruction	\$ 30,266
Non-program transactions	316,197
Support services	173,003
Transfers to other funds	15,171
Special Education Fund:	
Instruction	12,802
Non-program transactions	39,410

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2022

NOTE 3

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY
INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "total revenues" from the budgetary comparison schedules	\$ 12,173,796	\$ 715,880
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>715,880</u>	<u>(715,880)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 12,889,676</u>	<u>\$</u>
	General Fund	Special Education Fund
B) Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedules	\$ 11,487,426	\$ 1,630,737
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,630,737</u>	<u>(1,630,737)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 13,118,163</u>	<u>\$</u>

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2022

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

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

Changes of assumptions:

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

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

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

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

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2022

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
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%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	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*:					
Retirement Age:	1.9%	1.9%	2.1%	2.1%	2.1%
	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.	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:	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%).	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.

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2022

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	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
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
Asset Valuation Method:	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%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	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%
	2.1%	2.1%	2.1%	2.1%
Post-retirement Benefit Adjustments*:				
Retirement Age:	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 2012 valuation pursuant to an experience study of the period 2006 - 2008.
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 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.

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2022

NOTE 5

OTHER POSTEMPLOYMENT BENEFITS PLAN

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

Changes of benefit terms. The District revised the HRA amounts provided to individuals with total years of service upon retirement between 15, 20, and 25 years of service.

Changes of assumptions. Changes were made to WRS rates, married and spousal participation, and the assumed number of dependents.

Assets. There are no assets accumulated in a trust that meet the criteria in Governmental Accounting Standards to pay related benefits.

SUPPLEMENTARY INFORMATION

Exhibit C-1
Parkview School District
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2022

	Special Revenue Funds				Total Non-major Governmental Funds
	Food Service Fund	Community Service Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS					
Cash and investments	\$ 164,767	\$ 25,498	\$ 254,863	\$ 31,358	\$ 476,486
Due from other governments	17,154				17,154
Inventories and prepaid supplies	10,980				10,980
Total assets	\$ 192,901	\$ 25,498	\$ 254,863	\$ 31,358	\$ 504,620
LIABILITIES					
Accounts payable	\$	\$	\$ 9,476	\$	\$ 9,476
Accrued wages and related payables	268	221			489
Customer deposits	22,860				22,860
Total liabilities	23,128	221	9,476		32,825
FUND BALANCES					
Nonspendable	10,980				10,980
Restricted	158,793	25,277	245,387	31,358	460,815
Total fund balances	169,773	25,277	245,387	31,358	471,795
Total liabilities and fund balances	\$ 192,901	\$ 25,498	\$ 254,863	\$ 31,358	\$ 504,620

Exhibit C-2
Parkview School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds
	Food Service Fund	Community Service Fund	Special Revenue Fund		
REVENUES					
Property taxes	\$	\$ 10,000	\$	\$	\$ 10,000
Other local sources	47,491	2,090	251,713	154	301,448
State sources	20,622				20,622
Federal sources	557,496				557,496
Other sources	2,420				2,420
Total revenues	<u>628,029</u>	<u>12,090</u>	<u>251,713</u>	<u>154</u>	<u>891,986</u>
EXPENDITURES					
Instruction:					
Regular instruction			11,462		11,462
Vocational instruction			1,391		1,391
Other instruction			5,416		5,416
Total instruction			<u>18,269</u>		<u>18,269</u>
Support services:					
Pupil services			182,907		182,907
Instructional staff services			101		101
Business administration	503,006		111,751	74,372	689,129
Central services		730			730
Community services		17,453			17,453
Other support services	2,271				2,271
Total support services	<u>505,277</u>	<u>18,183</u>	<u>294,759</u>	<u>74,372</u>	<u>892,591</u>
Non-program transactions:					
Post-Secondary scholarships			1,740		1,740
Other non-program transactions			2,166		2,166
Total non-program transactions:			<u>3,906</u>		<u>3,906</u>
Total expenditures	<u>505,277</u>	<u>18,183</u>	<u>316,934</u>	<u>74,372</u>	<u>914,766</u>
Excess (deficiency) of revenues over expenditures	<u>122,752</u>	<u>(6,093)</u>	<u>(65,221)</u>	<u>(74,218)</u>	<u>(22,780)</u>
OTHER FINANCING SOURCES					
Transfers from general fund				30,000	30,000
Net change in fund balance	122,752	(6,093)	(65,221)	(44,218)	7,220
Fund balance - beginning	<u>47,021</u>	<u>31,370</u>	<u>310,608</u>	<u>75,576</u>	<u>464,575</u>
Fund balances - ending	<u>\$ 169,773</u>	<u>\$ 25,277</u>	<u>\$ 245,387</u>	<u>\$ 31,358</u>	<u>\$ 471,795</u>

Exhibit C-3
 Parkview School District
 Schedule of Charter School Authorizer Operating Costs
 Fiscal Year Ending June 30, 2022

OPERATING ACTIVITY	WUFUR OBJECT CODE	COST
Employee Salaries	100	\$ -
Employee Benefits	200	-
Purchased Services	300	-
Non-Capital Objects	400	-
Capital Objects	500	-
Insurance & Judgements	700	-
Dues & Fees	900	-
Total		\$ -