



JOHNSON BLOCK

CPAs



**PARKVIEW SCHOOL DISTRICT
FINANCIAL STATEMENTS**
Including Independent Auditor's Report
As of and for the year ended June 30, 2021

Johnson Block and Company, Inc.
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Parkview School District
June 30, 2021
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Parkview School District
Orfordville, Wisconsin

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Parkview School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Parkview School District, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, the Wisconsin Retirement System schedules, and the related note disclosures on pages 35 through 41 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parkview School District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 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 will also issue a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 6, 2021

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Parkview School District
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,861,873
Taxes receivable	1,487,027
Due from other governmental units	535,747
Inventories and prepaid supplies	85,862
Total current assets	3,970,509
Non-current assets	
Capital assets:	
Property and equipment	27,618,215
Less: accumulated depreciation	(13,105,147)
Net book value of capital assets	14,513,068
Net pension asset - restricted	2,184,499
Total non-current assets	16,697,567
Total assets	20,668,076
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on advanced refunding	1,096,888
Pension outflows	3,466,954
OPEB outflows	65,546
Total deferred outflows of resources	4,629,388
Total assets and deferred outflows of resources	\$ 25,297,464
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 94,865
Accrued wages and related payables	269,815
Customer deposits	11,066
Accrued interest payable	123,428
Nonvested employee HRA deposits	27,973
Current portion of long-term obligations	1,204,580
Total current liabilities	1,731,727
Noncurrent liabilities:	
Bonds and notes payable, including bond premium of \$392,994	14,243,994
Capital lease obligations	852,975
Other postemployment benefits	424,814
Vested employee sick leave	113,664
Less: current portion of long-term obligations	(1,204,580)
Total noncurrent liabilities	14,430,867
Total liabilities	16,162,594
DEFERRED INFLOWS OF RESOURCES	
Pension inflows	4,790,223
OPEB inflows	38,134
Total deferred inflows of resources	4,828,357
NET POSITION	
Net investment in capital assets	566,099
Restricted for:	
Common school fund	2,098
Debt service	116,611
Food service	47,021
Community service	31,370
Special revenue	310,608
Capital projects	75,576
Net Pension Asset	2,184,499
Unrestricted	972,631
Total net position	4,306,513
Total liabilities, deferred inflows of resources and net position	\$ 25,297,464

Exhibit A-2
Parkview School District
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction:					
Regular instruction	\$ 3,983,357	\$ 56,687	\$ 776,575	\$	\$ (3,150,095)
Vocational education	253,890	440	4,642		(248,808)
Special education	933,304		645,092		(288,212)
Other instruction	420,716	18,470			(402,246)
Total instruction	<u>5,591,267</u>	<u>75,597</u>	<u>1,426,309</u>		<u>(4,089,361)</u>
Support services:					
Pupil services	665,458	49,715	6,334		(609,409)
Instructional staff services	516,046		97,343		(418,703)
General administration services	371,337		500		(370,837)
Building administration services	400,551				(400,551)
Business administration	3,177,826	21,838	791,896	313,446	(2,050,646)
Central services	131,902			1,146	(130,756)
Insurance	102,657		7,658		(94,999)
Other support services	371,718		422		(371,296)
Community services	14,066	1,048			(13,018)
Interest and other debt costs	701,773				(701,773)
Depreciation - unallocated	36,187				(36,187)
Total support services	<u>6,489,521</u>	<u>72,601</u>	<u>904,153</u>	<u>314,592</u>	<u>(5,198,175)</u>
Non-program transactions:					
Purchased instructional services	1,288,476		68,159		(1,220,317)
Post-Secondary scholarships	1,440		1,000		(440)
Other non-program transactions	8,672				(8,672)
Total non-program transactions	<u>1,298,588</u>		<u>69,159</u>		<u>(1,229,429)</u>
Total governmental activities	\$ <u>13,379,376</u>	\$ <u>148,198</u>	\$ <u>2,399,621</u>	\$ <u>314,592</u>	\$ <u>(10,516,965)</u>
General revenues:					
Property taxes					
					3,779,010
					1,401,188
					10,000
Federal and State aid not restricted for specific purposes					
					6,049,085
					34,497
					54,369
					2,701
Total general revenues					<u>11,330,850</u>
Changes in net position					813,885
Net position - beginning of the year					<u>3,492,628</u>
Net position - end of year					\$ <u><u>4,306,513</u></u>

Exhibit A-3
Parkview School District
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 1,191,880	\$ 240,039	\$ 429,954	\$ 1,861,873
Taxes receivable	1,487,027			1,487,027
Due from other governments	492,651		43,096	535,747
Inventories and prepaid supplies	<u>73,810</u>		<u>12,052</u>	<u>85,862</u>
 Total assets	 <u>\$ 3,245,368</u>	 <u>\$ 240,039</u>	 <u>\$ 485,102</u>	 <u>\$ 3,970,509</u>
LIABILITIES				
Accounts payable	\$ 88,189		\$ 6,676	\$ 94,865
Accrued wages and related payables	267,030		2,785	269,815
Customer deposits			11,066	11,066
Nonvested employee HRA deposits	<u>27,973</u>			<u>27,973</u>
 Total liabilities	 <u>383,192</u>		 <u>20,527</u>	 <u>403,719</u>
FUND BALANCES				
Nonspendable	73,810		12,052	85,862
Restricted	2,098	240,039	452,523	694,660
Unassigned	<u>2,786,268</u>			<u>2,786,268</u>
 Total fund balances	 <u>2,862,176</u>	 <u>240,039</u>	 <u>464,575</u>	 <u>3,566,790</u>
 Total liabilities and fund balances	 <u>\$ 3,245,368</u>	 <u>\$ 240,039</u>	 <u>\$ 485,102</u>	 <u>\$ 3,970,509</u>

Exhibit A-4
Parkview School District
Reconciliation of the Governmental funds Balance Sheet
with the Statement of Net Position
June 30, 2021

Total fund balances - governmental funds: \$ 3,566,790

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Governmental capital assets	27,618,215	
Governmental accumulated depreciation	<u>(13,105,147)</u>	14,513,068

The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.	2,184,499
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The unamortized loss on advanced refunding is not a current financial resource and is, therefore, not reported in the fund statements.	1,096,888
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Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

Deferred outflows of resources	3,532,500
Deferred inflows of resources	(4,828,357)

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

Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

Bonds and notes payable, including bond premium of \$392,994	14,243,994	
Capital leases	852,975	
Accrued interest on long-term debt	123,428	
Other postemployment benefits	424,814	
Vested employee sick leave	<u>113,664</u>	<u>(15,758,875)</u>

Total net position - governmental activities	<u>\$ 4,306,513</u>
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Exhibit A-5
Parkview School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 3,779,010	\$ 1,401,188	\$ 10,000	\$ 5,190,198
Other local sources	71,005		201,737	272,742
Interdistrict sources	640,351			640,351
Intermediate sources	3,000			3,000
State sources	6,489,558		9,688	6,499,246
Federal sources	876,816		432,076	1,308,892
Other sources	50,516		3,614	54,130
Total revenues	<u>11,910,256</u>	<u>1,401,188</u>	<u>657,115</u>	<u>13,968,559</u>
EXPENDITURES				
Instruction:				
Regular instruction	4,099,551		7,929	4,107,480
Vocational instruction	268,449		234	268,683
Special instruction	1,011,937			1,011,937
Other instruction	437,254		273	437,527
Total instruction	<u>5,817,191</u>		<u>8,436</u>	<u>5,825,627</u>
Support services:				
Pupil services	667,543		61,831	729,374
Instructional staff services	539,076		1,500	540,576
General administration services	394,855		75	394,930
Building administration services	432,312			432,312
Business administration	1,858,676		483,001	2,341,677
Central services	58,135		581	58,716
Insurance	102,657			102,657
Community service			12,869	12,869
Principal, interest, and other debt charges	268,802	2,515,025		2,783,827
Other support services	385,863		3,471	389,334
Total support services	<u>4,707,919</u>	<u>2,515,025</u>	<u>563,328</u>	<u>7,786,272</u>
Non-program transactions:				
Purchased instructional services	1,289,015			1,289,015
Post-Secondary scholarships			1,440	1,440
Other non-program transactions	3,844		4,827	8,671
Total non-program transactions	<u>1,292,859</u>		<u>6,267</u>	<u>1,299,126</u>
Total expenditures	<u>11,817,969</u>	<u>2,515,025</u>	<u>578,031</u>	<u>14,911,025</u>
Excess (deficiency) of revenues over over expenditures	<u>92,287</u>	<u>(1,113,837)</u>	<u>79,084</u>	<u>(942,466)</u>
OTHER FINANCING SOURCES				
Capital lease proceeds	67,335			67,335
Proceeds from long-term debt		10,321,000		10,321,000
Payment to refunding bond escrow agent		(10,224,516)		(10,224,516)
Sale of capital assets	2,701			2,701
Transfers (to) from general fund	(30,000)		30,000	
Total other financing sources:	<u>40,036</u>	<u>96,484</u>	<u>30,000</u>	<u>166,520</u>
Net change in fund balances	132,323	(1,017,353)	109,084	(775,946)
Fund balance-beginning	2,729,853	1,257,392	355,491	4,342,736
Fund balance - ending	<u>\$ 2,862,176</u>	<u>\$ 240,039</u>	<u>\$ 464,575</u>	<u>\$ 3,566,790</u>

Exhibit A-6
 Parkview School District
 Reconciliation of Statement of Revenues, Expenditures and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	(775,946)
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	128,014	
Donated capital assets	207,500	
Depreciation expenses reported in the statement of activities	<u>(1,314,585)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		(979,071)
Long-term debt proceeds provide current financial resources to government funds, but issuing long-term debt increases long-term liabilities in the statement of net position. Repayment of principal on long-term debt is reported in governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount by which repayments are more than proceeds		775,295
Governmental funds report debt premiums as other financing sources when received. However, in the statement of net position, these are reported as additions to long-term debt. Premiums are allocated over the period the debt is outstanding in the statement of activities as interest income. This amount is the net effect of these differences in the treatment of debt premiums		
		30,231
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	621,971	
The amount of interest accrued during the current period	<u>(575,920)</u>	
Interest paid is greater (less) than interest accrued by		46,051
Deferred charges associated with long-term debt refundings are reported in the statement of net position, but are not a current financial resource and, therefore, are not reported in the governmental funds. This is the net increase in deferred charges during the current period.		
		1,096,888
Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Change in OPEB liability and related deferred outflows and inflows of resources		2,866
Change in long-term vested employee sick leave		(9,101)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.		626,672
Change in net position - governmental activities	\$	<u><u>813,885</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District
June 30, 2021
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NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Financial Statement Presentation

District-wide Statements:

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except for fiduciary funds, which are presented in the fund financial statements by type. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The District does not report any business-type activities.

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

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

Fund Financial Statements:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Financial Statement Presentation (Continued)

Fund Financial Statements (Continued):

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

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

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

Governmental Funds

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Financial Statement Presentation (Continued)

Major Funds

The District reports the following major governmental funds:

General Fund

Debt Service Fund

Non-Major Funds

The District reports the following non-major funds:

Special Revenue Funds –

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

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

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

Capital Projects Fund

C. Measurement Focus and Basis of Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Property taxes are recognized as revenue in the period for which the taxes are levied. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

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

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

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

Cash and Cash Equivalents/Investments

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities

Accounts Receivable

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Vested Employee Benefits

Compensated Absences

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

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

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

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

Other Postemployment Benefits

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

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

Long-Term Obligations

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Retirement Plans

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

F. Claims and Judgments

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

G. Estimates

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

H. Budgets

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

I. Interfund Activity

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Equity Classifications

District-wide Statements

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

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

Fund Statements

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Equity Classifications (Continued)

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

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

K. Pensions

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

L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The deferred outflows of resources are for the WRS pension system, OPEB, and deferred amount on refunding

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until then. The deferred inflows of resources are related to the WRS pension system and OPEB.

M. Deferred Amount on Refunding

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

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

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

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

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

NOTE 3 CASH AND CASH EQUIVALENTS/ INVESTMENTS

As previously discussed, cash for all District funds is pooled for investment purposes with the exception of separate pupil organization and scholarship accounts. At June 30, 2021, the cash and investments included the following:

Account Balances	
Deposits with financial institutions	\$ 526,827
Petty cash	286
Investments:	
WI local government investment pool	1,306,787
Fixed annuity account	27,973
Total cash and investments	<u>\$ 1,861,873</u>

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Per statement of net position	
Cash and cash equivalents	<u>\$ 1,861,873</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 3

CASH AND CASH EQUIVALENTS/INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

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

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

Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in months)</u>	
		<u>12 months or less</u>	<u>13-36 months</u>
Certificates of deposit	\$ 28,020	\$ 14,205	\$ 13,815
WI local government investment pool	1,306,787	1,306,787	
Fixed annuity account	27,973	27,973	
Total	<u>\$ 1,362,780</u>	<u>\$ 1,348,965</u>	<u>\$ 13,815</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. As of June 30, 2021, the District’s investment in the Wisconsin Local Government Investment Pool was not rated. The fixed annuity account is held with an insurance company. The insurance company is rated A+ with A.M. Best.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 3

CASH AND CASH EQUIVALENTS/INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

Federal Deposit Insurance Corporation (FDIC) Insurance

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

Collateralization of Public Unit Deposits

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

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

As of June 30, 2021, \$278,020 of the District's deposits was insured by FDIC coverage, and \$232,798 of the District's deposits was insured by the NCUA. \$75,169 was uninsured and uncollateralized.

Wisconsin Local Governmental Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2021, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the District.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 3

CASH AND CASH EQUIVALENTS/INVESTMENTS (CONTINUED)

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

Investment allocation in the local government investment pool as of June 30, 2021 was: 95.48% in U.S. Government Securities, 1.07% in certificates of deposit and Bankers Acceptance notes and 3.45% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Government securities and investments in mutual funds are excluded from this risk. The District places no limit on the amount the District may invest in any one issuer. At June 30, 2021, the investment portfolio had no concentrations of applicable investments greater than 5% of the total portfolio.

NOTE 4

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Balance 7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2021</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 180,239	\$ 207,500	\$	\$ 387,739
Total capital assets not being depreciated	<u>180,239</u>	<u>207,500</u>		<u>387,739</u>
<i>Capital assets, being depreciated:</i>				
Buildings	21,505,743			21,505,743
Land improvements	388,391			388,391
Furniture and equipment	5,155,865	128,014	(77,110)	5,206,769
Vehicles	129,573			129,573
Total capital assets, being depreciated	<u>27,179,572</u>	<u>128,014</u>	<u>(77,110)</u>	<u>27,230,476</u>
Total capital assets	<u>27,359,811</u>	<u>335,514</u>	<u>(77,110)</u>	<u>27,618,215</u>
Less accumulated depreciation:				
Buildings	7,354,971	950,852		8,305,823
Land improvements	279,666	8,593		288,259
Furniture and equipment	4,165,901	337,300	(77,110)	4,426,091
Vehicles	67,134	17,840		84,974
Total accumulated depreciation	<u>11,867,672</u>	<u>1,314,585</u>	<u>(77,110)</u>	<u>13,105,147</u>
Total net capital assets	<u>\$ 15,492,139</u>	<u>\$ (979,071)</u>	<u>\$</u>	<u>\$ 14,513,068</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 135,507
Vocational instruction	4,318
Special education	826
Other instruction	12,137
Pupil services	81
Instructional staff services	12,018
Business administration	989,555
Central services	73,374
Community service	1,762
Other support services	48,820
Depreciation not charged to a specific function	36,187
Total depreciation for governmental activities	<u>\$ 1,314,585</u>

Capital outlay was charged to governmental functions as follows:

Business administration	\$ 64,444
Other support services	63,570
Total capital outlay	<u>\$ 128,014</u>

NOTE 5

LONG-TERM OBLIGATIONS

Long-term liability balances and activity for the year ended June 30, 2021 were as follows:

	Balance 7/1/20	Additions	Removals	Balance 6/30/21	Current Portion
General obligation debt					
School improvement bonds	\$ 13,205,000	\$	\$ (10,825,000)	\$ 2,380,000	\$ 760,000
Refunding bonds	1,260,000	10,321,000	(110,000)	11,471,000	205,000
Subtotal general obligation debt	14,465,000	10,321,000	(10,935,000)	13,851,000	965,000
Unamortized bond premium	423,225		(30,231)	392,994	
Capital leases	1,014,270	67,335	(228,630)	852,975	239,580
Vested employee sick pay	104,563	9,101		113,664	
Total	<u>\$ 16,007,058</u>	<u>10,397,436</u>	<u>\$ (11,193,861)</u>	<u>\$ 15,210,633</u>	<u>\$ 1,204,580</u>

The capital leases and vested employee sick pay liabilities attributed to governmental activities are typically being liquidated in the general fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

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

	<u>Expense</u>	<u>Paid</u>
Long-term debt	\$ 540,265	\$ 583,300
Capital lease	35,655	38,671
Total	<u>\$ 575,920</u>	<u>\$ 621,971</u>

Long-Term General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2021 is comprised of the following individual issues:

<u>Description</u>	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Dates of Maturity</u>	<u>Balance 6/30/2021</u>
Refunding bonds	10/12/2010	4.75%-5.5%	4/1/2030	\$ 1,150,000
School improvement bonds	7/9/2014	3%-5.0%	4/1/2024	2,380,000
Refunding bonds	3/8/2021	.79%-2.16%	4/1/2034	10,321,000
Total				<u>\$13,851,000</u>

The 2020 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$502,097,843. The legal debt limit and margin of indebtedness as of June 30, 2021 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$502,097,843)	\$ 50,209,784
Deduct long-term debt applicable to debt margin	<u>(13,851,000)</u>
Margin of indebtedness	<u>\$ 36,358,784</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest at June 30, 2021 follows:

<u>Years Ended June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 965,000	\$ 336,069	\$ 1,301,069
2023	1,005,000	281,384	1,286,384
2024	1,077,000	243,438	1,320,438
2025	1,065,000	211,814	1,276,814
2026	1,078,000	195,720	1,273,720
2027-2031	5,516,000	665,702	6,181,702
2032-2034	3,145,000	133,108	3,278,108
Totals	<u>\$13,851,000</u>	<u>\$ 2,067,235</u>	<u>\$15,918,235</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Advance Refunding

On March 8, 2021, the District issued \$10,321,000 of General Obligation Refunding Bonds with interest rates ranging from 0.79%-2.16%. The proceeds from the bonds, along with \$1,001,048 of existing cash reserves, were used to advance refund \$10,100,000 of 2014 General Obligation School Building Bonds with interest rates between 3.0%-5.0%. The District deposited the cash reserves and proceeds of the refunding bonds into an irrevocable trust account to provide for all future debt service payments on the old bonds. After payment of bond issuance costs of \$95,676, the net amount deposited to the trust was \$11,225,565. As of June 30, 2021, 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.

The District completed the refunding to reduce its debt service payments by \$2,042,631. Use of the cash reserves and issuance of refunding bonds resulted in an economic gain (difference between the present value of the old debt and new debt payments) of \$815,916.

Required debt service payments by the trust are as follows:

Years Ended			
June 30,	Principal	Interest	Total
2022	\$	\$ 394,650	\$ 394,650
2023		394,650	394,650
2024	10,100,000	394,650	10,494,650
Totals	<u>\$10,100,000</u>	<u>\$ 1,183,950</u>	<u>\$11,283,950</u>

NOTE 6

CAPITAL LEASES, AS LESSEE

The following is an analysis of the original cost of leased property under capital leases by major classes as of June 30, 2021.

Equipment	<u>\$ 1,561,683</u>
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Amortization expense is included with depreciation expense.

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2021.

Year Ended June 30,	
2022	\$ 271,931
2023	265,097
2024	168,819
2025	88,807
2026	92,218
2027	<u>47,975</u>
Total payments	934,846
Less: interest	<u>(81,871)</u>
Remaining principal balance	<u>\$ 852,975</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 7

INTERFUND BALANCES AND ACTIVITY

A transfer was made for \$30,000 from the general fund to the capital projects fund. The transfer to the capital projects fund is for funding of a long-term capital improvement trust fund. The transferred funds may only be accessed five years after the establishment of the “trust” fund.

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

NOTE 8

DEFINED BENEFIT PENSION PLAN

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11.0
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

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

During the reporting period, the WRS recognized \$391,250 in contributions from the employer.

Contribution rates as of June 30, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2021, the District reported a liability (asset) of (\$2,184,499) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the District's proportion was .03499040%, which was a decrease of .00062715% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District's recognized pension expense (income) of (\$225,541).

At June 30, 2021, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,161,641	\$ (681,011)
Net differences between projected and actual earnings on pension plan investments		(4,101,219)
Changes in assumptions	49,548	
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,935	(7,993)
Employer contributions subsequent to the measurement date	249,830	
Total	\$ 3,466,954	\$ (4,790,223)

\$249,830 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (401,672)
2023	(111,197)
2024	(745,005)
2025	(315,225)
Total	\$ (1,573,099)

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments	1.9%*

** 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Allocation Targets and Expected Returns			
As of December 31, 2020			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Single Discount rate. A single discount rate of 7.00% 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 7.00% and a municipal bond rate of 2.00% (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, 2020. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 2,079,340	\$ (2,184,499)	\$ (5,316,257)

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

NOTE 9

GOVERNMENTAL FUND BALANCES

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund statements at June 30, 2021 includes the following:

Restricted:	
Major Fund:	
General fund - common school fund	\$ 2,098
Debt service fund - future debt service retirement	240,039
Nonmajor Funds:	
Capital projects fund - future expenditures	75,576
Community service fund - future expenditures	31,370
Food service fund - future expenditures	34,969
Special revenue fund - future expenditures	310,608
Total restricted fund balance	<u>694,660</u>
Nonspendable:	
Major Funds:	
General fund - prepaid expenditures	73,810
Nonmajor Fund:	
Food service fund - inventory	12,052
Total nonspendable fund balance	<u>85,862</u>
Unassigned:	
Major Fund:	
General fund	2,786,268
Total governmental fund balance	<u>\$ 3,566,790</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 10

RISK MANAGEMENT

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

NOTE 11

LIMITATION OF SCHOOL DISTRICT REVENUES

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

NOTE 12

CONTINGENT LIABILITIES

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

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	66
	<u>68</u>

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

Total OPEB Liability – The District’s total OPEB Liability of \$424,814 was measured at June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

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

Inflation	2.0 percent
Salary increases	3 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	7.50% decreasing by 0.50% down to 6.50%, then decreasing by 0.10% per year down to 5.0%, and level thereafter.
Retirees' share of benefit-related costs	Retirees' are responsible for the difference between the total premium costs and the district's premium and HRA contributions.

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	<u>Total OPEB Liability</u>
Balance at 6/30/2019	<u>\$ 415,863</u>
Changes for the year:	
Service cost	19,050
Interest	14,021
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	25,451
Benefit payments	<u>(49,571)</u>
Net Changes	<u>8,951</u>
 Balance at 6/30/2020	 <u><u>\$ 424,814</u></u>

There were no changes of benefit terms.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.25%.

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

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	6/30/2020	<u>\$ 444,890</u>	<u>\$ 424,814</u>	<u>\$ 404,465</u>

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

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

		1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	6/30/2020	<u>\$ 412,049</u>	<u>\$ 424,814</u>	<u>\$ 430,249</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District – June 30, 2021

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$31,874. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$	\$ 34,168
Changes of assumptions or other inputs	30,806	3,966
Contributions after the measurement date	34,740	
Total	<u>\$ 65,546</u>	<u>38,134</u>

\$34,740 reported as deferred outflows of resources related to OPEB resulting from the Parkview School District contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2022	\$ (1,197)
2023	(1,197)
2024	(1,197)
2025	(1,197)
2026	(1,197)
Thereafter	<u>(1,343)</u>
Total	<u>(7,328)</u>

NOTE 14 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement GASB Statement No. 87, *Leases*, effective for periods beginning after June 15, 2021, and GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. When these become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
Parkview School District
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	Variance with
	Original	Final		Original Budget	Final Budget
				Favorable	Favorable
				(Unfavorable)	(Unfavorable)
REVENUES					
Property taxes	\$ 3,779,010	\$ 3,779,010	\$ 3,779,010	\$	\$
Other local sources	88,837	88,837	71,005	(17,832)	(17,832)
Interdistrict sources	662,234	662,234	640,351	(21,883)	(21,883)
Intermediate sources	3,940	3,940	3,000	(940)	(940)
State sources	6,124,253	6,124,253	6,138,760	14,507	14,507
Federal sources	310,165	310,165	497,160	186,995	186,995
Other sources	109,608	109,608	50,516	(59,092)	(59,092)
Total revenues	<u>11,078,047</u>	<u>11,078,047</u>	<u>11,179,802</u>	<u>101,755</u>	<u>101,755</u>
EXPENDITURES					
Instruction:					
Regular instruction	4,184,183	4,184,183	4,099,551	84,632	84,632
Vocational instruction	270,798	270,798	268,449	2,349	2,349
Other instruction	501,117	501,117	437,254	63,863	63,863
Total instruction	<u>4,956,098</u>	<u>4,956,098</u>	<u>4,805,254</u>	<u>150,844</u>	<u>150,844</u>
Support services:					
Pupil services	374,481	374,481	342,978	31,503	31,503
Instructional staff services	489,758	489,758	452,046	37,712	37,712
General administration services	341,134	341,134	394,855	(53,721)	(53,721)
Building administration services	449,269	449,269	432,312	16,957	16,957
Business administration	1,818,714	1,818,714	1,834,932	(16,218)	(16,218)
Central services	154,897	154,897	58,135	96,762	96,762
Insurance	101,168	101,168	94,999	6,169	6,169
Principal and interest	267,194	267,194	264,902	2,292	2,292
Other support services	358,283	358,283	385,563	(27,280)	(27,280)
Total support services	<u>4,354,898</u>	<u>4,354,898</u>	<u>4,260,722</u>	<u>94,176</u>	<u>94,176</u>
Non-program transactions					
Purchased instructional services	1,175,993	1,175,993	1,232,503	(56,510)	(56,510)
Other non-program transactions			3,744	(3,744)	(3,744)
Total non-program transactions	<u>1,175,993</u>	<u>1,175,993</u>	<u>1,236,247</u>	<u>(60,254)</u>	<u>(60,254)</u>
Total expenditures	<u>10,486,989</u>	<u>10,486,989</u>	<u>10,302,223</u>	<u>184,766</u>	<u>184,766</u>
Excess (deficiency) of revenues over expenditures	<u>591,058</u>	<u>591,058</u>	<u>877,579</u>	<u>286,521</u>	<u>286,521</u>
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds	67,335	67,335	67,335	-	-
Sale of capital assets	10,000	10,000	2,701	(7,299)	(7,299)
Transfers to other funds	(880,739)	(880,739)	(815,292)	65,447	65,447
Total other financing sources (uses)	<u>(803,404)</u>	<u>(803,404)</u>	<u>(745,256)</u>	<u>58,148</u>	<u>58,148</u>
Net change in fund balances	(212,346)	(212,346)	132,323	344,669	344,669
Fund balance - beginning	2,878,445	2,878,445	2,729,853		
Fund balance - ending	<u>\$ 2,666,099</u>	<u>\$ 2,666,099</u>	<u>\$ 2,862,176</u>	<u>\$ 344,669</u>	<u>\$ 344,669</u>

Exhibit B-2
 Parkview School District
 Budgetary Comparison Schedule for the Special Education Fund
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with	Variance with
	Original	Final		Original Budget Favorable (Unfavorable)	Final Budget Favorable (Unfavorable)
REVENUES					
State sources	\$ 302,762	\$ 302,762	\$ 350,798	\$ 48,036	\$ 48,036
Federal sources	279,659	279,659	379,656	99,997	99,997
Total revenues	<u>582,421</u>	<u>582,421</u>	<u>730,454</u>	<u>148,033</u>	<u>148,033</u>
EXPENDITURES					
Instruction	1,022,427	1,022,427	1,011,937	10,490	10,490
Support services	424,497	424,497	447,197	(22,700)	(22,700)
Non-program transactions	40,840	40,840	56,612	(15,772)	(15,772)
Total expenditures	<u>1,487,764</u>	<u>1,487,764</u>	<u>1,515,746</u>	<u>(27,982)</u>	<u>(27,982)</u>
Excess (deficiency) if revenues over expenditures	<u>(905,343)</u>	<u>(905,343)</u>	<u>(785,292)</u>	<u>120,051</u>	<u>120,051</u>
OTHER FINANCING SOURCES (USES)					
Transfer from general fund	<u>905,343</u>	<u>905,343</u>	<u>785,292</u>	<u>(120,051)</u>	<u>(120,051)</u>
Total other financing sources (uses):	<u>905,343</u>	<u>905,343</u>	<u>785,292</u>	<u>(120,051)</u>	<u>(120,051)</u>
Net change in fund balances					
Fund balance - beginning	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Fund balance - ending	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Exhibit B-3
PARKVIEW SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2021

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

Exhibit B-4
Parkview School District
Wisconsin Retirement System Schedules
June 30, 2021

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

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

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years**

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

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

Parkview School District
Notes to Required Supplementary Information
June 30, 2021

NOTE 1

BUDGET SCHEDULE

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the one digit function level for the general fund and the total expenditure level for all other funds. Reported budget amounts are as originally adopted or as amended by the School Board resolution.

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

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

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

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

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

NOTE 2

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

Fund	Excess Expenditures
General Fund:	
Non-Program Transactions	\$ 60,254
Special Education Fund:	
Support services	22,700
Non-Program Transactions	15,772

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2021

NOTE 3

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

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "total revenues" from the budgetary comparison schedules	\$ 11,179,802	\$ 730,454
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>730,454</u>	<u>(730,454)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 11,910,256</u>	<u>\$</u>
	General Fund	Special Education Fund
B) Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedules	\$ 10,302,223	\$ 1,515,746
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,515,746</u>	<u>(1,515,746)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 11,817,969</u>	<u>\$</u>

Parkview School District
Notes to Required Supplementary Information (Continued)
June 30, 2021

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 3 preceding years.

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

Changes of assumptions. No significant change in assumptions from the prior year were noted.

NOTE 5

OTHER POSTEMPLOYMENT BENEFITS PLAN

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% for the June 30, 2019 measurement date to 2.25% for the June 30, 2020 measurement date.

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

SUPPLEMENTARY INFORMATION

Exhibit C-1
 Parkview School District
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2021

	Special Revenue Funds				Total Non-major Governmental Funds
	Food Service Fund	Community Service Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS					
Cash and investments	\$ 8,834	\$ 33,658	\$ 311,886	\$ 75,576	\$ 429,954
Due from other governments	43,096				43,096
Inventories and prepaid supplies	12,052				12,052
Total assets	\$ 63,982	\$ 33,658	\$ 311,886	\$ 75,576	\$ 485,102
LIABILITIES					
Accounts payable	\$ 5,398		\$ 1,278		\$ 6,676
Accrued wages and related payables	497	2,288			2,785
Customer deposits	11,066				11,066
Total liabilities	16,961	2,288	1,278		20,527
FUND BALANCES					
Nonspendable	12,052				12,052
Restricted	34,969	31,370	310,608	75,576	452,523
Total fund balances	47,021	31,370	310,608	75,576	464,575
Total liabilities and fund balances	\$ 63,982	\$ 33,658	\$ 311,886	\$ 75,576	\$ 485,102

Exhibit C-2
Parkview School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds
	Food Service Fund	Community Service Fund	Special Revenue Fund		
REVENUES					
Property taxes	\$	\$ 10,000	\$	\$	\$ 10,000
Other local sources	29,674	1,048	170,974	41	201,737
State sources	9,688				9,688
Federal sources	432,076				432,076
Other sources	2,232		1,382		3,614
	<u>473,670</u>	<u>11,048</u>	<u>172,356</u>	<u>41</u>	<u>657,115</u>
EXPENDITURES					
Instruction:					
Regular instruction			7,929		7,929
Vocational instruction			234		234
Other instruction			273		273
Total instruction			<u>8,436</u>		<u>8,436</u>
Support services:					
Pupil services			61,831		61,831
Instructional staff services			1,500		1,500
General administration			75		75
Business administration	482,142		859		483,001
Central services		581			581
Community services		12,869			12,869
Other support services	3,471				3,471
Total support services	<u>485,613</u>	<u>13,450</u>	<u>64,265</u>		<u>559,857</u>
Non-program transactions:					
Post-Secondary scholarships			1,440		1,440
Other non-program transactions	4,067		760		4,827
Total non-program transactions:	<u>4,067</u>		<u>2,200</u>		<u>6,267</u>
	<u>489,680</u>	<u>13,450</u>	<u>74,901</u>		<u>574,560</u>
Excess (deficiency) of revenues over expenditures	<u>(16,010)</u>	<u>(2,402)</u>	<u>97,455</u>	<u>41</u>	<u>82,555</u>
OTHER FINANCING SOURCES					
Transfers from general fund				30,000	30,000
Net change in fund balance	(16,010)	(2,402)	97,455	30,041	112,555
Fund balance - beginning	<u>63,031</u>	<u>33,772</u>	<u>213,153</u>	<u>45,535</u>	<u>355,491</u>
Fund balances - ending	<u>\$ 47,021</u>	<u>\$ 31,370</u>	<u>\$ 310,608</u>	<u>\$ 75,576</u>	<u>\$ 468,046</u>