

**PARKVIEW SCHOOL DISTRICT**

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**INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS**

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**YEAR ENDED JUNE 30, 2023**

**PARKVIEW SCHOOL DISTRICT**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Parkview School District

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

To the Board of Education  
Parkview School District

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

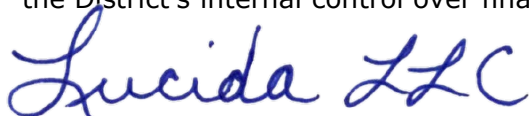
Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our 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, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, schedule of expenditures of state awards as required by *Wisconsin State Single Audit Guidelines*, and Schedule of Charter School Authorizer Operating Costs as required by the *Wisconsin Public School District Audit Manual*, 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 and 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 accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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. The 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.



Lucida LLC  
Lake Geneva, Wisconsin  
December 15, 2023

**PARKVIEW SCHOOL DISTRICT  
STATEMENT OF NET POSITION**

JUNE 30, 2023

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
<b>Current assets:</b>	
Cash and investments	\$ 1,302,059
Taxes receivable	1,527,569
Accounts receivable	712
Due from other governments	373,316
Prepaid expenditures	59,963
Inventory	5,522
<b>Noncurrent assets:</b>	
Capital Assets:	
Land	387,739
Other capital assets, net of accumulated depreciation	11,974,454
Right-of-use assets, net of accumulated amortization	83,030
<b>TOTAL ASSETS</b>	<b>15,714,364</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflows related to pensions	6,866,343
Deferred outflows related to OPEB	82,022
Unamortized loss on advanced refunding	924,828
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>7,873,193</b>
<b><u>LIABILITIES</u></b>	
<b>Current liabilities:</b>	
Accounts payable	41,199
Payroll and related liabilities	227,981
Current portion of bonds and notes payable	1,077,000
Current portion of financed purchases and lease liability	161,817
Accrued interest on long-term debt	69,281
<b>Noncurrent liabilities:</b>	
Long-term debt	9,189,000
Unamortized bond premium	332,532
Accrued compensated absences	87,382
Net pension liability	1,887,416
Financed purchases and lease liability	237,218
OPEB liability	460,537
<b>TOTAL LIABILITIES</b>	<b>13,771,363</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred inflows related to pensions	3,959,628
Deferred inflows related to OPEB	67,756
Other deferred revenue	21,669
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,049,053</b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	1,447,656
Restricted (See note H)	1,653,464
Unrestricted	2,666,021
<b>TOTAL NET POSITION</b>	<b>\$ 5,767,141</b>

See accompanying notes to basic financial statements.

**PARKVIEW SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
YEAR ENDED JUNE 30, 2023

Program Activities	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities				
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Instruction:</b>				
Regular	\$ 6,683,593	\$ 256,130	\$ 2,298,955	\$ (4,128,508)
Special education	1,236,436	-	814,228	(422,208)
Vocational instruction	244,202	-	-	(244,202)
Other	462,674	-	21,057	(441,617)
<b>Total Instruction</b>	<b>8,626,905</b>	<b>256,130</b>	<b>3,134,240</b>	<b>(5,236,535)</b>
<b>Support Services:</b>				
Pupil	1,937,690	-	-	(1,937,690)
Libraries and instructional	798,015	-	-	(798,015)
Administration	1,124,617	-	-	(1,124,617)
Operation and maintenance	1,638,645	-	-	(1,638,645)
Pupil transport	711,395	-	71,199	(640,196)
Central services	91,664	-	-	(91,664)
Food service	567,736	218,872	356,575	7,711
Community services	26,853	1,915	-	(24,938)
Interest and fiscal charges	301,145	-	-	(301,145)
Other	435,931	-	48,597	(387,334)
<b>Total Support Services</b>	<b>7,633,691</b>	<b>220,787</b>	<b>476,371</b>	<b>(6,936,533)</b>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 24,631,363</b>	<b>\$ 697,704</b>	<b>\$ 4,135,579</b>	<b>(12,173,068)</b>
<b>GENERAL REVENUES</b>				
Property taxes, levied for general purposes				3,400,746
Property taxes, levied for debt services				2,242,412
Property taxes, levied for specific purposes				10,000
Federal and state aid not restricted to programs:				
General				6,715,329
Investment income				47,825
Gain/(Loss) on sale of District property				5,130
Miscellaneous				89,432
<b>TOTAL GENERAL REVENUES</b>				<b>12,510,874</b>
<b>CHANGE IN NET POSITION</b>				<b>337,806</b>
<b>NET POSITION - BEGINNING OF YEAR</b>				<b>5,429,335</b>
<b>NET POSITION - END OF YEAR</b>				<b>\$ 5,767,141</b>

See accompanying notes to basic financial statements.



**PARKVIEW SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
JUNE 30, 2023

	<b>General</b>	<b>Debt Service</b>	<b>Food Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 655,577	\$ 208,344	\$ 194,411	\$ 243,727	\$ 1,302,059
Receivables:		-			
Taxes	1,527,569	-	-	-	1,527,569
Accounts	126	-	586	-	712
Due from other governments	356,633	-	16,683	-	373,316
Prepaid expenditures	59,963	-	-	-	59,963
Inventory	-	-	5,522	-	5,522
<b>TOTAL ASSETS</b>	<u>2,599,868</u>	<u>208,344</u>	<u>217,202</u>	<u>243,727</u>	<u>3,269,141</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	29,333	-	11,866	-	41,199
Payroll and related liabilities	227,431	-	539	11	227,981
Deposits payable	-	-	21,669	-	21,669
<b>TOTAL LIABILITIES</b>	<u>256,764</u>	<u>-</u>	<u>34,074</u>	<u>11</u>	<u>290,849</u>
<b><u>FUND BALANCES</u></b>					
Nonspendable	59,963	-	-	-	59,963
Restricted	10,545	208,344	183,128	232,148	634,165
Assigned	-	-	-	11,568	11,568
Unassigned	2,272,596	-	-	-	2,272,596
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,343,104</u>	<u>\$ 208,344</u>	<u>\$ 183,128</u>	<u>\$ 243,716</u>	<u>\$ 2,978,292</u>

See accompanying notes to basic financial statements.

**PARKVIEW SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
JUNE 30, 2023

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 2,978,292

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 in the governmental funds as assets.

Capital assets	\$ 27,003,236	
Accumulated depreciation	(14,641,043)	
		12,362,193

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

Right-of-use assets	722,590	
Accumulated amortization on right-of-use assets	(639,560)	
		83,030

The District's proportionate share of the Wisconsin Retirement System net pension asset (liability) is reported on the statement of net position, but is not reported in the governmental funds.

(1,887,416)

The District's net OPEB asset (liability) is not currently available and thus not reported in the governmental funds.

(460,537)

The unamortized loss on advanced refunding is not a current financial resource and is, therefore, not reported in the fund statements

924,828

Deferred inflows and outflows of resources are applicable to future periods, and therefore, are not reported in the governmental funds.

WRS pension outflows	6,866,343	
OPEB inflows	(67,756)	
OPEB outflows	82,022	
WRS pension inflows	(3,959,628)	
		2,920,981

Long-term debt and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities at year end consist of:

Bonds and noted payable	(10,266,000)	
Unamortized bond premium	(332,532)	
Financed purchases and lease liability	(399,035)	
Accrued compensated absences	(87,382)	
		(11,084,949)

Accrued interest payable on debt is not due and payable in the current period and, therefore, is not reported as a liability in the funds.

(69,281)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 5,767,141

**PARKVIEW SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2023

	<b>General</b>	<b>Debt Service</b>	<b>Food Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
<b><u>REVENUES</u></b>					
Local	\$ 3,695,911	\$ 2,242,439	\$ 218,872	\$ 315,137	\$ 6,472,359
Interdistrict	866,537	-	-	-	866,537
Intermediate	14,059	-	-	-	14,059
State	7,915,934	-	12,580	-	7,928,514
Federal	878,377	-	343,996	-	1,222,373
Other	88,949	-	5,106	507	94,562
<b>TOTAL REVENUES</b>	<b>13,459,767</b>	<b>2,242,439</b>	<b>580,554</b>	<b>315,644</b>	<b>16,598,404</b>
<b><u>EXPENDITURES</u></b>					
Instruction:					
Current	8,076,426	-	-	41,162	8,117,588
Capital outlay	-	-	-	25,159	25,159
Support Services:					
Current	5,443,285	-	553,829	313,484	6,310,598
Capital outlay	156,909	-	13,370	22,495	192,774
Debt Service	-	2,235,552	-	-	2,235,552
Non program	65,833	-	-	1,650	67,483
<b>TOTAL EXPENDITURES</b>	<b>13,742,453</b>	<b>2,235,552</b>	<b>567,199</b>	<b>403,950</b>	<b>16,949,154</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(282,686)</b>	<b>6,887</b>	<b>13,355</b>	<b>(88,306)</b>	<b>(350,750)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Operating transfers in	-	-	-	30,000	30,000
Operating transfers (out)	(30,000)	-	-	-	(30,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(312,686)</b>	<b>6,887</b>	<b>13,355</b>	<b>(58,306)</b>	<b>(350,750)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>2,655,790</b>	<b>201,457</b>	<b>169,773</b>	<b>302,022</b>	<b>3,329,042</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 2,343,104</b>	<b>\$ 208,344</b>	<b>\$ 183,128</b>	<b>\$ 243,716</b>	<b>\$ 2,978,292</b>

See accompanying notes to basic financial statements.

**PARKVIEW SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
YEAR ENDED JUNE 30, 2023

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (350,750)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Depreciation expense	\$ (1,069,531)	
Capital outlays	<u>217,933</u>	(851,598)

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	-	
Amortization expenses reported in the statement of activities	<u>(114,554)</u>	(114,554)

Deferred charges associated with long-term debt refundings 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)

The repayment of the principal of long-term debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Long-term debt principal paid	1,965,000	
Capital lease principal paid	248,183	
Premium on long-term debt	<u>30,231</u>	2,243,414

Accrued interest reported in the governmental funds are reported as expenditure when paid. However, in the statement of activities, interest expense is recognized as interest accrues, regardless of when it is due.

25,205

Certain expenses do not require the use of current financial resources, and therefore, are not accrued in the governmental funds. These expenses are accrued in the government-wide statement of net position and reported as expenses in the statement of activities.

Accrued compensated absences		10,862
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The change in the net pension liability (asset) and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share of the differences between the expected and actual experience of the pension plan.

(504,229)

Other post-employment benefits are reported in the governmental funds when amounts are paid. However, the statement of activities reports the amount earned during the year. Post employment benefits paid are greater than the amounts earned.

(34,514)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 337,806

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023

**Note A - Summary of Significant Accounting Policies**

The basic 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.

**Reporting Entity**

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

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the District for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency between the District and the governmental entity; control by the District over selection of the entity's governing authority or designation of management; the ability of the District to significantly influence operations of the entity; and whether the District is responsible for the accountability for fiscal matters.

**Component Units**

GAAP requires that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements.

The Parkview Academy of Virtual Education ("PAVE") is a charter school organized pursuant to Wisconsin Statute §118.40(2m)(a) which authorizes the District to enter into a contract to operate a charter school within the District. PAVE is reported in the general fund. PAVE became operational during the year ended June 30, 2023. Separately issued financial statements of PAVE may be obtained from the District.

**Basis of Presentation**

**District-wide Financial Statements**

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

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

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

District-wide Financial Statements (continued)

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. The fund financial statements provide reports on the financial condition and results of operations for governmental funds. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated and reported as nonmajor funds.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- 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
- Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the individual governmental funds are at least 5 percent of the corresponding total for all governmental funds combined.
- 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 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 that are required to be account for in another fund. It is also used to account for activities associated with providing educational programs for students with disabilities. The general fund is also used to account for the activity of the District's Charter School, PAVE.

Special revenue funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects of expendable trust) that are legally restricted 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 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.

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.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

Major Governmental Funds

The District reports the following major governmental funds:

*General Fund*

*Debt Service Fund*

*Special Revenue Food Service Fund – accounts for activities of the District’s food service program.*

Nonmajor Governmental Funds

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

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

*Capital Projects Capital Improvement Fund – accounts for the accumulation of resources to be used for future capital projects.*

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recognized as receivables and deferred revenues. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value unless the difference between amortized costs and fair value are material.

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 funds. Interest earned is distributed monthly to the various funds based on each fund's proportionate equity in the cash and investment pool.

All deposits of the District are made in board designated official depositories and are secured as required the State Statute. The District may designate, as an official depository, any bank or savings association. The School Board has adopted an investment policy which allows the District to invest in time deposit account such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

Wisconsin Statute 66.0603 restricts investment of district funds. Permitted investments for the District include any of the following:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in Wisconsin.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Bonds or securities of any Wisconsin county, city, drainage district, technical college district, village, town or school district.
- Bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, University of Wisconsin Hospitals and Clinics Authority, local cultural arts district, or the Wisconsin Aerospace Authority.
- Any security matures in seven years or less of the acquisition date with either the highest or second highest rating category of a nationally recognized rating agency.
- Repurchase agreements with public depositories, with certain conditions.
- Securities of an open-end management company or investment trusts if the portfolio is collateralized by bonds or securities, subject to various conditions and investment options.

**Receivables**

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection by the taxing municipalities based on the past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes must be paid in full or in two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20<sup>th</sup> 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 20, the county treasurer makes full settlement to the District for any remaining balance.



**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Receivables (continued)**

Property taxes are recognized as revenues in the fiscal year for which they are budgeted and levied as they are considered due as of January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment, and full receipt of the entire levy is assured within sixty days of fiscal year end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

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 it is believed that such an allowance would not be material.

**Inventories and Prepaid Expenditures**

All inventories are valued at cost using the first in/first out ("FIFO") method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in both district-wide and fund financial statements.

**Interfund Transactions**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Transfers are recorded to move cash between funds to account for these activities. The current portion of lending/borrowing arrangements between funds is identified as due to/from other funds. The non-current portion or outstanding balances between funds is reported as advances to/from other funds. Advances between funds are offset by a fund balance reserve account to indicate they are not available for appropriation and are not expendable available financial resources. The District has no advances between funds. Individual fund transfers and interfund receivable and payable activity for the year ended June 30, 2023 are as follows:

<b><u>Receivable Fund</u></b>	<b><u>Payable Fund</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
<b><u>Transfers:</u></b>			
Capital Improvement	General	\$ 30,000	Fund future capital improvements

**Due to/from:**

None

**Capital Assets**

**District-wide Financial Statements**

Capital assets, which include land, land improvements, buildings and improvements, furniture and equipment, and vehicles are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. No depreciation is recorded in the governmental fund financial statements.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Capital Assets (continued)**

District-wide Financial Statements (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Land is not depreciated. Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<b><u>Assets</u></b>	<b><u>Estimated Useful Life</u></b>
Buildings	40 - 50 years
Building improvements	20 years
Site improvements	10 years
Computer equipment	3 years
Other equipment	5 - 20 years
Vehicles	5 - 8 years

The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Fund Financial Statements

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

**Deferred Inflows / Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to net pension liability, supplemental pension liability, and OPEB liability.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Deferred Inflows / Outflows of Resources (continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to net pension liability and OPEB liability. Revenues collected in advance that do not meet the revenue recognition criteria, and food service account deposits are also reported under deferred inflows of resources.

**Pensions**

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

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

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

**Other Post-employment Benefits**

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.

**Accrued 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 a 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.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

**Accrued Compensated Absences (continued)**

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 the expendable available resources.

**Long-term Obligations**

All long-term obligations to be repaid from governmental resources are reported as liabilities in the district-wide financial statements. The long-term debt consists primarily of notes, bonds or loans payable, lease liabilities, finance purchases, accrued compensated absences, liabilities related to WRS pension plans and District OPEB plans. Bond issuance costs and discounts are expensed in the current period. Bond premiums are deferred and amortized over the life of the bonds.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The face amount of debt issued and bond premiums are reported as other financing sources while the payment of principal, interest, and expenses on issuance are reported as expenditures.

**Net Position**

District-Wide Financial Statements – The District classifies net position in the district-wide financial statements as follows:

*Net investment in capital assets* – Consists of capital assets net of accumulated depreciation and reduced by the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

*Restricted net position* – Consists of net position that is subject to restrictions that are imposed by creditors, grantors, or laws or regulations of other governments.

*Unrestricted net position* – All other net positions not classified in previous two categories.

The District applies restricted resources first when expense is incurred for purposes for which both a restricted and unrestricted net position is available, then unrestricted resources as they are needed.

**Fund Balances**

Fund Financial Statements – Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

Fund Financial Statements (continued)

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of the fund classifications:

*Nonspendable fund balance* – includes amounts that cannot be spent because they are not in a spendable form and cannot be converted to cash or because they are legally or contractually required to remain intact. The District shall report inventories, prepaid items, long-term receivables, and other amounts legally or contractually required to be maintained intact as nonspendable.

*Restricted fund balance* – includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed fund balance* – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is a school board resolution and require the approval of a majority of the school board. Commitments may only be established, modified, or rescinded through resolutions approved by the School Board.

*Assigned fund balance* – includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the District Administrator pursuant to authorization established by the School Board to the extent that such assignments do not create a negative unassigned fund balance. The District Administrator's assignment of fund balance resources for a specific purpose, or the removal of an assignment previously made, must be reasonably justified, documented, and reported to the board.

*Unassigned fund balance* – the residual classification for the general fund. This classification represents spendable fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

Fund Balance of a special revenue fund, where donations and contributions received from an individual or organization, shall be restricted for the specific purpose identified by the individual, organization, or district administration.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the District's general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the District's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

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.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note A - Summary of Significant Accounting Policies (continued)**

Fund Financial Statements (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 specific purposes, 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.

**Use of Estimates**

The preparation of the District's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported periods. Actual results could differ from those estimates.

**Deferred Amount on Refunding**

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in the 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.

**Subsequent Events**

Subsequent events have been evaluated through December 15, 2023, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated. There were no subsequent events required to be disclosed for the year ended June 30, 2023.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note B – Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents at June 30, 2023 consisted of the following:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
<b>Custodial Risk:</b>			
Demand deposits	\$ 1,242,323	\$ -	\$ 1,242,323
Local government investment pool	-	1,062	1,062
<b>Custodial and Interest Rate Risk</b>			
Certificates of deposit	-	28,026	28,026
Fixed annuity account	-	30,648	30,648
<b>Total cash and investments</b>	<u>\$ 1,242,323</u>	<u>\$ 59,736</u>	<u>\$ 1,302,059</u>

The District's cash and investments are reported in the financial statements as follows:

**Per Statement of Net Position**

Cash and investments	<u>\$ 1,302,059</u>
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Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation ("FDIC") in the amount of \$250,000 for demand deposits and \$250,000 for time deposits. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per financial institution above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The fund insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the State Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP 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 and carries investments at amortized cost for purposes of calculating income to participants. At June 30, 2022, the fair value of the District's share of the LGIP's assets were substantially equal to the amount as reported in these statements.

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies to the report can be obtained from <http://www.doa.state.wi.us/Division/Budget-and-Financial/LGIP>.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note B – Cash, Cash Equivalents and Investments (continued)**

Custodial Risk: 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. At year-end, the carrying amount of the District's deposits was \$1,302,059 and the bank balance was \$1,378,736 of which \$651,062 is full insured and \$727,674 was uninsured and uncollateralized. Differences between bank balance and carrying amount represent deposits in transit and/or outstanding checks.

Interest Rate Risk: Is the risk of fair value losses arising from rising interest rates.

<b><u>Type of Investment</u></b>	<b>Investment Maturities (In Years)</b>				<b>Total</b>
	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>Over 10 Years</b>	
Certificates of deposit	\$ 28,026	\$ -	\$ -	\$ -	\$ 28,026
Fixed annuity	30,648	-	-	-	30,648
	<u>\$ 58,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,674</u>

Credit Risk: Is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligation explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District does not have any investments that are subject to credit risk.

**Fair Value Measurements of Investments**

The District categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

Level 1	Quoted prices in active markets for identical assets.
Level 2	Significant other observable inputs.
Level 3	Significant unobservable inputs.

	<b>Fair Value Measurement Using</b>				<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Exempt</b>	
LGIP	\$ -	\$ -	\$ -	\$ 1,062	\$ 1,062
Certificates of deposit	-	-	-	28,026	28,026
Fixed annuity	-	-	-	30,648	30,648
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,736</u>	<u>\$ 59,736</u>

Certificates of deposit, the local government investment pool and the fixed annuity are exempt from disclosure due to investments being valued at amortized cost.



**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note C - Capital Assets**

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

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>Ending</u>
<b>Capital assets not being depreciated:</b>					
Land	\$ 387,739	\$ -	\$ -	\$ -	\$ 387,739
Construction work in progress	31,429	-	-	(31,429)	-
<b>Total capital assets not being depreciated</b>	<u>419,168</u>	<u>-</u>	<u>-</u>	<u>(31,429)</u>	<u>387,739</u>
<b>Capital assets being depreciated:</b>					
Buildings	21,555,344	162,207	(8,200)	10,605	21,719,956
Land improvements	445,002	11,299	(9,826)	-	446,475
Furniture and equipment	4,508,872	44,427	(254,630)	20,824	4,319,493
Vehicles	129,573	-	-	-	129,573
<b>Total capital assets being depreciated</b>	<u>26,638,791</u>	<u>217,933</u>	<u>(272,656)</u>	<u>31,429</u>	<u>26,615,497</u>
Less: accumulated depreciation	<u>(13,844,168)</u>	<u>(1,069,531)</u>	<u>272,656</u>	<u>-</u>	<u>(14,641,043)</u>
<b>Total capital assets being depreciated, net of accumulated depreciation</b>	<u>12,794,623</u>	<u>\$ (851,598)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,974,454</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 13,213,791</u>				<u>\$ 12,362,193</u>

Right-of-use asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Subtractions</u>	<u>End of Year</u>
Right-of-use Assets				
Equipment	\$ 722,590	\$ -	\$ -	\$ 722,590
Less: Accumulated Amortization				
Equipment	525,006	114,554	-	639,560
<b>Total Right to use Lease Assets, net</b>	<u>\$ 197,584</u>	<u>\$ (114,554)</u>	<u>\$ -</u>	<u>\$ 83,030</u>

Depreciation and amortization on capital assets and right-of-use assets was charged to depreciation expenditures in the following governmental functions in the statement of activities:

	<u>Allocated depreciation</u>
Instruction	\$ 128,757
Support Service	1,055,328
Total	<u>\$ 1,184,085</u>

**PARKVIEW SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2023  
(CONTINUED)

**Note D – Long-term Debt**

Long-term liabilities of the District are as follows:

<b>Type</b>	<b>Balances Beginning</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances Ending</b>	<b>Amounts Due Within One Year</b>
General obligation debt	\$ 12,231,000	\$ -	\$ 1,965,000	\$ 10,266,000	\$ 1,077,000
Unamortized bond premium	362,763	-	30,231	332,532	30,231
Lease liability	647,218	-	248,183	399,035	161,817
Compensated absences	98,244	-	10,862	87,382	-
<b>Total</b>	<b>\$ 13,339,225</b>	<b>\$ -</b>	<b>\$ 2,254,276</b>	<b>\$ 11,084,949</b>	<b>\$ 1,269,048</b>

Total interest paid and expensed (including accrual) during the year ended June 30, 2023 on G.O. Bonds and G.O. Promissory Notes was \$270,554 and \$245,347, respectively. Total interest paid and expensed (including accrual) on finance purchases and lease liabilities was \$26,453 and \$20,712, respectively.

**General Obligation Debt**

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The long-term debt will be retired by future property tax levies and resources accumulated in the Debt Service Fund. General obligation debt, financed purchases and lease liabilities at June 30, 2023, are comprised of the following individual issues:

<b>Description</b>	<b>Issue Dates</b>	<b>Interest Rates (%)</b>	<b>Dates of Maturity</b>	<b>Balance June 30, 2023</b>
<b>G.O. Debt:</b>				
Refunding bonds	10/12/2010	4.75 to 5.50%	4/1/2030	\$ 935,000
School improvement bonds	7/9/2014	3.0 to 4.0%	4/1/2024	825,000
Refunding bonds	3/8/2021	.79 to 2.16%	4/1/2034	8,506,000
<b>Total G.O. Debt</b>				<b>\$ 10,266,000</b>
<b>Leases:</b>				
Phone system	6/27/2019	9.68%	6/27/2024	\$ 15,266
Smart Board	6/24/2019	4.31%	10/1/2023	45,530
Copier	1/17/2022	12.08%	2/1/2027	27,882
Coper	11/7/2018	5.26%	8/1/2024	2,329
<b>Total Leases</b>				<b>\$ 91,007</b>
<b>Financed Purchases:</b>				
Honeywell equipment	7/17/2011	4.80%	7/1/2027	\$ 290,878
Dell computers	10/15/2020	9.02%	9/1/2023	17,150
<b>Total Financed Purchases</b>				<b>\$ 308,028</b>

**PARKVIEW SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2023  
(CONTINUED)

**Note D – Long-term Debt (continued)**

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2023 follow:

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,077,000	\$ 202,183	\$ 1,279,183
2025	1,065,000	149,950	1,214,950
2026	1,078,000	136,028	1,214,028
2027	1,091,000	120,100	1,211,100
2028	1,114,000	102,764	1,216,764
2029-2033	4,841,000	218,708	5,059,708
<b>Total</b>	<b>\$ 10,266,000</b>	<b>\$ 929,733</b>	<b>\$ 11,195,733</b>

Aggregate cash flow requirements for the retirement of the lease liability and financed purchases, principal and interest at June 30, 2023 were as follows:

<b>Years Ended June 30,</b>	<b>Leases</b>		<b>Financed Purchases</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 69,789	\$ 2,473	\$ 92,029	\$ 11,479	\$ 161,818	\$ 13,952
2025	7,476	2,063	81,148	7,660	88,624	9,723
2026	8,386	1,153	87,796	4,423	96,182	5,576
2027	5,356	208	47,055	920	52,411	1,128
Totals	<b>\$ 91,007</b>	<b>\$ 5,897</b>	<b>\$ 308,028</b>	<b>\$ 24,482</b>	<b>\$ 399,035</b>	<b>\$ 30,379</b>

The District has entered into lease agreements for Smart Boards, copiers, phone system, and technology equipment. The future minimum lease obligations are discussed above.

The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$657,754,741. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows.

Debt limit (5% of \$657,754,741)	\$ 32,887,737
Deduct long-term debt applicable to debt margin	(10,266,000)
<i>Margin of indebtedness</i>	<b>\$ 22,621,737</b>

**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 into the trust was \$11,255,565. As of June 30, 2023, 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.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note D – Long-term Debt (continued)**

Advance Refunding (continued)

Required debt service payments by the trust are as follows:

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

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 into the trust was \$11,255,565. As of June 30, 2023, 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.

At June 30, 2023, the District defeased \$960,000 of the 2021 School Improvement Bonds, which were due April 1, 2033. These amounts will be held in trust for the payment of principal and interest when they come due.

**Note E - 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://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.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note E - Defined Benefit Pension Plan (continued)**

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

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

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

The WRS also provides death and disability benefits for employees.

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

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

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

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note E - Defined Benefit Pension Plan (continued)**

***Contributions (continued)***

During the reporting period, the WRS recognized \$432,421 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

<b><u>Employee Category</u></b>	<b><u>Employee</u></b>	<b><u>Employer</u></b>
General ( including teachers, executives, and elected officials)	6.80%	6.80%

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

At June 30, 2023, the District reported a liability (asset) of \$1,887,416 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the Net Pension Liability (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, 2022, the District's proportion was 0.03562706%, which was an increase of 0.00065254% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense (revenue) of \$936,650.

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 3,006,069	\$ 3,949,299
Net differences between projected and actual earnings on pension plan investments	3,206,284	-
Changes in assumptions	371,144	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,512	10,329
Employer contributions subsequent to the measurement date	279,334	-
	<b><u>\$ 6,866,343</u></b>	<b><u>\$ 3,959,628</u></b>

The amount of \$279,334 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ended June 30, 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:

<b><u>Year Ended June 30,</u></b>	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
2023	\$ 3,642,725	\$ 3,536,519
2024	3,194,845	2,651,066
2025	2,658,158	2,010,072
2026	2,008,336	589,026
Thereafter	-	-

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note E - Defined Benefit Pension Plan (continued)**

**Actuarial assumptions.** The Total Pension Liability (Asset) in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
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. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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

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

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note E - Defined Benefit Pension Plan (continued)**

***Long-term expected Return on Plan Assets (continued)***

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

<b>Asset Allocation Targets and Expected Returns<sup>1</sup></b>			
<b>As of December 31, 2022</b>			
<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %<sup>2</sup></b>
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
<b>Total Core Fund<sup>3</sup></b>	<b>115</b>	<b>7.4</b>	<b>4.8</b>
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
<b>Total Variable Fund</b>	<b>100</b>	<b>7.7</b>	<b>5.1</b>

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

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

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

**Single Discount Rate.** A single discount rate of 6.80% was used to measure the Total Pension Liability for the current and 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 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 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 6.80 % 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.



**PARKVIEW SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2023  
(CONTINUED)

**Note E - 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:

	<b>1% Decrease to Discount Rate (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase to Discount Rate (7.80%)</b>
District's proportionate share of the net pension liability (asset)	\$ 6,264,272	\$ 1,887,416	\$ (1,123,485)

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

***Payables to the pension plan.*** At June 30, 2023 the District reported a payable to the pension plan of \$0.

**Note F – Other Post-employment 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 post-employment 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 benefits are as follows:

**Administrators and 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 shall 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.

**Employees Covered by Benefits Terms:** At June 30, 2021, which is the date of the last actuarial valuation, the following employees were covered by the benefit terms described above:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	71
	<u>73</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 Government Accounting Standards to pay related benefits.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note F – Other Post-employment Benefits (continued)**

**Key Actuarial Methods and Assumptions.** The valuation was based upon the data provided by the District. In performing this study, the actuaries utilized the premium rate history of the District's health plan as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2021.

The valuation date was June 30, 2021. The measurement date was June 30, 2022.

Of the teachers hired on or before June 30, 2013, as well as all Administrators, who are eligible for a District-provided post-employment benefit and currently participating in the District's group health plan, 40% were assumed to continue to elect coverage on the District's plan for the duration of COBRA. In addition, 20% of all other employees currently participating in the District's group health plan were assumed to continue to self-pay in retirement at the single coverage level for the duration of COBRA. The liability incurred on behalf of the above assumptions was calculated and included in the valuation.

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, a 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the Total OPEB Liability. The assumptions are detailed in the OPEB Technical Appendix.

A discount rate of 2.25% was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a municipal bond rate of 2.25%). The discount rate is based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date. Implicit in this rate is a 2.00% assumed rate of inflation.

**Changes in Total OPEB Liability.** The following table shows the components of the District's total OPEB cost for the year, the amount actually paid from the plan, and changes in the District's total OPEB liability.

	<b>Governmental Activities</b>
Service cost	\$ 23,184
Interest	10,201
Differences between expected and actual experience	39,015
Changes of assumptions or other input	(33,038)
Benefit payments	<u>(41,257)</u>
Net change in total OPEB liability	<u>(1,895)</u>
 Total OPEB liability - beginning of year	 462,432
Net change in total OPEB liability	(1,895)
Total OPEB liability - end of year	<u><u>\$ 460,537</u></u>

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note F – Other Post-employment Benefits (continued)**

The projection of the changes in total OPEB liability for the year are as follows:

	<b>Discount Rate</b>		
	<b>Baseline -1%</b>	<b>Baseline</b>	<b>Baseline +1%</b>
<b>Total OPEB liability - beginning of year</b>	\$ 481,355	\$ 462,432	\$ 443,125
<b>Changes for the year:</b>			
Service cost	26,952	23,184	19,836
Interest	5,928	10,201	14,053
Benefit payments	(41,257)	(41,257)	(41,257)
Changes in benefit terms	-	-	-
Differences between expected and actual experience	38,824	39,015	39,206
Changes of assumptions or other input	(32,494)	(33,038)	(33,238)
Net changes	(2,047)	(1,895)	(1,400)
<b>Total OPEB liability - ending of year</b>	<u>\$ 479,308</u>	<u>\$ 460,537</u>	<u>\$ 441,725</u>

**Actuarial Assumptions.** Actuarial assumptions used to determine the total supplemental pension liability in the June 30, 2018 valuation were based on the below major assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Reporting date	June 30, 2023
Actuarial cost method	Entry Age Normal (level percent of salary)
Medical Care Trend	6.50% decreasing by 0.10% per year down to 5.00% and level thereafter
Discount rate*	4.00% (based upon all years of projected payments discounted at a municipal bond rate of 4.00%)
Municipal bond rate source	S&P Municipal Bond 20 Year High Grade Index
Actuarial assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17
Mortality assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied by 60%)

\* Implicit in this rate is an assumed rate of inflation of 2.50%

**Sensitivity of the District's total OPEB liability to changes in the discount rate.** The following presents the District's total OPEB liability calculated using the discount rate of 4.00%, 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 (3.00%) or 1-percentage-point higher (5.00%) than the current rate:

	<b>1% Decrease to Discount Rate 3.00%</b>	<b>Current Discount Rate 4.00%</b>	<b>1% Increase to Discount Rate 5.00%</b>
<b>Total OPEB liability</b>	\$ 479,308	\$ 460,537	\$ 441,725

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note F – Other Post-employment Benefits (continued)**

***Sensitivity of the District's total OPEB liability to changes in healthcare cost trend rates.*** The following presents the District's total OPEB liability calculated using the healthcare cost trend rates of 6.5%, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	<b>1% Decrease (5.5% decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)</b>	<b>1% Increase (7.5% decreasing to 6.0%)</b>
<b>Total OPEB liability</b>	\$ 457,199	\$ 460,537	\$ 464,340

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.*** For the year ended June 30, 2023, the District recognized OPEB expense of \$34,513. At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 57,548	\$ 26,574
Changes of assumptions or other input	24,474	41,182
<b>Total</b>	<u>\$ 82,022</u>	<u>\$ 67,756</u>

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

<b>Year Ended June 30,</b>	<b>Recognized as OPEB expense as follows</b>
2023	\$ 1,128
2024	1,128
2025	1,128
2026	1,128
2027	1,124
Thereafter	8,630

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note F – Other Post-employment Benefits (continued)**

Following is a calculation of collective OPEB expense.

<b>Change in Total OPEB Liability</b>	\$ (1,895)
(Increase)/Decrease in Deferred outflows	(29,143)
Increase/(Decrease) in Deferred Inflows	24,294
Benefit Payments	<u>41,257</u>
OPEB Expense	\$ 34,513
<b>Operating Expenses</b>	
Service Cost	<u>\$ 23,184</u>
Total (a)	\$ 23,184
<b>Financing Expenses</b>	
Interest	<u>\$ 10,201</u>
Total (b)	\$ 10,201
<b>Changes</b>	
Benefit changes	\$ -
Recognition of assumption changes	(1,781)
Recognition of experience gains and losses	<u>2,909</u>
Total (c)	\$ 1,128
<b>OPEB Expense (a + b + c)</b>	\$ 34,513
<b>OPEB Expense as % of Payroll</b>	0.60%

There were no payables to the OPEB plan as of June 30, 2023.

**Note G – Self-funded Insurance Program**

The District has a self-funded dental benefit plan for its employees. The Plan administrators, Delta Dental, Inc. (administrator), are responsible for the approval, processing, and payment of claims, after which it bills the District for reimbursement. The District is also responsible for a monthly administrative fee. The plan reports on a fiscal year ending June 30, 2023.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District.

The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2023, the District has reported a liability of \$11,410, which represents reported and unreported dental claims which were incurred on or before June 30, 2023 but were not paid by the District as of that date. This amount consists of claims in the amount of \$6,770 which were reported and an estimate of \$4,640 of claims which were not yet reported to either the plan administrator of the District. The amounts not reported to the District were determined by the plan administrator.

Changes in the claims liability for the year ended June 30, 2023 are as follows:

Estimated claims outstanding July 1, 2022	\$17,433
Current year claims and changes in estimates	78,038
Claim payments	<u>(84,061)</u>
<b>Estimated claims outstanding June 30, 2023</b>	<u><u>\$11,410</u></u>

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2023  
(CONTINUED)

**Note G – Self-funded Insurance Program (continued)**

The self-funded dental plan is immaterial. Therefore, an actuarial certification does not apply.

**Note H - Fund Balances/Net Position**

Components of fund balance consist of the following at year end:

	<u><b>Nonspendable</b></u>	<u><b>Restricted</b></u>	<u><b>Assigned</b></u>	<u><b>Unassigned</b></u>
General fund:				
Common school fund library	\$ -	\$ 10,545	\$ -	\$ -
General fund	-	-	-	2,272,596
Prepaid expenditures	59,963	-	-	-
Debt service fund	-	208,344	-	-
Special revenue trust	-	217,364	-	-
Capital improvement	-	14,784	-	-
Food service fund	-	183,128	-	-
Community service fund	-	-	11,568	-
<b>Total</b>	<u>\$ 59,963</u>	<u>\$ 634,165</u>	<u>\$ 11,568</u>	<u>\$ 2,272,596</u>

**Governmental Activities**

Governmental net position at June 30, 2023 consists of the following:

**Net Investment in Capital Assets:**

Land	\$ 387,739	
Other capital assets net of accumulated depreciation	11,974,454	
Right-of-use assets, net of accumulated depreciation	83,030	
Less: outstanding debt	<u>(10,997,567)</u>	
		\$ 1,447,656

**Restricted**

WRS Pension	1,019,299	
General	10,545	
Food service	183,128	
Special revenue trust	217,364	
Capital improvement	14,784	
Debt service	<u>208,344</u>	
		1,653,464

Unrestricted		<u>2,666,021</u>
<b>Total Governmental Activities Net Position</b>		<u><b>\$ 5,767,141</b></u>

**Note I - Limitation on School District Revenues**

Wisconsin statutes limit the amount of revenues a school district may derive from general school aids and property taxes. The annual revenue increase from these sources is limited by the higher of the rate of inflation or the CPI-adjusted dollar amount on the prior year per pupil amount unless a higher amount has been approved by a referendum.

**PARKVIEW SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2023  
(CONTINUED)

**Note I - Limitation on School District Revenues (continued)**

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

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

**Note J - Litigation and Contingencies**

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

**Note K - Risk Management**

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

**Note L - Effect of New Accounting Standards on Financial Statements**

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

- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

## **REQUIRED SUPPLEMENTARY INFORMATION**



**PARKVIEW SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
YEAR ENDED JUNE 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Local	\$ 3,662,626	\$ 3,653,380	\$ 3,701,916	\$ 48,536
Interdistrict	914,084	914,084	866,537	(47,547)
Intermediate	6,500	6,500	14,059	7,559
State	7,466,877	7,466,877	7,485,032	18,155
Federal	726,202	726,202	619,714	(106,488)
Other	148,166	146,666	77,213	(69,453)
<b>TOTAL REVENUES</b>	<b>12,924,455</b>	<b>12,913,709</b>	<b>12,764,471</b>	<b>(149,238)</b>
<b><u>EXPENDITURES</u></b>				
Instruction:				
Undifferentiated curriculum	2,265,374	2,265,374	2,255,744	9,630
Regular curriculum	2,512,327	2,518,660	2,496,316	22,344
Physical curriculum	300,498	300,498	300,480	18
Vocational curriculum	296,233	297,233	294,995	2,238
Support Services:				
Pupil services	397,011	397,011	385,328	11,683
Libraries and instructional	708,932	724,818	675,814	49,004
General administration	474,415	474,415	497,078	(22,663)
School building administration	572,094	572,094	569,751	2,343
Business administration	2,326,517	2,090,517	2,365,787	(275,270)
Central services	77,279	77,279	91,664	(14,385)
Other support services	106,405	106,405	106,399	6
Other	1,880	1,880	1,026	854
Nonprogram	1,940,401	1,995,985	1,918,056	77,929
<b>TOTAL EXPENDITURES</b>	<b>11,979,366</b>	<b>11,822,169</b>	<b>11,958,438</b>	<b>(136,269)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<b>945,089</b>	<b>1,091,540</b>	<b>806,033</b>	<b>(285,507)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfer in (out)	(979,361)	(979,361)	(841,733)	137,628
<b>TOTAL OTHER FINANCING</b>				
<b>SOURCES (USES)</b>	<b>(1,252,497)</b>	<b>(1,252,497)</b>	<b>(1,118,719)</b>	<b>133,778</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (307,408)</b>	<b>\$ (160,957)</b>	<b>(312,686)</b>	<b>\$ (151,729)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>2,655,790</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 2,343,104</b>	

See accompanying notes to required supplementary information.

**PARKVIEW SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL EDUCATION FUND  
YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
State	\$ 386,719	\$ 386,719	\$ 430,902	\$ 44,183
Federal	301,910	301,910	258,663	(43,247)
Other	-	-	5,731	5,731
<b>TOTAL REVENUES</b>	<u>688,629</u>	<u>688,629</u>	<u>695,296</u>	<u>6,667</u>
<b><u>EXPENDITURES</u></b>				
Instruction:				
Special education	1,120,637	1,120,637	1,107,373	13,264
Support Services:				
Pupil services	299,499	299,499	239,941	59,558
Libraries and instructional	92,340	92,340	94,100	(1,760)
Business administration	24,818	24,818	35,245	(10,427)
Other support services	100,695	100,695	30,370	70,325
<b>TOTAL EXPENDITURES</b>	<u>1,637,989</u>	<u>1,637,989</u>	<u>1,507,029</u>	<u>130,960</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(949,360)</u>	<u>(949,360)</u>	<u>(811,733)</u>	<u>137,627</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfer in (out)	<u>949,360</u>	<u>949,360</u>	<u>811,733</u>	<u>(137,627)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

See accompanying notes to required supplementary information.

**PARKVIEW SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

Wisconsin Retirement System

Last 10 Fiscal Years\*

<b>WRS Year End</b>	<b>District's proportion of the net pension (asset) liability</b>	<b>District's proportionate share of the net pension (asset) liability</b>	<b>District's covered-employee payroll</b>	<b>Net pension (asset) liability as a percentage of employee payroll</b>	<b>Plan fiduciary net position as a percentage of total pension (asset) liability</b>
2022	0.03562706%	\$ 1,887,416	\$ 6,652,607	28.37%	95.72%
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%

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS**

Wisconsin Retirement System

Last 10 Fiscal Years\*

<b>WRS Year End</b>	<b>Contractually required contributions</b>	<b>Contributions in relation to the contractually required contributions</b>	<b>Contribution deficiency (excess)</b>	<b>District's covered-employee payroll</b>	<b>Contributions as a percentage of covered-employee payroll</b>
2022	\$ 432,421	\$ 432,421	\$ -	\$ 6,652,607	6.50%
2021	\$ 427,236	\$ 427,236	\$ -	\$ 6,112,136	6.60%
2020	\$ 401,428	\$ 401,428	\$ -	\$ 5,946,239	6.75%
2019	\$ 381,996	\$ 381,996	\$ -	\$ 5,723,159	6.67%
2018	\$ 360,890	\$ 360,890	\$ -	\$ 5,462,543	6.61%
2017	\$ 369,884	\$ 369,884	\$ -	\$ 5,470,775	6.76%
2016	\$ 361,221	\$ 361,221	\$ -	\$ 5,387,223	6.71%
2015	\$ 348,848	\$ 348,848	\$ -	\$ 5,226,008	6.68%
2014	\$ 381,503	\$ 381,503	\$ -	\$ 5,547,794	6.88%

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

\*GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented for this schedule.

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
YEAR ENDED JUNE 30, 2023

Last 10 Fiscal Years\*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b><u>Total Supplemental Pension Liability</u></b>						
Service cost	\$ 23,184	\$ 23,715	\$ 19,050	\$ 19,243	\$ 20,048	\$ 20,048
Interest	10,201	9,434	14,021	15,924	15,414	18,502
Changes of benefit terms	-	21,934	-	-	-	-
Differences between expected and actual experie	39,015	28,043	-	(41,762)	-	-
Changes of assumptions or other input	(33,038)	(10,786)	25,451	9,373	(5,664)	-
Benefit payments	(41,257)	(34,740)	(49,571)	(3,885)	(86,424)	(167,108)
<b>Net change in total supplemental pension liab</b>	<b>(1,895)</b>	<b>37,600</b>	<b>8,951</b>	<b>(1,107)</b>	<b>(56,626)</b>	<b>(128,558)</b>
<b>Total supplemental pension liability - beginnir</b>	<b>462,414</b>	<b>424,814</b>	<b>415,863</b>	<b>416,970</b>	<b>473,596</b>	<b>602,154</b>
<b>Total supplemental pension liability - ending</b>	<b>\$ 460,519</b>	<b>\$ 462,414</b>	<b>\$ 424,814</b>	<b>\$ 415,863</b>	<b>\$ 416,970</b>	<b>\$ 473,596</b>
<b>Covered Payroll</b>	<b>\$ 5,709,841</b>	<b>\$ 5,709,841</b>	<b>\$ 4,961,197</b>	<b>\$ 4,961,197</b>	<b>\$ 2,117,964</b>	<b>\$ 2,117,964</b>
<b>Total supplemental pension liability as a percentage of covered payroll</b>	<b>8.07%</b>	<b>8.10%</b>	<b>8.56%</b>	<b>8.38%</b>	<b>19.69%</b>	<b>22.36%</b>

\*GASB Pronouncement 73 requires the presentation of the last 10 fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See accompanying notes to required supplementary information.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
YEAR ENDED JUNE 30, 2023

**Note A - Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using the for each fund as described in Note A to the financial statements; however, the District adopts a special education fund which is reported with the general fund in accordance with accounting accepted in the United States of America ("GAAP"). An explanation of the differences between and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a GAAP summarized below:

	<b>General Fund</b>	<b>Special Education Fund</b>
<b>Revenues</b>		
Actual amounts (budgetary basis)	\$ 12,764,471	\$ 695,296
Reclassification of special education	695,296	(695,296)
<b>Total Revenues (GAAP)</b>	<u>13,459,767</u>	<u>-</u>
<b>Expenditures</b>		
Actual amounts (budgetary basis)	11,958,438	1,507,029
Reclassification of special education	1,507,029	(1,507,029)
<b>Total Expenditures</b>	<u>13,465,467</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>		
Actual amounts (budgetary basis)	806,033	(811,733)
Reclassification of special education	(811,733)	811,733
<b>Excess of Revenues Over (Under) Expenditures (GAAP)</b>	<u>(5,700)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>		
Actual amounts (budgetary basis)	(1,118,719)	811,733
Reclassification of special education	811,733	(811,733)
<b>Total Other Financing Sources (Uses) (GAAP)</b>	<u>(306,986)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>		
Actual amounts (budgetary basis and GAAP)	<u>(312,686)</u>	<u>-</u>
<b>Fund Balance - Beginning of Year</b>		
Actual amounts (budgetary basis and GAAP)	<u>2,655,790</u>	<u>-</u>
<b>Fund Balance - End of Year</b>		
<b>Actual amounts (budgetary basis and GAAP)</b>	<u><u>\$ 2,343,104</u></u>	<u><u>\$ -</u></u>

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
YEAR ENDED JUNE 30, 2023

**Note B - Budgetary Accounting and Control**

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 object level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by the School Board. There was no budget prepared for the trust and agency fund.

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 of the 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 make alterations to the purposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire school board.
- Appropriations lapse at year-end unless authorized as a carryover by the school board. The portion of fund balance representing carryover appropriations is reported as a reserved fund balance.

**Note C - Excess of Actual Expenditures over Budget in Individual Funds**

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

**General:**

General administration	\$ 22,663
Business administration	275,270
Central services	14,385

**Special Education:**

Libraries and instructional	1,760
Business administration	10,427

Expenditures in excess of budget were absorbed by expenditures under budget in other functions.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
YEAR ENDED JUNE 30, 2023

**Note D – Other-Post Employment Benefit Plan Information**

No assets are accumulated in a trust to pay related benefits.

*Changes of assumptions.* No Significant changes in assumptions from prior year were noted.

**Note E - Wisconsin Retirement System Pensions**

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

*Changes of assumptions.* Based on a three-year 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 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 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**  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)

**Note E - Wisconsin Retirement System Pensions - continued**

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post Retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	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 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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



**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)

**Note E - Wisconsin Retirement System Pensions - continued**

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

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

## **SUPPLEMENTARY INFORMATION**

**PARKVIEW SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

	<b>Capital Improvement</b>	<b>Community Service</b>	<b>Special Revenue Trust</b>	<b>Totals</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 14,784	\$ 11,579	\$ 217,364	\$ 243,727
<b>TOTAL ASSETS</b>	<u>14,784</u>	<u>11,579</u>	<u>217,364</u>	<u>243,727</u>
<b><u>LIABILITIES</u></b>				
Accrued payroll and benefits	-	11	-	11
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
<b><u>FUND BALANCES</u></b>				
Restricted	14,784	-	217,364	232,148
Assigned	-	11,568	-	11,568
<b>TOTAL FUND BALANCES</b>	<u>\$ 14,784</u>	<u>\$ 11,568</u>	<u>\$ 217,364</u>	<u>\$ 243,716</u>

**PARKVIEW SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	<b>Capital Improvement</b>	<b>Community Service</b>	<b>Special Revenue Trust</b>	<b>Totals</b>
<b><u>REVENUES</u></b>				
Local	\$ 927	\$ 11,915	\$ 302,295	\$ 315,137
Other	-	-	507	507
<b>TOTAL REVENUES</b>	<u>927</u>	<u>11,915</u>	<u>302,802</u>	<u>315,644</u>
<b><u>EXPENDITURES</u></b>				
Instruction - current	-	-	41,162	41,162
Support service - current	25,006	25,624	262,854	313,484
Support service - capital outlay	22,495	-	-	22,495
Non-program - current	-	-	1,650	1,650
<b>TOTAL EXPENDITURES</b>	<u>47,501</u>	<u>25,624</u>	<u>330,825</u>	<u>403,950</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer in (out)	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(16,574)</u>	<u>(13,709)</u>	<u>(28,023)</u>	<u>(58,306)</u>
<b>FUND BALANCES- BEGINNING OF YEAR</b>	<u>31,358</u>	<u>25,277</u>	<u>245,387</u>	<u>302,022</u>
<b>FUND BALANCES- END OF YEAR</b>	<u>\$ 14,784</u>	<u>\$ 11,568</u>	<u>\$ 217,364</u>	<u>\$ 243,716</u>

See Independent Auditors' Report

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS**  
YEAR ENDED JUNE 30, 2023

<b>Operating Activity</b>	<b>WUFAR Object Code</b>	<b>Cost</b>
Employee salaries	100	\$ -
Employee benefits	200	-
Purchased services	300	-
Non-capital objects	400	-
Capital objects	500	-
Insurance and judgements	700	-
Dues and fees	900	-

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
YEAR ENDED JUNE 30, 2023

<b>Administering Agency/ Pass-Through Agency/ Award Description</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Number</b>	<b>Accrued (Unearned) Receivable 7/1/2022</b>	<b>Receipts Grantor Reimb</b>	<b>Expen- ditures</b>	<b>Accrued (Unearned) Receivable 6/30/2023</b>	<b>Subrecipient Awards</b>
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>							
Passed through Wisconsin Department of Public Instruction							
<i>Child Nutrition Cluster</i>							
Donated Commodities - Noncash	10.555	N/A	\$ -	\$ 36,816	\$ 36,816	\$ -	\$ -
Food Service Aid - Breakfast	10.553	2023-534151-DPI-SB-546	7,682	77,526	73,454	3,610	-
Food Service Aid - Lunch	10.555	2023-534151-DPI-SB-SEVERE-546	4,704	231,255	233,726	7,175	-
<b>Total Child Nutrition Cluster</b>			<u>12,386</u>	<u>345,597</u>	<u>343,996</u>	<u>10,785</u>	<u>-</u>
<b>TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE</b>			<u>12,386</u>	<u>345,597</u>	<u>343,996</u>	<u>10,785</u>	<u>-</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>							
Passed through Wisconsin Department of Public Instruction							
<i>Title I-A Cluster</i>							
Title I-A Basic Grant	84.010	2023-534151-DPI-TI-A-141	23,830	93,312	101,539	32,057	-
<i>Covid-19 Funds</i>							
ESSER II	84.425D	2022-534151-DPI-ESSERFII-163	53,447	76,385	22,938	-	-
ESSER III	84.425U	2022-534151-DPI-ESSERFIII-165	72,856	200,135	335,636	208,357	-
<b>Total Covid-19 Funds</b>			<u>126,303</u>	<u>276,520</u>	<u>358,574</u>	<u>208,357</u>	<u>-</u>
<i>Special Education Cluster</i>							
IDEA Flow Through	84.027A	2023-534151-DPI-FLOW-341	58,642	203,048	189,434	45,028	-
IDEA Preschool	84.173A	2023-534151-DPI-PRESCH-347	-	8,941	8,941	-	-
<b>Total Special Education Cluster</b>			<u>58,642</u>	<u>211,989</u>	<u>198,375</u>	<u>45,028</u>	<u>-</u>
Title II-A Teacher Principal Training	84.367A	2023-534151-DPI-TIIA-365	16,836	16,836	14,623	14,623	-
Title IV-A	84.424A	2023-534151-DPI-TIVA-381	9,988	9,988	8,012	8,012	-
Wisconsin Charter Schools Program	84.282	2023-534151-DPI-WCSPI-360	104,341	209,028	144,653	39,966	-
Passed through CESA 3							
Carl Perkins	84.048	2023-749903-DPI-CTE-400	-	5,545	5,545	-	-
<b>TOTAL UNITED STATES DEPARTMENT OF EDUCATION</b>			<u>339,940</u>	<u>823,218</u>	<u>831,321</u>	<u>348,043</u>	<u>-</u>
<b><u>UNITED STATES DEPARTMENT OF THE TREASURY</u></b>							
Emergency Connectivity	32.009	N/A	-	12,303	12,303	-	-
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>							
Passed through Wisconsin Department of Health Services							
Medical Assistance Program	93.778	N/A	-	88,261	88,261	-	-
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 352,326</u>	<u>\$ 1,269,379</u>	<u>\$ 1,275,881</u>	<u>\$ 358,828</u>	<u>\$ -</u>

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

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
YEAR ENDED JUNE 30, 2023

<b>Administering Agency/ Pass-Through Agency/ Award Description</b>	<b>State I.D. Number</b>	<b>Pass- through Entity Number</b>	<b>Accrued or (Unearned) Receivable 7/1/2022</b>	<b>State Receipts</b>	<b>State Disbursements/ Expenditures</b>	<b>Accrued or (Unearned) Receivable 6/30/2023</b>	<b>Subrecipient Awards</b>
<b><u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u></b>							
Special Education and							
School Age Parents**	255.101	534151-100	\$ -	\$ 427,081	\$ 427,081	\$ -	\$ -
Pupil Transportation	255.107	534151-102	-	41,217	41,217	-	-
Common School Fund Library Aid	255.103	534151-104	-	48,597	48,597	-	-
State School Lunch Aid	255.102	534151-107	-	4,070	4,070	-	-
Wisconsin School Milk Day Program	255.115	534151-109	4,767	4,767	5,898	5,898	-
State School Breakfast Aid	255.344	534151-108	-	2,612	2,612	-	-
Per Pupil Aid	255.945	534151-113	-	635,152	635,152	-	-
Equalization Aid	255.201	534151-116	-	6,551,261	6,551,261	-	-
Sparsity Aid	255.212	534151-162	-	84,250	84,250	-	-
Other State Categorical Aid	255.245	534151-181	12,785	37,498	24,713	-	-
Early College Entry Program	255.445	534151-178	-	109	109	-	-
High Cost Transportation Aid	255.947	534151-114	-	29,982	29,982	-	-
Assessments of Reading Readiness	255.956	534151-166	-	1,950	1,950	-	-
Special Education Transition Incentive Grants	255.960	534151-168	-	3,822	3,822	-	-
Financial Literacy	255.950	534151-171	5,064	6,474	1,410	-	-
Educator Effective Eval Sys	255.940	534151-154	-	12,320	12,320	-	-
<b>TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>			22,616	7,891,162	7,874,444	5,898	-
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>\$ 22,616</u>	<u>\$ 7,891,162</u>	<u>\$ 7,874,444</u>	<u>\$ 5,898</u>	<u>\$ -</u>

\*\* Total DPI aidable expenditures for the year ended June 30, 2023 were \$1,299,275.

**PARKVIEW SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
JUNE 30, 2023

**Note A - Basis of Presentation**

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2023. The information in the Schedules is presented in accordance with the requirements of the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction. Therefore, some amounts presented in the Schedules may differ from amounts presented in, or used in, the preparation of the basic financial statements. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other government agencies are included on these Schedules.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the *Wisconsin Public School District Audit Manual*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note C - Indirect Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D - Noncash Awards**

The federal donated commodities in the Schedule of Expenditures of Federal Awards in the Child Nutrition Cluster is administered by the U.S. Department of Agriculture and passed through the Wisconsin Department of Public Instruction. Transactions related to this program are included in the basic financial statements. Commodities received during the fiscal year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. There are no balances outstanding as of June 30, 2023.

**Note E - Subrecipients**

There were no awards passed through to subrecipients.



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

To the Board of Education  
Parkview School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the Parkview School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2023.

**Report on Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as 2023-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-002 and 2023-003 to be significant deficiencies.

To the Board of Education  
Parkview School District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

### **Purpose of this Report**

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



Lucida, LLC  
Lake Geneva, Wisconsin  
December 15, 2023

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

To the Board of Education  
Parkview School District

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

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

We have audited the Parkview School District (the "District")'s compliance with the types of compliance requirements described in the *OMB Compliance and the State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

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

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

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

**Responsibilities of Management for Compliance**

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Wisconsin State Single Audit Guidelines, we:

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

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

### **Report on Internal Control Over Compliance**

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

To the Board of Education  
Parkview School District

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

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

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

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



Lucida  
Lake Geneva, Wisconsin  
December 15, 2023

**PARKVIEW SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023**

**2022-001**

**Segregation of Duties**

*Condition:* The available office staff precludes a proper segregation of duties in the control areas reviewed.

*Criteria:* Segregation of duties in an aspect of internal control intended to prevent or decrease opportunities of intentional and unintentional errors and fraud. Duties and responsibilities are properly segregated if no single individual either has control over all phases of a transaction or has the ability to both make and conceal an error, whether such error is intentional or unintentional.

*Cause:* Limited number of personnel.

*Effect:* Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.

*Status:* Repeat finding - See 2023-002

**2022-002**

**Material Adjustments**

*Condition:* Johnson Block and Company, Inc. proposed multiple adjusting journal entries. We deem these entries to be significant in relation to the financial statements. Since the District did not make these adjustments in its accounting system prior to the audit, a material weakness exists in the District's internal controls.

*Criteria:* Material adjusting journal entries not prepared by the District before the audit are consider an internal control weakness.

*Effect:* This means that the proper recording and reporting of financial information may not occur within a timely manner.

*Status:* Repeat finding - See 2023-001

**2022-003**

**Parental consent to bill Medicaid not present in student file**

*Condition:* The Medicaid program requires parental consent to bill Medicaid for any billable services provided and to keep these consent forms on file at the District. A student file sampled during the audit did not have a signed parental consent form.

*Criteria:* A signed parental consent form (M-5) must be received prior to billing Wisconsin Medicaid for school based services. All students with services billed to Medicaid should have the consent form (M-5) on file.

*Cause:* The District either did not obtain parental consent to bill Medicaid or did not properly handle the consent form after it was received. The District did not review the student file to ensure compliance.

*Effect:* Not having a signed form (M-5) would lead to potentially unallowable billings.

*Status:* Medicaid program was not tested in current year. No findings in this area.

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
YEAR ENDED JUNE 30, 2023  
(continued)

**2022-004**                      **Services billed that were not identified in the student's IEP**

*Condition:* Covered school based services billed to Medicaid must be identified within the child's IEP. A child's billing sampled during the audit included nursing and transportation services. These services were not listed in the child's IEP.

*Criteria:* Students with covered services billed to Medicaid must have the services listed within the child's IEP.

*Cause:* Nursing and transportation services were omitted from the child's IEP, yet were billed to Medicaid. The District did not review the child's IEP against services billed to ensure compliance.

*Effect:* Potentially unallowable billings arise when services are not included within the IEP of students.

*Status:* Medicaid program was not tested in current year. No findings noted.

**2022-005**                      **Student Reported in Incorrect Category – Pupil Transportation**

*Condition:* Documentation from the bus company to the District and reported to DPI did not have accurate mileages for all students. 1 student in the sample of 20 students was incorrectly included in the 5-8 mileage category. The student should have been reported in the 8-12 mileage category.

*Criteria:* Students should be reported based on mileage transported.

*Cause:* Full validation of the bus company information was not accurate.

*Effect:* The District overstated/understated mileage categories on the Pupil Transportation report, PI-1547. State aid could be inappropriately paid.

*Status:* Transportation program was not tested in current year. No findings noted.

**2022-006**                      **Pupil Transportation**

*Condition:* Documentation provided by the District for the regular pupil transportation count did not agree to the count submitted to DPI in 5 out of 5 of the categories.

*Criteria:* Students should be reported based on mileage transported.

*Cause:* Clerical error in totaling data provided by the bus company.

*Effect:* District overstated amounts submitted to DPI. State aid could be inappropriately paid.

*Status:* Transportation program was not tested in current year. No findings noted.

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2023

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

**Financial Statements**

- |   |            |
|---|------------|
| 1. Type of auditors' report issued                | Unmodified |
| 2. Internal Control over Financial Reporting      |            |
| a. Material weakness(es) identified               | Yes        |
| b. Significant deficiency(ies) identified         | Yes        |
| 3. Noncompliance material to financial statements | No         |

**Federal Awards**

- |   |            |
|---|------------|
| 4. Internal control over major programs:  |            |
| A. Material weakness(es) identified?  | No         |
| B. Significant deficiency(ies) identified?  | No         |
| 5. Type of auditor's report issued on compliance for major programs:                                  | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No         |
| 7. Identification of major federal programs:  |            |

**CFDA**

**Number(s)**

**Name of Federal Program or Cluster**

	<u>Child Nutrition Cluster</u>
10.553	School Breakfast
10.555	National School Lunch
10.555	Donated Commodities
	<u>Elementary and Secondary</u>
	<u>School Emergency Relief Fund</u>
84.425D	ESSER II
84.425U	ESSER III

- |   |           |
|---|-----------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 9. Auditee qualified as low-risk auditee?                                   | No        |



**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)

**Section I - Summary of Auditors' Results (continued)**

**State Awards**

- |   |            |
|---|------------|
| 10. Type of opinion issued on compliance for major programs   | Unmodified |
| 11. Internal Control over Financial Reporting   |            |
| a. Material weakness(es) identified   | No         |
| b. Significant deficiency(ies) identified   | No         |
| 12. Any audit findings disclosed that are required to be reported in accordance with the <i>Wisconsin Public School District Audit Manual</i> ? | No         |
| 13. Dollar threshold used to distinguish between Type A and Type B programs:  | \$250,000  |
| 14. Identification of major state programs:   |            |

<u>CFDA Number</u>	<u>Name of State Program</u>
255.101	Special Education and School Age Parents
255.201	<u>General Aids Cluster</u> General Equalization

**Section II - Financial Statement Findings**

**2023-001**                      **Material Audit Adjustments**

- |                        |   |
|------------------------|---|
| <i>Condition:</i>      | One or more audit adjustments were required to prevent the District's financial statements from being misstated.  |
| <i>Criteria:</i>       | Statements on Auditing Standards AU §314.41 states it is the responsibility of management to implement proper internal controls to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting. |
| <i>Cause:</i>          | Inadequate controls in place to ensure proper recording of all the District's financial transactions in accordance with accounting principles generally accepted in the United States of America.   |
| <i>Effect:</i>         | Without the audit adjustments, the financial statements of the District would have been misstated.  |
| <i>Recommendation:</i> | The District should review the nature of these entries to determine if they can be made before the audit process.   |

*Identification of a repeat finding:*    See 2022-002

*View of responsible Officials*                      See attachment for District's corrective action plan.

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)

**Section II - Financial Statement Findings (continued)**

**2023-002**                      **Lack of Segregation of Duties**

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

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

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

*Cause:* Limitations in staff size.

*Effect:* The lack of segregation of duties could result in undetected errors or irregularities in the accounting records.

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

*Identification of a repeat finding:* This is a repeat finding from previous audits, see 2022-001.

*View of responsible officials:* See attachment for District's corrective action plan.

**2023-003**                      **Financial Statement Preparation**

*Condition:* Lucida LLC drafted the audited financial statements, including the SEFA and SESA and related footnote disclosures for the District.

*Criteria:* It is the responsibility of management to provide for the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

*Cause:* Management and the accounting staff of the District have adequate knowledge and experience in governmental accounting and interim financial reporting requirements; however, their limited knowledge and training limits their ability to prepare GAAP based financial statements.

*Effect:* Condition could result in undetected errors and irregularities.

**PARKVIEW SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)

**2023-003**                      **Financial Statement Preparation (Continued)**

*Recommendation:*      We recommend management continue using external sources to prepare the financial statements if cost of resources and training are not feasible for the District. The District should rely on its direct knowledge of the entity's operations and continue to appoint a member of senior management to make management decisions including oversight as well as approving and taking responsibility of the financial statements prior to their release.

*View of responsible officials:*              See attachment for District's corrective action plan.

**Section III - State Award Findings and Questioned Costs.**

None

**Section IV - Federal Award Findings and Questioned Costs.**

None

**Section IV - Other Issues**

- |   |                                   |
|---|-----------------------------------|
| 9. Does the auditors' report or notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?   | No                                |
| 10. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the Wisconsin Public School District Audit Manual? | No                                |
| 11. Was a management letter or other document conveying audit comments issued as a result of this audit?  | Yes                               |
| 12. Name and signature  | <u>Pattie Reda</u><br>Pattie Reda |
| 13. Date of Report  | December 15, 2023                 |



## CORRECTIVE ACTION PLAN

**Reference Number: 2023-001****Description: Material Audit Adjustments**

*Corrective Action Plan:* The District will carefully review the audit adjusting entries to determine if these entries could be made during the year as part of the ordinary reporting process. The District will make those entries during the year as needed.

*Anticipated Corrective Action Plan Completion Date:* ongoing

*Contact Information:* For additional information regarding this finding, please contact Tracy Case, Business Manager at 608-879-2717.

**Reference Number: 2023-002****Description: Lack of Segregation of Duties**

*Corrective Action Plan:* The District will continue to use the following controls to compensate for this limitation:

- District Board approves all checks at monthly board meetings
- District board approves all receipts at monthly board meetings
- District Administrator reviews and approves all payroll time sheets, invoices and bank reconciliations

*Anticipated Corrective Action Plan Completion Date:* ongoing

*Contact Information:* For additional information regarding this finding, please contact Tracy Case, Business Manager at 608-879-2717.

**Reference Number: 2023-003****Description: Financial Statement Preparation**

*Corrective Action Plan:* The District will continue to rely on the expertise of an accounting firm to prepare the financial statements, as the cost of training is not feasible for the District. The District will continue to review a draft of the financial statements and ask any questions prior to giving approval of the financial statements.

*Anticipated Corrective Action Plan Completion Date:* ongoing

*Contact Information:* For additional information regarding this finding, please contact Tracy Case, Business Manager at 608-879-2717.

*Tracy Case 12/15/2023*