

School District of Thorp

Financial Statements and
Supplementary Information

June 30, 2022

School District of Thorp

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Independent Auditors' Report

To the Board of Education of
School District of Thorp

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Thorp, Wisconsin, as of June 30, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Eau Claire, Wisconsin
December 19, 2022

School District of Thorp

Statement of Net Position

June 30, 2022

Assets

Current:

| | |
|----------------------------|--------------|
| Cash and investments | \$ 1,592,366 |
| Taxes receivable | 666,693 |
| Accounts receivable | 3,026 |
| Due from other governments | 537,774 |
| Inventories | 5,184 |

Total current assets 2,805,043

Noncurrent:

| | |
|-------------------------------------|-----------|
| Land | 1,125,000 |
| Construction in progress | 111,112 |
| Capital assets, net of depreciation | 8,954,693 |
| Restricted assets: | |
| Net pension asset | 1,917,423 |

Total noncurrent assets 12,108,228

Total assets 14,913,271

Deferred Outflows of Resources

Pension related amounts 3,616,831

Liabilities

Current:

| | |
|--|---------|
| Accounts payable | 51,563 |
| Accrued payroll and related liabilities | 513,417 |
| Accrued interest | 42,709 |
| Deposits | 8,654 |
| Current portion of general obligation debt | 407,500 |

Total current liabilities 1,023,843

Noncurrent:

Noncurrent portion of general obligation debt 4,925,497

Total noncurrent liabilities 4,925,497

Total liabilities 5,949,340

Deferred Inflows of Resources

Pension related amounts 4,516,245

Net Position

Net investment in capital assets 5,087,725

Restricted for:

| | |
|--------------------------------------|-----------|
| District-directed student activities | 43,347 |
| Food service | 182,426 |
| Debt service | 80,943 |
| Long-term capital improvement | 152,338 |
| Pension | 1,917,423 |
| Unrestricted | 600,315 |

Total net position \$ 8,064,517

See notes to financial statements

School District of Thorp

Statement of Activities

Year Ended June 30, 2022

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Position |
|--|--------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Instruction | | | | | |
| Regular instruction | \$ 3,567,544 | \$ 512,856 | \$ 533,037 | \$ - | \$ (2,521,651) |
| Vocational instruction | 412,587 | - | 19,410 | - | (393,177) |
| Special instruction | 836,115 | 2,318 | 545,823 | - | (287,974) |
| Other instruction | 376,195 | 17,047 | 71,304 | - | (287,844) |
| Total instruction | 5,192,441 | 532,221 | 1,169,574 | - | (3,490,646) |
| Community Service | 43,929 | 2,460 | - | - | (41,469) |
| Support Service | | | | | |
| Pupil services | 431,130 | - | - | - | (431,130) |
| Instructional staff services | 421,100 | - | 34,148 | - | (386,952) |
| Administration | 816,216 | - | - | - | (816,216) |
| Buildings and grounds | 623,259 | 1,626 | - | - | (621,633) |
| Transportation | 462,440 | - | 101,136 | - | (361,304) |
| Other support services | 669,087 | - | - | - | (669,087) |
| Food service | 442,715 | 7,013 | 476,005 | - | 40,303 |
| Interest on debt | 161,533 | - | - | - | (161,533) |
| Depreciation, unallocated | 361,260 | - | - | - | (361,260) |
| Total support services | 4,388,740 | 8,639 | 611,289 | - | (3,768,812) |
| Total governmental activities | \$ 9,625,110 | \$ 543,320 | \$ 1,780,863 | \$ - | (7,300,927) |
| General Revenues | | | | | |
| Property taxes: | | | | | |
| General purposes | | | | | 1,626,504 |
| Debt service | | | | | 574,444 |
| Community service | | | | | 85,000 |
| State and federal aids not restricted to specific functions: | | | | | |
| General equalized aid | | | | | 4,283,343 |
| Other | | | | | 1,582,824 |
| Investment income | | | | | 2,398 |
| Miscellaneous | | | | | 40,810 |
| Total general revenues | | | | | 8,195,323 |
| Change in net position | | | | | 894,396 |
| Net Position, Beginning | | | | | 7,170,121 |
| Net Position, Ending | | | | | \$ 8,064,517 |

See notes to financial statements

School District of Thorp

Balance Sheet - Governmental Funds

June 30, 2022

| | General Fund | Special Education Special Revenue Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|--|-----------------------------------|--------------------------------|
| Assets | | | | |
| Cash and investments | \$ 1,180,173 | \$ - | \$ 412,193 | \$ 1,592,366 |
| Taxes receivable | 666,693 | - | - | 666,693 |
| Accounts receivable | - | - | 3,026 | 3,026 |
| Due from other governments | 275,287 | 144,069 | 118,418 | 537,774 |
| Due from other funds | 144,069 | - | - | 144,069 |
| Inventories | - | - | 5,184 | 5,184 |
| | <u>-</u> | <u>-</u> | <u>5,184</u> | <u>5,184</u> |
| Total assets | <u>\$ 2,266,222</u> | <u>\$ 144,069</u> | <u>\$ 538,821</u> | <u>\$ 2,949,112</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 51,563 | \$ - | \$ - | \$ 51,563 |
| Accrued payroll and related liabilities | 513,417 | - | - | 513,417 |
| Due to other funds | - | 144,069 | - | 144,069 |
| Deposits | - | - | 8,654 | 8,654 |
| | <u>-</u> | <u>-</u> | <u>8,654</u> | <u>8,654</u> |
| Total liabilities | <u>564,980</u> | <u>144,069</u> | <u>8,654</u> | <u>717,703</u> |
| Fund Balances | | | | |
| Nonspendable: | | | | |
| Inventories | - | - | 5,184 | 5,184 |
| Restricted: | | | | |
| District-directed student activities | - | - | 43,347 | 43,347 |
| Food service | - | - | 177,242 | 177,242 |
| Debt service | - | - | 123,652 | 123,652 |
| Long term capital improvements | - | - | 152,338 | 152,338 |
| Assigned: | | | | |
| Community service | - | - | 28,404 | 28,404 |
| Unassigned | 1,701,242 | - | - | 1,701,242 |
| | <u>1,701,242</u> | <u>-</u> | <u>-</u> | <u>1,701,242</u> |
| Total fund balances | <u>1,701,242</u> | <u>-</u> | <u>530,167</u> | <u>2,231,409</u> |
| Total liabilities and fund balances | <u>\$ 2,266,222</u> | <u>\$ 144,069</u> | <u>\$ 538,821</u> | <u>\$ 2,949,112</u> |

See notes to financial statements

School District of Thorp

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

| | | |
|---|-----------------------------|--------------------------------|
| Total Fund Balance, Governmental Funds | \$ | 2,231,409 |
| Amounts reported for governmental Activities in the statement of net position are different because: | | |
| Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. See Note 3. | | 10,190,805 |
| The net pension asset does not relate to current financial resources and is not reported in the governmental funds. | | 1,917,423 |
| Some deferred outflows of resources and deferred inflows of resources are not reported in the fund statements. These consist of: | | |
| Deferred outflows, pension related amounts | | 3,616,831 |
| Deferred inflows, pension related amounts | | (4,516,245) |
| Governmental funds report the effect of premiums, losses, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Below are the net effects of these differences: | | |
| Unamortized premium | | (233,080) |
| Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. | | |
| Long-term liabilities at year end consist of: | | |
| General obligation debt | \$ (5,099,917) | |
| Accrued interest on general obligation debt | (42,709) | (5,142,626) |
| | <u> </u> | <u> </u> |
| Total Net Position, Governmental Activities | \$ | <u><u>8,064,517</u></u> |

See notes to financial statements

School District of ThorpStatement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

| | General Fund | Special Education Special Revenue Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------------|---|--|---|
| Revenues | | | | |
| Property taxes | \$ 1,626,504 | \$ - | \$ 659,444 | \$ 2,285,948 |
| Other local sources | 55,842 | - | 81,707 | 137,549 |
| Interdistrict sources | 507,961 | 2,318 | - | 510,279 |
| Intermediate sources | 68,452 | 61,403 | - | 129,855 |
| State sources | 5,315,418 | 275,662 | 11,632 | 5,602,712 |
| Federal sources | 1,202,580 | 165,806 | 464,373 | 1,832,759 |
| Other sources | 21,149 | - | - | 21,149 |
| Total revenues | 8,797,906 | 505,189 | 1,217,156 | 10,520,251 |
| Expenditures | | | | |
| Instruction: | | | | |
| Regular instruction | 3,730,941 | - | - | 3,730,941 |
| Vocational instruction | 465,717 | - | - | 465,717 |
| Special instruction | 153 | 869,151 | - | 869,304 |
| Other instruction | 376,490 | - | 59,183 | 435,673 |
| Total instruction | 4,573,301 | 869,151 | 59,183 | 5,501,635 |
| Community service | - | - | 48,400 | 48,400 |
| Support service: | | | | |
| Pupil services | 304,127 | 153,225 | - | 457,352 |
| Instructional staff services | 300,895 | 142,227 | - | 443,122 |
| Administration | 871,162 | 4,862 | - | 876,024 |
| Buildings and grounds | 755,804 | - | - | 755,804 |
| Transportation | 461,263 | 1,177 | - | 462,440 |
| Debt service | - | - | 581,088 | 581,088 |
| Other support services | 695,902 | 2,495 | - | 698,397 |
| Food service | - | - | 457,494 | 457,494 |
| Total support services | 3,389,153 | 303,986 | 1,038,582 | 4,731,721 |
| Total expenditures | 7,962,454 | 1,173,137 | 1,146,165 | 10,281,756 |
| Excess of revenues over (under) expenditures | 835,452 | (667,948) | 70,991 | 238,495 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 667,948 | - | 667,948 |
| Transfers out | (667,948) | - | - | (667,948) |
| Total other financing sources (uses) | (667,948) | 667,948 | - | - |
| Net change in fund balances | 167,504 | - | 70,991 | 238,495 |
| Fund Balances, Beginning | 1,533,738 | - | 459,176 | 1,992,914 |
| Fund Balances, Ending | \$ 1,701,242 | \$ - | \$ 530,167 | \$ 2,231,409 |

See notes to financial statements

School District of Thorp

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

| | |
|---|-------------------|
| Net Change in Fund Balances, Total Governmental Funds | \$ 238,495 |
| Amounts reported for governmental activities in the statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The following differ in their presentation in the two statements: | |
| Capital outlay is capitalized in the district-wide statements | 155,210 |
| Depreciation is reported in the district-wide statements | (361,260) |
| Debt premiums, discounts, and similar items are reported as other financing sources (uses) or expenditures in the governmental funds. However, in the statement of net assets, these are deferred and allocated over the period the debt is outstanding in the statement of activities. | |
| Amortization | 18,711 |
| Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | |
| Principal payments | 397,500 |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the change in the following assets/liabilities: | |
| Accrued interest payable | 3,344 |
| Net pension liability/asset, WRS (and pension related deferred outflows and inflows of resources) | 442,396 |
| Change in Net Position of Governmental Activities | \$ 894,396 |

See notes to financial statements

School District of Thorp

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2022

| | <u>Custodial Funds</u> |
|----------------------|----------------------------|
| Assets | |
| Cash and investments | <u>\$ 424,861</u> |
| Net Position | |
| Restricted | <u>\$ 424,861</u> |

See notes to financial statements

School District of Thorp

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2022

| | Custodial Funds |
|------------------------------------|----------------------------|
| Additions | |
| Local sources | \$ 146,584 |
| Deductions | |
| Scholarships disbursed to students | 6,250 |
| Student activity disbursements | 133,902 |
| Total deductions | 140,152 |
| Change in fiduciary net position | 6,432 |
| Net Position, Beginning | 418,429 |
| Net Position, Ending | \$ 424,861 |

See notes to financial statements

School District of Thorp

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June 30, 2022

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School District of Thorp

Notes to Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

District-Wide and Fund Financial Statements

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

The District reports the following major governmental funds:

General Fund

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

Special Revenue Funds

Special Education Special Revenue Fund is used to account for and report grants and local revenues that are restricted or committed to expenditures used to provide special education services to District students.

The District reports the following nonmajor governmental funds:

Special Revenue Funds

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

Special Revenue Trust
Food Service
Community Service

Debt Service Funds

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

Nonreferendum
Referendum

Capital Projects Funds

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

Capital Improvements Trust

In addition, the District reports the following fund type:

Custodial Funds

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

Scholarship
Student Activity

School District of Thorp

Notes to Financial Statements
June 30, 2022

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

Fiduciary Funds

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

All Financial Statements

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

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

Deposits and Investments

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

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

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2022, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The District also participates in one Wisconsin Investment Series Cooperative (WISC) fund, which is authorized under Wisconsin Statute 66.0301 and is governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the SEC as an investment company. The WISC reports to participants on the amortized costs basis. WISC shares are bought and redeemed at \$1 based on the amortized cost of the investments in the pool. The investments in WISC are not subject to the fair value hierarchy disclosures.

School District of Thorp

Notes to Financial Statements
June 30, 2022

See Note 3 for further information.

Receivables

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year end.

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

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

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

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

Property tax calendar - 2021 tax roll:

| | |
|-------------------------|------------------|
| Lien date and levy date | December 2021 |
| Tax bills mailed | December 2021 |
| Payment in full, or | January 31, 2022 |
| First installment due | January 31, 2022 |
| Second installment due | July 31, 2022 |

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

Inventories

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Capital Assets

District-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the district-wide financial statements. Beginning in fiscal year 2019, capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

School District of Thorp

Notes to Financial Statements
June 30, 2022

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

| | |
|-------------------------|-------------|
| Buildings | 50 Years |
| Building improvements | 20 Years |
| Site improvements | 10-20 Years |
| Furniture and equipment | 5-15 Years |

Fund Financial Statements

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

Deferred Outflows of Resources

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

Long-Term Obligations

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

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

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

Deferred Inflows of Resources

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

Equity Classifications

District-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

School District of Thorp

Notes to Financial Statements
June 30, 2022

- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the District Board of Education. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District Board of Education that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The District has adopted a financial policy authorizing the District Superintendent to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

See Note 3 for further information.

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

School District of Thorp

Notes to Financial Statements

June 30, 2022

Pension

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

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Appropriations

| <u>Funds</u> | <u>Appropriated Expenditures</u> | <u>Actual Expenditures</u> | <u>Excess Expenditures Over Appropriations</u> |
|----------------------------|----------------------------------|----------------------------|--|
| General Fund | \$ 8,516,731 | \$ 8,630,402 | \$ 113,671 |
| Special Education | 1,126,211 | 1,173,137 | 46,926 |
| Special Revenue Trust | 24,880 | 59,183 | 34,303 |
| Food Service | 445,600 | 457,494 | 11,894 |
| Nonreferendum Debt Service | 269,619 | 273,588 | 3,969 |
| Referendum Debt Service | 304,725 | 307,500 | 2,775 |

The District controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the District's year-end budget to actual report.

Limitations on the District's Revenues

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

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

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

3. Detailed Notes on All Funds

Deposits and Investments

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

| | <u>Carrying Value</u> | <u>Statement Balances</u> | <u>Associated Risks</u> |
|--------------------------------|-----------------------|---------------------------|-------------------------|
| Deposits | \$ 837,846 | \$ 1,123,766 | Custodial credit |
| LGIP | 31,376 | 31,376 | Credit |
| WISC Investment Series | 1,000,591 | 1,000,591 | Credit |
| Annuities | 147,064 | 147,121 | Credit, interest rate |
| Petty cash | <u>350</u> | <u>-</u> | N/A |
| Total deposits and investments | <u>\$ 2,017,227</u> | <u>\$ 2,302,854</u> | |

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments \$ 1,592,366

Per statement of net position, fiduciary funds:

Custodial funds 424,861

Total deposits and investments \$ 2,017,227

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The District maintains collateral agreements with its banks. At June 30, 2022, the banks had pledged various government securities in the amount of \$1,347,565 to secure the District's deposits.

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

The District held investments in the following types of investments which are not rated:

Wisconsin Local Government Investment Pool

WISC Investment Series

Annuities

Interest Rate Risk

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

As of June 30, 2022, the District's investments were as follows:

| <u>Investment</u> | <u>Maturity Date</u> | <u>Fair Value</u> |
|-------------------|----------------------|-------------------|
| Annuity | 6/26/2023 | \$ 127,882 |
| Annuity | 7/12/2045 | <u>19,239</u> |
| Total | | <u>\$ 147,121</u> |

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

Receivables

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

Restricted Assets

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Capital Assets

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|--------------------------|------------------|------------------|-----------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,125,000 | \$ - | \$ - | \$ 1,125,000 |
| Construction in progress | <u>-</u> | <u>111,112</u> | <u>-</u> | <u>111,112</u> |
| Total capital assets not being depreciated | <u>1,125,000</u> | <u>111,112</u> | <u>-</u> | <u>1,236,112</u> |
| Capital assets being depreciated: | | | | |
| Site improvements | 543,553 | - | - | 543,553 |
| Buildings and improvements | 13,929,032 | 13,321 | - | 13,942,353 |
| Furniture and equipment | <u>2,862,350</u> | <u>30,777</u> | <u>-</u> | <u>2,893,127</u> |
| Total capital assets being depreciated | <u>17,334,935</u> | <u>44,098</u> | <u>-</u> | <u>17,379,033</u> |
| Total capital assets | <u>18,459,935</u> | <u>155,210</u> | <u>-</u> | <u>18,615,145</u> |

School District of Thorp

Notes to Financial Statements
June 30, 2022

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|------------------|---------------------------|
| Less accumulated depreciation for: | | | | |
| Site improvements | \$ (385,222) | \$ (12,631) | \$ - | \$ (397,853) |
| Buildings and improvements | (6,382,713) | (216,075) | - | (6,598,788) |
| Furniture and equipment | <u>(1,295,145)</u> | <u>(132,554)</u> | <u>-</u> | <u>(1,427,699)</u> |
| Total accumulated depreciation | <u>(8,063,080)</u> | <u>(361,260)</u> | <u>-</u> | <u>(8,424,340)</u> |
| Net capital assets being depreciated | <u>9,271,855</u> | <u>(317,162)</u> | <u>-</u> | <u>8,954,693</u> |
| Total governmental activities capital assets, net of accumulated depreciation | <u>\$ 10,396,855</u> | <u>\$ (206,050)</u> | <u>\$ -</u> | <u>\$ 10,190,805</u> |

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|-------------------|
| General Fund | Special Education | \$ <u>144,069</u> |
| Total | | \$ <u>144,069</u> |

All amounts are due within one year.

The principal purpose of this interfund is to cover negative cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Transfers

The following is a schedule of interfund transfers:

| <u>Fund Transferred To</u> | <u>Fund Transferred From</u> | <u>Amount</u> | <u>Principal Purpose</u> |
|----------------------------|------------------------------|-------------------|--------------------------|
| Special Education | General Fund | \$ <u>667,948</u> | Subsidize operations |
| Total | | \$ <u>667,948</u> | |

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

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|--|------------------------------|------------------|-------------------|---------------------------|--|
| Governmental Activities | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation debt | \$ 4,485,000 | \$ - | \$ 225,000 | \$ 4,260,000 | \$ 235,000 |
| General obligation debt from direct borrowings and direct placements | 1,012,417 | - | 172,500 | 839,917 | 172,500 |
| Premiums | 251,791 | - | 18,711 | 233,080 | - |
| Total governmental activities long-term liabilities | <u>\$ 5,749,208</u> | <u>\$ -</u> | <u>\$ 416,211</u> | <u>\$ 5,332,997</u> | <u>\$ 407,500</u> |

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed 10% of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2022, was \$29,426,503. Total general obligation debt outstanding at year end was \$5,099,917.

General Obligation Debt

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

Governmental Activities

| <u>General Obligation Debt</u> | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance June 30, 2022</u> |
|--|--------------------------|---------------------------|---------------------------|----------------------------------|----------------------------------|
| GO Refunding Bonds | 8/30/2017 | 4/1/2037 | 3.00-4.00% | \$ 5,380,000 | \$ 4,260,000 |
| Taxable GO Notes * | 10/2/2017 | 4/1/2026 | 3.50 | 511,167 | 229,917 |
| GO Notes * | 12/21/2017 | 4/1/2027 | 2.39-4.00 | 974,000 | 610,000 |
| Total governmental activities, general obligation debt | | | | | <u>\$ 5,099,917</u> |

* The debt noted is directly placed with a third party.

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities General Obligation Debt</u> | |
|--------------|--|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 235,000 | \$ 143,250 |
| 2024 | 240,000 | 133,850 |
| 2025 | 250,000 | 124,250 |
| 2026 | 265,000 | 114,250 |
| 2027 | 270,000 | 103,650 |
| 2028-2032 | 1,515,000 | 364,650 |
| 2033-2037 | 1,485,000 | 120,150 |
| Total | <u>\$ 4,260,000</u> | <u>\$ 1,104,050</u> |

School District of Thorp

Notes to Financial Statements
June 30, 2022

| <u>Years</u> | Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements | |
|--------------|---|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 172,500 | \$ 27,012 |
| 2024 | 182,500 | 20,408 |
| 2025 | 187,500 | 12,777 |
| 2026 | 167,417 | 7,571 |
| 2027 | <u>130,000</u> | <u>3,458</u> |
| Total | <u>\$ 839,917</u> | <u>\$ 71,226</u> |

Net Position

Net position reported on the district-wide statement of net position at June 30, 2022, includes the following:

Governmental Activities

Net investment in capital assets:

| | |
|---|---------------------|
| Land | \$ 1,125,000 |
| Construction in progress | 111,112 |
| Other capital assets, net of accumulated depreciation | 8,954,693 |
| Less long-term capital related debt outstanding | (4,870,000) |
| Less unamortized debt premium | <u>(233,080)</u> |
| Total net investment in capital assets | <u>\$ 5,087,725</u> |

4. Other Information

Employees' Retirement System

Plan Description

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

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

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

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:

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

Contributions

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

During the reporting period, the WRS recognized \$286,001 in contributions from the District.

Contribution rates for the plan year reported as of June 30, 2022 are:

| <u>Employee Category</u> | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (including teachers, executives & elected officials) | 6.75 % | 6.75 % |

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

At June 30, 2022, the District reported an asset of \$1,917,423 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.02378883%, which was an increase of 0.00045330% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense (revenue) of \$(156,396).

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between projected and actual experience | \$ 3,097,500 | \$ 223,363 |
| Changes in assumptions | 357,725 | - |
| Net differences between projected and actual earnings on pension plan investments | - | 4,289,435 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 2,310 | 3,447 |
| Employer contributions subsequent to the measurement date | <u>159,296</u> | <u>-</u> |
| Total | <u>\$ 3,616,831</u> | <u>\$ 4,516,245</u> |

School District of Thorp

Notes to Financial Statements
June 30, 2022

\$159,296 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:

| <u>Year Ending June 30,</u> | <u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u> |
|---------------------------------|---|
| 2023 | \$ (89,845) |
| 2024 | (520,460) |
| 2025 | (229,254) |
| 2026 | (219,151) |

Actuarial Assumptions

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

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

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

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

Long-Term Expected Return on Plan Assets

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

| Asset Allocation Targets and Expected Returns* As of December 31, 2021 | | | |
|---|---------------------------|--|---|
| Core Fund Asset Class | Asset Allocation % | Long-Term Expected Nominal Rate of Return % | Long-Term Expected Real Rate of Return %** |
| Global Equities | 52 | 6.8 | 4.2 |
| Fixed Income | 25 | 4.3 | 1.8 |
| Inflation Sensitive | 19 | 2.7 | 0.2 |
| Real Estate | 7 | 5.6 | 3 |
| Private Equity/Debt | 12 | 9.7 | 7 |
| Total Core Fund*** | 115 | 6.6 | 4 |
| Variable Fund Asset | | | |
| U.S Equities | 70 | 6.3 | 3.7 |
| International Equities | 30 | 7.2 | 4.6 |
| Total Variable Fund | 100 | 6.8 | 4.2 |

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

** New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

| | <u>1% Decrease to Discount Rate (5.8%)</u> | <u>Current Discount Rate (6.8%)</u> | <u>1% Increase to Discount Rate (7.8%)</u> |
|---|--|---|--|
| District's proportionate share of the net pension liability (asset) | <u>\$ 1,360,547</u> | <u>\$ (1,917,423)</u> | <u>\$ (4,276,952)</u> |

Pension Plan Fiduciary Net Position

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

Risk Management

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

Commitments and Contingencies

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

School District of Thorp

Notes to Financial Statements
June 30, 2022

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

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

Subsequent Event

On November 18, 2022, the District obtained a \$400,000 revolving line of credit with an interest rate of 7% from a local bank. The District has drawn and repaid \$400,000 on the line of credit to date.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- 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

School District of Thorp

Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2022

| | <u>Budgeted Amounts</u> | | |
|--------------------------------------|-------------------------------|---------------------|---------------------------------------|
| | <u>Original and Final</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
| Revenues | | | |
| Property taxes | \$ 1,626,504 | \$ 1,626,504 | \$ - |
| Other local sources | 52,250 | 55,842 | 3,592 |
| Interdistrict sources | 509,000 | 507,961 | (1,039) |
| Intermediate sources | 22,000 | 68,452 | 46,452 |
| State sources | 5,308,824 | 5,315,418 | 6,594 |
| Federal sources | 964,153 | 1,202,580 | 238,427 |
| Other sources | 31,000 | 21,149 | (9,851) |
| | <u>8,513,731</u> | <u>8,797,906</u> | <u>284,175</u> |
| Total revenues | | | |
| Expenditures | | | |
| Instruction: | | | |
| Regular instruction | 3,720,110 | 3,730,941 | (10,831) |
| Vocational instruction | 433,025 | 465,717 | (32,692) |
| Special instruction | - | 153 | (153) |
| Other instruction | 297,658 | 376,490 | (78,832) |
| | <u>4,450,793</u> | <u>4,573,301</u> | <u>(122,508)</u> |
| Total instruction | | | |
| Support services: | | | |
| Pupil services | 318,837 | 304,127 | 14,710 |
| Instructional staff services | 291,904 | 300,895 | (8,991) |
| Administration | 776,998 | 871,162 | (94,164) |
| Buildings and grounds | 1,050,998 | 755,804 | 295,194 |
| Transportation | 456,300 | 461,263 | (4,963) |
| Other support services | 472,690 | 695,902 | (223,212) |
| | <u>3,367,727</u> | <u>3,389,153</u> | <u>(21,426)</u> |
| Total support services | | | |
| | <u>7,818,520</u> | <u>7,962,454</u> | <u>(143,934)</u> |
| Total expenditures | | | |
| Excess of revenues over expenditures | 695,211 | 835,452 | 140,241 |
| Other Financing Uses | | | |
| Transfers out | (698,211) | (667,948) | 30,263 |
| | <u>(698,211)</u> | <u>(667,948)</u> | <u>30,263</u> |
| Net change in fund balance | <u>\$ (3,000)</u> | 167,504 | <u>\$ 170,504</u> |
| Fund Balance, Beginning | | <u>1,533,738</u> | |
| Fund Balance, Ending | | <u>\$ 1,701,242</u> | |

See notes to required supplementary information

School District of Thorp

Budgetary Comparison Schedule - Special Education Special Revenue Fund
Year Ended June 30, 2022

| | Budgeted Amounts | | |
|---|-------------------------------|------------------|---------------------------------------|
| | Original and Final | Actual | Variance With Final Budget |
| Revenues | | | |
| Interdistrict sources | \$ - | \$ 2,318 | \$ 2,318 |
| Intermediate sources | 47,000 | 61,403 | 14,403 |
| State sources | 225,000 | 275,662 | 50,662 |
| Federal sources | 156,000 | 165,806 | 9,806 |
| | <u>428,000</u> | <u>505,189</u> | <u>77,189</u> |
| Expenditures | | | |
| Instruction: | | | |
| Special instruction | <u>887,785</u> | <u>869,151</u> | <u>18,634</u> |
| Support services: | | | |
| Pupil services | 144,780 | 153,225 | (8,445) |
| Instructional staff services | 85,446 | 142,227 | (56,781) |
| Administration | 7,250 | 4,862 | 2,388 |
| Buildings and grounds | 50 | - | 50 |
| Transportation | 300 | 1,177 | (877) |
| Other support services | <u>600</u> | <u>2,495</u> | <u>(1,895)</u> |
| Total support services | <u>238,426</u> | <u>303,986</u> | <u>(65,560)</u> |
| Total expenditures | <u>1,126,211</u> | <u>1,173,137</u> | <u>(46,926)</u> |
| Excess of revenues over (under) expenditures | (698,211) | (667,948) | 30,263 |
| Other Financing Sources | | | |
| Transfers in | <u>698,211</u> | <u>667,948</u> | <u>(30,263)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund Balance, Beginning | | <u>-</u> | |
| Fund Balance, Ending | | <u>\$ -</u> | |

See notes to required supplementary information

School District of Thorp

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
 Wisconsin Retirement System (WRS)
 Year Ended June 30, 2022

| WRS Fiscal Year End Date (Measurement Date) | District's Proportion of the Net Pension Liability/Asset | District's Proportionate Share of the Net Pension Liability (Asset) | District's Calendar Year Covered Payroll | District's Proportionate Share of the Net Pension Liability/Asset as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--|--|--|---|--|--|
| 12/31/21 | 0.02378883 % | \$ (1,917,423) | \$ 4,237,028 | 45.25 % | 106.02 % |
| 12/31/20 | 0.02333553 % | (1,456,869) | 3,848,998 | 37.85 % | 105.26 % |
| 12/31/19 | 0.02362811 % | (761,878) | 3,819,645 | 19.95 % | 102.96 % |
| 12/31/18 | 0.02358035 % | 838,914 | 3,573,740 | 23.47 % | 96.45 % |
| 12/31/17 | 0.02374426 % | (704,995) | 3,530,457 | 19.97 % | 102.93 % |
| 12/31/16 | 0.02359640 % | 194,491 | 3,431,377 | 5.67 % | 99.12 % |
| 12/31/15 | 0.02362546 % | 383,909 | 3,353,194 | 11.45 % | 98.20 % |
| 12/31/14 | 0.02363199 % | (580,307) | 3,266,284 | 17.77 % | 102.74 % |

Schedule of Employer Contributions
 Wisconsin Retirement System (WRS)
 Year Ended June 30, 2022

| District Year End Date | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Fiscal Year Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---------------------------|--|--|--|-----------------------------------|--|
| 6/30/22 | \$ 275,157 | \$ 275,157 | \$ - | \$ 4,167,169 | 6.60 % |
| 6/30/21 | 276,860 | 276,860 | - | 4,101,630 | 6.75 % |
| 6/30/20 | 256,538 | 256,538 | - | 3,869,277 | 6.63 % |
| 6/30/19 | 246,386 | 246,386 | - | 3,727,077 | 6.61 % |
| 6/30/18 | 232,245 | 232,245 | - | 3,445,410 | 6.74 % |
| 6/30/17 | 226,472 | 226,472 | - | 3,431,377 | 6.60 % |
| 6/30/16 | 229,161 | 229,161 | - | 3,353,194 | 6.83 % |
| 6/30/15 | 228,640 | 228,640 | - | 3,266,284 | 7.00 % |

See notes to required supplementary information

School District of Thorp

Notes to Required Supplementary Information
Year Ended June 30, 2022

1. Budgetary Information

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

The budgeted amounts presented include any amendments made. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the two-digit sub-function level of expenditures in the general fund and special education special revenue fund and at the function level for all other funds.

2. Wisconsin Retirement System (WRS) Pension

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

School District of Thorp

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2022

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|-------------------|----------------------|--------------------|------------------|----------------------------------|---|
| | Special Revenue Trust | Food Service | Community Service | Nonreferendum | Referendum | Capital Improvements Trust | |
| Assets | | | | | | | |
| Cash and investments | \$ 43,347 | \$ 64,452 | \$ 28,404 | \$ 54,557 | \$ 69,095 | \$ 152,338 | \$ 412,193 |
| Accounts receivable | - | 3,026 | - | - | - | - | 3,026 |
| Due from other governments | - | 118,418 | - | - | - | - | 118,418 |
| Inventories | - | 5,184 | - | - | - | - | 5,184 |
| Total assets | \$ 43,347 | \$ 191,080 | \$ 28,404 | \$ 54,557 | \$ 69,095 | \$ 152,338 | \$ 538,821 |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Deposits | \$ - | \$ 8,654 | \$ - | \$ - | \$ - | \$ - | \$ 8,654 |
| Total liabilities | - | 8,654 | - | - | - | - | 8,654 |
| Fund Balances | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventories | - | 5,184 | - | - | - | - | 5,184 |
| Restricted: | | | | | | | |
| District-directed student activities | 43,347 | - | - | - | - | - | 43,347 |
| Food service | - | 177,242 | - | - | - | - | 177,242 |
| Debt service | - | - | - | 54,557 | 69,095 | - | 123,652 |
| Long term capital improvements | - | - | - | - | - | 152,338 | 152,338 |
| Assigned: | | | | | | | |
| Community service | - | - | 28,404 | - | - | - | 28,404 |
| Total fund balances | 43,347 | 182,426 | 28,404 | 54,557 | 69,095 | 152,338 | 530,167 |
| Total liabilities and fund balances | \$ 43,347 | \$ 191,080 | \$ 28,404 | \$ 54,557 | \$ 69,095 | \$ 152,338 | \$ 538,821 |

School District of Thorp

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2022

| | Special Revenue Funds | | | Debt Service Funds | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|-----------------------|-------------------|-------------------|--------------------|------------------|----------------------------|-----------------------------------|
| | Special Revenue Trust | Food Service | Community Service | Nonreferendum | Referendum | Capital Improvements Trust | |
| Revenues | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 85,000 | \$ 269,719 | \$ 304,725 | \$ - | \$ 659,444 |
| Other local sources | 72,049 | 7,013 | 2,460 | - | - | 185 | 81,707 |
| State sources | - | 11,632 | - | - | - | - | 11,632 |
| Federal sources | - | 464,373 | - | - | - | - | 464,373 |
| Total revenues | 72,049 | 483,018 | 87,460 | 269,719 | 304,725 | 185 | 1,217,156 |
| Expenditures | | | | | | | |
| Instruction: | | | | | | | |
| Other instruction | 59,183 | - | - | - | - | - | 59,183 |
| Community service | - | - | 48,400 | - | - | - | 48,400 |
| Support services: | | | | | | | |
| Debt service | - | - | - | 273,588 | 307,500 | - | 581,088 |
| Food service | - | 457,494 | - | - | - | - | 457,494 |
| Total support services | - | 457,494 | - | 273,588 | 307,500 | - | 1,038,582 |
| Total expenditures | 59,183 | 457,494 | 48,400 | 273,588 | 307,500 | - | 1,146,165 |
| Net change in fund balances | 12,866 | 25,524 | 39,060 | (3,869) | (2,775) | 185 | 70,991 |
| Fund Balances (Deficit), Beginning | 30,481 | 156,902 | (10,656) | 58,426 | 71,870 | 152,153 | 459,176 |
| Fund Balances, Ending | \$ 43,347 | \$ 182,426 | \$ 28,404 | \$ 54,557 | \$ 69,095 | \$ 152,338 | \$ 530,167 |

School District of Thorp

Combining Statement of Fiduciary Net Position - Fiduciary Funds

June 30, 2022

| | <u>Custodial Funds</u> | | |
|----------------------|------------------------|-------------------------|-------------------|
| | <u>Scholarship</u> | <u>Student Activity</u> | <u>Total</u> |
| Assets | | | |
| Cash and investments | <u>\$ 321,099</u> | <u>\$ 103,762</u> | <u>\$ 424,861</u> |
| Net Position | | | |
| Restricted | <u>\$ 321,099</u> | <u>\$ 103,762</u> | <u>\$ 424,861</u> |

School District of Thorp

Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds

Year Ended June 30, 2022

| | Custodial Funds | | Total |
|------------------------------------|-----------------|------------------|------------|
| | Scholarship | Student Activity | |
| Additions | | | |
| Local sources | \$ 5,963 | \$ 140,621 | \$ 146,584 |
| Deductions | | | |
| Scholarships disbursed to students | 6,250 | - | 6,250 |
| Student activity disbursements | - | 133,902 | 133,902 |
| Total deductions | 6,250 | 133,902 | 140,152 |
| Change in fiduciary net position | (287) | 6,719 | 6,432 |
| Net Position, Beginning | 321,386 | 97,043 | 418,429 |
| Net Position, Ending | \$ 321,099 | \$ 103,762 | \$ 424,861 |