

PARKVIEW SCHOOL DISTRICT

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended June 30, 2015

Johnson Block and Company, Inc.
Certified Public Accountants
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Parkview School District
June 30, 2015
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Johnson & Block
AND COMPANY, INC.

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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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2014, the Parkview School District adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of funding progress for postemployment benefit plans, and the Wisconsin Retirement System schedules on pages 38-43 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.

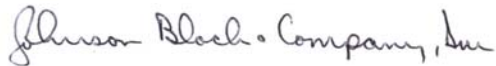
Other Information

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 are 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 AND COMPANY, INC.

Mineral Point, WI

November 12, 2015

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Parkview School District
Statement of Net Position
June 30, 2015

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 9,934,661
Taxes receivable	1,643,962
Due from other governmental units	334,614
Inventories and prepaid supplies	56,915
Total current assets	11,970,152
Noncurrent assets	
Land, property and equipment	22,194,151
Less: accumulated depreciation	(8,020,645)
Net pension asset	1,035,516
Total noncurrent assets	15,209,022
Total assets	27,179,174
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	926,263
Total assets and deferred outflows of resources	\$ 28,105,437
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 2,448,948
Accrued wages and related payables	290,144
Unearned revenue	5,308
Accrued interest payable	179,055
Nonvested employee HRA deposits	23,022
Due to fiduciary agency fund	16,513
Current portion of long-term obligations	884,006
Total current liabilities	3,846,996
Noncurrent liabilities:	
Bonds and notes payable, net of bond premium of \$574,379	18,896,995
Capital lease obligations	1,229,710
Other postemployment benefits	779,768
Vested employee sick leave	60,702
Less: current portion of long-term obligations	(884,006)
Total noncurrent liabilities	20,083,169
Total liabilities	23,930,165
DEFERRED INFLOWS OF RESOURCES	
Grant advance	7,500
NET POSITION	
Net investment in capital assets	1,678,252
Restricted	2,174,052
Unrestricted	315,468
Total net position	4,167,772
Total liabilities, deferred inflows of resources and net position	\$ 28,105,437

See accompanying notes to the basic financial statements.

Exhibit A-2
Parkview School District
Statement of Activities
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expenses)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenues and Changes in Net Position
					<u>Governmental Activities</u>
Governmental activities:					
Instruction:					
Regular instruction	\$ 3,726,596	\$ 82,995	\$ 461,127	\$	\$ (3,182,474)
Vocational education	312,345		750		(311,595)
Special education	1,141,545		659,296		(482,249)
Other instruction	469,600	18,298			(451,302)
Total instruction	<u>5,650,086</u>	<u>101,293</u>	<u>1,121,173</u>		<u>(4,427,620)</u>
Support services:					
Pupil services	524,010		5,362		(518,648)
Instructional staff services	412,161		81,902		(330,259)
General administration services	226,912				(226,912)
Building administration services	513,068				(513,068)
Business administration	2,309,876	170,887	243,139		(1,895,850)
Central services	385,667			67,489	(318,178)
Insurance	147,884				(147,884)
Other support services	1,234,746		60,405		(1,174,341)
Community services	23,381				(23,381)
Interest, issuance, and fiscal costs	991,501		21,866		(969,635)
Depreciation-unallocated	110,771				(110,771)
Total support services	<u>6,879,977</u>	<u>170,887</u>	<u>412,674</u>	<u>67,489</u>	<u>(6,228,927)</u>
Total governmental activities	<u>\$ 12,530,063</u>	<u>\$ 272,180</u>	<u>\$ 1,533,847</u>	<u>\$ 67,489</u>	<u>\$ (10,656,547)</u>
General revenues:					
Property taxes					
General purposes					3,844,865
Debt services					1,248,181
Federal and State aid not restricted for specific purposes					
General					5,621,970
Interest and investment earnings					50,909
Miscellaneous					73,012
Loss on disposition of assets					(158,803)
Total general revenues					<u>10,680,134</u>
Changes in net position					<u>23,587</u>
Net position - beginning, as previously reported					2,166,566
Prior period adjustment - implementation of new GASB Statements					<u>1,977,619</u>
Net position - beginning, as restated					<u>4,144,185</u>
Net position - end of year					<u>\$ 4,167,772</u>

Exhibit A-3
Parkview School District
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 847,021	\$ 8,699,735	\$ 327,860	\$ 60,045	\$ 9,934,661
Taxes receivable	1,643,962				1,643,962
Due from other governments	326,244			8,370	334,614
Due from other funds	5,644	16,926			22,570
Inventories and prepaid supplies	48,111			8,804	56,915
Total assets	<u>\$ 2,870,982</u>	<u>\$ 8,716,661</u>	<u>\$ 327,860</u>	<u>\$ 77,219</u>	<u>\$ 11,992,722</u>
LIABILITIES					
Accounts payable	\$ 102,313	\$ 2,345,210		\$ 1,425	\$ 2,448,948
Accrued wages and related payables	288,770			1,374	290,144
Unearned revenue				5,308	5,308
Due to other funds	33,439			5,644	39,083
Nonvested employee HRA deposits	23,022				23,022
Total liabilities	<u>447,544</u>	<u>2,345,210</u>		<u>13,751</u>	<u>2,806,505</u>
DEFERRED INFLOWS OF RESOURCES					
Grant advance	7,500				7,500
FUND BALANCES					
Nonspendable	48,111			5,078	53,189
Restricted		6,371,451	327,860	58,390	6,757,701
Unassigned	2,367,827				2,367,827
Total fund balances	<u>2,415,938</u>	<u>6,371,451</u>	<u>327,860</u>	<u>63,468</u>	<u>9,178,717</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,870,982</u>	<u>\$ 8,716,661</u>	<u>\$ 327,860</u>	<u>\$ 77,219</u>	<u>\$ 11,992,722</u>

Exhibit A-4
 Parkview School District
 Reconciliation of the Governmental funds Balance Sheet
 with the Statement of Net Position
 June 30, 2015

Total fund balances - governmental funds:		\$ 9,178,717
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:</p>		
Governmental capital assets	22,194,151	
Governmental accumulated depreciation	<u>(8,020,645)</u>	14,173,506
<p>The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.</p>		
		1,035,516
<p>Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows of resources are not financial resources or uses and therefore are not reported in the fund statements.</p>		
Deferred outflows of resources		926,263
<p>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:</p>		
Bonds and notes payable, net of bond premium of \$574,379	18,896,995	
Capital leases	1,229,710	
Accrued interest on long-term debt	179,055	
Other postemployment benefits	779,768	
Vested employee sick leave	<u>60,702</u>	<u>(21,146,230)</u>
Total net position - governmental activities		\$ <u>4,167,772</u>

Exhibit A-5
Parkview School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 3,844,865		\$ 1,248,181		\$ 5,093,046
Other local sources	133,068		473	224,951	358,492
Interdistrict sources	252,008				252,008
Intermediate sources	9,139				9,139
State sources	6,107,893			8,261	6,116,154
Federal sources	507,888			185,494	693,382
Other sources	82,502	19,197	21,866	1,052	124,617
Total revenues	<u>10,937,363</u>	<u>19,197</u>	<u>1,270,520</u>	<u>419,758</u>	<u>12,646,838</u>
EXPENDITURES					
Instruction:					
Regular instruction	3,804,134			2,426	3,806,560
Vocational instruction	325,923				325,923
Special instruction	1,158,012				1,158,012
Other instruction	470,270				470,270
Total instruction	<u>5,758,339</u>			<u>2,426</u>	<u>5,760,765</u>
Support services:					
Pupil services	532,305				532,305
Instructional staff services	399,827			14,014	413,841
General administration services	228,797				228,797
Building administration services	513,834				513,834
Business administration	1,674,217	10,689,448		349,483	12,713,148
Central services	757,191			2,902	760,093
Insurance	132,227	15,657			147,884
Community service				21,600	21,600
Principal and interest	93,167		1,292,071		1,385,238
Other support services	1,234,718				1,234,718
Total support services	<u>5,566,283</u>	<u>10,705,105</u>	<u>1,292,071</u>	<u>387,999</u>	<u>17,951,458</u>
Total expenditures	<u>11,324,622</u>	<u>10,705,105</u>	<u>1,292,071</u>	<u>390,425</u>	<u>23,712,223</u>
Excess (deficiency) of revenues over over expenditures	<u>(387,259)</u>	<u>(10,685,908)</u>	<u>(21,551)</u>	<u>29,333</u>	<u>(11,065,385)</u>
OTHER FINANCING SOURCES					
Capital lease proceeds	420,266				420,266
Proceeds from long-term debt		16,660,000			16,660,000
Premium on issuance of bonds			303,407		303,407
Transfers (to) from general fund	(210)			210	
Total other financing sources:	<u>420,056</u>	<u>16,660,000</u>	<u>303,407</u>	<u>210</u>	<u>17,383,673</u>
Net change in fund balances	32,797	5,974,092	281,856	29,543	6,318,288
Fund balance - beginning	2,383,141	397,359	46,004	33,925	2,860,429
Fund balance - ending	<u>\$ 2,415,938</u>	<u>\$ 6,371,451</u>	<u>\$ 327,860</u>	<u>\$ 63,468</u>	<u>\$ 9,178,717</u>

See accompanying notes to the basic financial statements.

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, 2015

Net change in fund balances-total governmental funds \$ 6,318,288

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	11,278,645	
Depreciation expenses reported in the statement of activities	<u>(603,743)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		10,674,902

The net effect of various miscellaneous transactions involving capital assets
(i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position: (169,345)

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 less than proceeds	(16,245,829)
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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 (574,379)

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	549,051	
The amount of interest accrued during the current period	<u>(688,548)</u>	
Interest paid is greater (less) than interest accrued by		(139,497)

Vested employee benefits 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 other post-employment benefits	174,600
Change in long-term vested employee sick leave	687

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 asset from
the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension plan	379,313	
Actuarially determined change in net pension asset between years, with adjustments.	<u>(395,153)</u>	
		(15,840)

Change in net position-governmental activities	<u>\$ 23,587</u>	
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Exhibit A-7
Parkview School District
Statement of Net Position
Fiduciary Funds
June 30, 2015

	<u>Private Purpose Trust</u>	<u>Agency Fund</u>	<u>Total Fiduciary Funds</u>
ASSETS			
Cash and investments	\$ 22,551	\$ 102,404	\$ 124,955
Due from other funds		<u>16,513</u>	<u>16,513</u>
 Total assets	 <u>\$ 22,551</u>	 <u>\$ 118,917</u>	 <u>\$ 141,468</u>
LIABILITIES			
Accounts payable	\$	\$ 1,601	\$ 1,601
Due to student groups		<u>117,316</u>	<u>117,316</u>
 Total liabilities		 <u>118,917</u>	 <u>118,917</u>
NET POSITION			
Restricted for scholarships	<u>22,551</u>		<u>22,551</u>
 Total liabilities and net position	 <u>\$ 22,551</u>	 <u>\$ 118,917</u>	 <u>\$ 141,468</u>

Exhibit A-8
 Parkview School District
 Statement of Changes in Net Position
 Fiduciary Funds
 June 30, 2015

		Private Purpose Trust
ADDITIONS		
Interest	\$	256
Gifts		500
Total additions		<u>756</u>
DEDUCTIONS		
Scholarships awarded		<u>2,924</u>
Total deductions		<u>2,924</u>
Change in net position		(2,168)
Net position - beginning		<u>24,719</u>
Net position - ending	\$	<u><u>22,551</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District
 June 30, 2015
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NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

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, 2015

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

Funds are organized as major funds or non-major funds within the governmental and fiduciary 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, 2015

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Financial Statement Presentation (Continued)

Fiduciary Funds (Not included in district-wide statements)

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for resources legally held in trust for student scholarships.

Agency Funds - Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units.

Major Funds

The District reports the following major governmental funds:

- General Fund
- Capital Projects 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 Trust Fund – accounts for trust funds that can be used for District operations. The source of such funds is gifts and donations from private parties.

Fiduciary Funds

The District reports the following fiduciary funds:

Private- Purpose Trust Funds –

Scholarship Fund – accounts for assets that are accumulated to provide scholarships

Agency Funds –

Student Activity Fund – accounts for assets held as an agent for various student organizations

C. Measurement Focus and Basis of Accounting

The district-wide Statement of Net Position and Statement of Activities and fiduciary fund financial statements 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

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.

Property tax revenues are recognized as revenue in the fiscal year levied as the District considers the property taxes as due prior to June 30. The District considers the taxes as due on January 31, the date from which interest and penalties accrue for non-payment of a scheduled installment. Full receipt of the entire levy is assured within sixty days of the school's fiscal year-end. Receipt of the balance of taxes levied within sixty days meets the requirements for availability in accordance with generally accepted accounting principles applicable to governmental entities.

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

The aggregate amount of property taxes to be levied for district purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2014 tax roll:

Lien date and levy date	December, 2014
Tax bills mailed	December, 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities

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.

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.

Internal receivables and payables

The amounts reported on the statement of net position, if any, for internal receivables and payables represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for these internal balances within the same fund type.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

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 estimated fair market value at the time received.

All capital assets, or groups of assets, that meet the District's capitalization threshold of \$1,000 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 fixed 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, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Vested Employee Benefits

Compensated Absences

The District's policy allows employees to accumulate a maximum amount of 960 hours of sick pay. Upon retirement and upon meeting certain criteria, employees shall be paid at the rate of \$2.50 per hour for unused sick leave accumulated at the time of retirement. An employee with accumulated sick leave hours earned above 960 hours at the end of the current year may sell the hours to the District at the rate of \$2.50 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

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.

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.

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, 2015

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.
- 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, 2015

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.

As of June 30, 2015, the unassigned fund balance in the general fund was 20.9% of the total general fund expenditures.

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. Change in Accounting Principle

Effective July 1, 2014, the District adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Implementation of GASB Statements No. 68 and 71 required net position in the governmental activities to be increased by \$1,977,619. A prior period adjustment was made to reflect the January 1, 2014 beginning net pension asset of \$1,732,233 and beginning deferred outflows of resources of \$245,386 for District contributions to the WRS after the December 31, 2013 measurement date through June 30, 2014.

M. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has one item that qualifies for reporting in this category. The deferred outflows of resources are the WRS pension system.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

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 fiduciary accounts. At June 30, 2015, the cash and investments included the following:

Account Balances	
Deposits with financial institutions	\$ 8,817,204
Petty cash	286
Investments:	
WI local government investment pool	1,219,104
Fixed annuity account	<u>23,022</u>
Total cash and investments	<u><u>\$ 10,059,616</u></u>

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Per Statement of Net Position	
Cash and cash equivalents	\$ 9,934,661
Per Statement of Net Position- Fiduciary Funds:	
Cash and cash equivalents	<u>124,955</u>
Total	<u><u>\$ 10,059,616</u></u>

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 maturing in three years or less.
- Bonds are securities of any county, city, drainage district, technical college district, district, 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 3

CASH AND CASH EQUIVALENTS/INVESTMENTS (CONTINUED)

Interest Rate Risk (continued)

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</u>
Certificates of deposit	\$ 4,146,927	\$ 4,146,927
WI local government investment pool	1,219,104	1,219,104
Fixed annuity account	23,022	23,022
Total	<u>\$ 5,389,053</u>	<u>\$ 5,389,053</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, 2015, 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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 3

CASH AND CASH EQUIVALENTS/INVESTMENTS (CONTINUED)

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. 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.

As of June 30, 2015, the District's deposits were fully insured by a combination of FDIC coverage and collateral.

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. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2015, 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.

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, 2015 was: 99.13% in U.S. Government Securities and .87% in certificates of deposit and Bankers Acceptance 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, 2015, the investment portfolio had no concentrations of applicable investments greater than 5% of the total portfolio.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 4

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Balance</u> <u>7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2015</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 299,746	\$	\$	\$ 299,746
Construction work in progress		10,633,818		10,633,818
Total capital assets not being depreciated	<u>299,746</u>	<u>10,633,818</u>		<u>10,933,564</u>
<i>Capital assets, being depreciated:</i>				
Buildings	5,792,200			5,792,200
Land improvements	490,329			490,329
Furniture and equipment	4,426,402	644,827	(242,859)	4,828,370
Vehicles	149,688			149,688
Total capital assets, being depreciated	<u>10,858,619</u>	<u>644,827</u>	<u>(242,859)</u>	<u>11,260,587</u>
Total capital assets	<u>11,158,365</u>	<u>11,278,645</u>	<u>(242,859)</u>	<u>22,194,151</u>
Less accumulated depreciation:				
Buildings	3,776,976	146,465		3,923,441
Land improvements	286,745	20,926		307,671
Furniture and equipment	3,308,678	427,303	(73,514)	3,662,467
Vehicles	118,017	9,049		127,066
Total accumulated depreciation	<u>7,490,416</u>	<u>603,743</u>	<u>(73,514)</u>	<u>8,020,645</u>
Total net capital assets	<u>\$ 3,667,949</u>	<u>\$ 10,674,902</u>	<u>\$ (169,345)</u>	<u>\$ 14,173,506</u>

Depreciation expense was charged to governmental functions as follows

Regular instruction	\$ 39,177
Vocational instruction	1,073
Special education	4,674
Other instruction	11,699
Pupil services	81
Instructional staff services	1,011
School building administration services	6,237
Business administration	296,440
Central services	130,817
Community service	1,763
Depreciation not charged to a specific function	<u>110,771</u>
Total depreciation for governmental activities	<u>\$ 603,743</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 4

CAPITAL ASSETS (CONTINUED)

Capital outlay was charged to governmental functions as follows:

Regular instruction	\$ 12,165
Vocational instruction	5,458
Special education	5,118
Other instruction	5,598
Building administration	1,079
Business administration	10,698,040
Central services	<u>551,187</u>
Total capital outlay	<u><u>\$ 11,278,645</u></u>

NOTE 5

LONG-TERM OBLIGATIONS

Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2015 were as follows:

	Balance 7/1/2014	Additions	Removals	Balance 6/30/2015	Current Portion
General obligation debt					
Promissory notes payable	\$ 575,000	\$	\$ (85,000)	\$ 490,000	\$ 95,000
Refunding bonds	1,270,000		(10,000)	1,260,000	
School improvement bonds	340,000	16,660,000	(560,000)	16,440,000	535,000
State trust fund loan	262,005		(129,389)	132,616	132,616
Unamortized bond premium		604,610	(30,231)	574,379	
Subtotal general obligation debt	2,447,005	17,264,610	(814,620)	18,896,995	762,616
Capital leases	859,492	420,266	(50,048)	1,229,710	121,390
Vested employee sick pay	61,389		(687)	60,702	
Other postemployment benefits	954,368	73,675	(248,275)	779,768	
Total	<u>\$ 4,322,254</u>	<u>\$ 17,758,551</u>	<u>\$(1,113,630)</u>	<u>\$ 20,967,175</u>	<u>\$ 884,006</u>

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

	<u>Expense</u>	<u>Paid</u>
Long-term debt	\$ 648,210	\$ 507,682
Capital lease	40,338	41,369
Total	<u>\$ 688,548</u>	<u>\$ 549,051</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

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, 2015 is comprised of the following individual issues:

Description	Issue Dates	Interest Rates	Dates of Maturity	Balance 6/30/2015
Refunding bonds	10/12/2010	2.45-5.5%	4/1/2030	\$ 1,260,000
Promissory notes (QSCB)	10/12/2010	4.10%	4/1/2020	490,000
State trust fund loan	6/4/2013	2.50%	3/15/2016	132,616
School improvement bonds	7/9/2014	0.5%-5.0%	4/1/2034	16,440,000
				<u>\$18,322,616</u>

The \$132,616 state trust fund loan was paid in full in July 2015.

The 2014 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$391,100,757. The legal debt limit and margin of indebtedness as of June 30, 2015 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$391,100,757)	\$ 39,110,176
Deduct long-term debt applicable to debt margin	<u>(18,322,616)</u>
Margin of indebtedness	<u>\$ 20,787,560</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest at June 30, 2015 follows:

Years Ended	Principal	Interest	Total
June 30,			
2016	\$ 762,616	\$ 657,983	\$ 1,420,599
2017	730,000	651,350	1,381,350
2018	765,000	641,475	1,406,475
2019	785,000	627,875	1,412,875
2020	815,000	602,138	1,417,138
2021-2025	4,515,000	2,471,850	6,986,850
2026-2030	5,395,000	1,580,075	6,975,075
2031-2034	4,555,000	379,050	4,934,050
Totals	<u>\$ 18,322,616</u>	<u>\$ 7,611,796</u>	<u>\$ 25,934,412</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Other Debt Information

A) \$1,260,000 in Taxable General Obligation Refunding Bonds mature as follows:

\$560,000 term bonds due April 1, 2025, rate of 4.75%

\$700,000 term bonds due April 1, 2030, rate of 5.50%

The bonds are subject to mandatory sinking fund redemption on April 1 of each of the years at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. The District is required to make mandatory deposits into a sinking fund maintained by a fiscal agent. Principal and interest deposits transferred to the fiscal agent are not included as an asset in the District's financial statements. Accordingly, the liability for the bonds has been reduced in the district-wide financial statements for principal deposits made into the sinking fund. Interest deposits transferred to the sinking fund are treated as an expense for the District's financial statements. \$1,260,000 of refunding bonds are outstanding as of June 30, 2015.

B) \$575,000 in General Obligation Promissory Notes (QSCB) mature as follows:

\$575,000 due April 1, 2020, rate of 4.1%

The District has covenanted to make mandatory sinking fund deposits with respect to the notes, on April 1 of each year, into a sinking fund trust account held by a fiscal agent and applied to the payment of the notes at maturity. Principal and interest deposits transferred to the trust are not included as an asset in the District's financial statements. Accordingly, the liability for the notes has been reduced in the district-wide financial statements for principal deposits made into the sinking fund. Interest deposits transferred to the sinking fund are treated as an expense for the District's financial statements. As of June 30, 2015, \$575,000 of notes are outstanding. Of this amount, \$85,000 was considered to be extinguished when the cash deposits were transferred to the fiscal agent.

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, 2015.

Equipment	<u>\$ 1,483,277</u>
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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, 2015.

<u>Year Ended June 30,</u>	
2016	\$ 157,705
2017	232,685
2018	229,862
2019	202,585
2020	73,611
2021-2025	412,466
2026-2027	<u>140,195</u>
Total payments	1,449,109
Less: interest	<u>(219,399)</u>
Minimum lease payments	<u>\$ 1,229,710</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 7

INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payable balances in the fund financial statements on June 30, 2015 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 5,644	\$
Food service fund		5,644
Agency fund	16,513	
General fund		16,513
Capital projects fund	16,926	
General fund		16,926
Total	<u>\$ 39,083</u>	<u>\$ 39,083</u>

The interfund balances between the general fund and the food service are for temporary cash flow needs. The interfund balances between the general fund and the agency fund and capital projects fund are due to local government investment pool cash transfers.

A transfer was made for \$210 from the general fund to the food service fund to clear inactive deficit accounts.

In the statement of net position, amounts reported in governmental fund balance sheet as interfund balances have been eliminated within the district-wide statements. The interfund balance between the general fund and agency fund has not been eliminated within the district-wide statements since fiduciary activities are excluded from the statement of net position.

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.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

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. 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 \$393,364 in contributions from the employer.

Contribution rates as of June 30, 2015 are:

	<u>2015</u>	
	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.80%	6.80%
Executive & elected officials	7.70%	7.70%
Protective with social security	6.80%	9.50%
Protective without social security	6.80%	13.10%

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

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, 2015, the District reported an asset of \$1,035,516 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was .04215799%, which was a decrease of .00177946% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District's recognized pension expense of \$395,153.

At June 30, 2015, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 150,117
Net difference between projected and actual earnings on pension plan investments	501,447
Changes in proportion and differences between employer contributions and proportionate share of contributors	42,024
Employer contributions subsequent to the measurement date	232,675
Totals	<u>\$ 926,263</u>

\$232,675 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, 2016. 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:	Deferred Outflows of Resources
2016	\$ 135,962
2017	135,962
2018	135,962
2019	135,962
2020	135,962
Thereafter	13,778
Total	<u>\$ 693,588</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23%
Fixed Income	1.7	36%
Inflation Sensitive Assets	2.3	20%
Real Estate	4.2	7%
Private Equity/Debt	6.9	7%
Multi-Asset	3.9	6%
Cash	0.9%	-20%

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
District’s proportionate share of the net pension liability (asset)	\$2,921,368	\$(1,035,516)	\$(4,160,502)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 9

NET POSITION

GOVERNMENTAL ACTIVITIES

Governmental activities net position reported on the statement of net position at June 30, 2015 includes the following:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 14,173,506
Less: related long-term debt outstanding	(18,866,705)
Plus: unspent bond proceeds	<u>6,371,451</u>
Net investment in capital assets	<u>1,678,252</u>
Restricted	
Employee Pension Plan	1,961,779
Debt service	148,805
Food service	5,078
Community service	8,507
Special revenue trust	<u>49,883</u>
Total restricted	<u>2,174,052</u>
Unrestricted	<u>315,468</u>
Total governmental activities net position	<u>\$ 4,167,772</u>

FIDUCIARY NET POSITION

Fiduciary net position of \$22,551 are restricted for future scholarships.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 10

GOVERNMENTAL FUND BALANCES

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund statements at June 30, 2015 includes the following:

Restricted:		
Major Fund:		
Capital projects fund - unspent loan proceeds	\$	6,371,451
Nonmajor Funds:		
Community service fund - future expenditures		8,507
Debt service fund - future debt service retirement		327,860
Special revenue trust fund - future expenditures		49,883
Total restricted fund balance		<u>6,757,701</u>
Nonspendable:		
Major Funds:		
General fund - prepaid expenditures		48,111
Nonmajor Fund:		
Food service fund - inventory		5,078
Total nonspendable fund balance		<u>53,189</u>
Unassigned:		
Major Fund:		
General fund		2,367,827
Total governmental fund balance	\$	<u>9,178,717</u>

NOTE 11

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 12

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 13

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 14

OTHER POSTEMPLOYMENT BENEFITS

The District reports its liability for other postemployment 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 plan provides postemployment health insurance benefits to eligible employees. There are 64 active and 16 retired members in the plan. Benefits and eligibility for teachers and administrators are established and amended by the governing body.

Funding Policy. The District funds the policy on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of professional standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation.

	<u>Governmental Activities</u>
Annual required contribution	\$ 77,067
Interest on annual required contribution	38,175
Adjustment to annual required contribution	<u>(41,567)</u>
Annual OPEB cost (expense)	73,675
Contributions made	<u>(248,275)</u>
Decrease in net OPEB obligation	(174,600)
OPEB obligation at beginning of year	<u>954,368</u>
OPEB obligation at end of year	<u><u>\$ 779,768</u></u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 73,675	337.0%	\$ 779,768
6/30/2014	131,916	215.5%	954,368
6/30/2013	147,598	138.0%	1,106,792

NOTES TO THE BASIC FINANCIAL STATEMENTS

Parkview School District - June 30, 2015

NOTE 14

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Process. As of July 1, 2014, the most recent actuarial valuation date, for the period July 1, 2014 through June 30, 2015, the District's unfunded actuarial accrued liability (UAAL) was \$974,673. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2014-2015 fiscal year was \$3,720,589 for a ratio of the UAAL to covered payroll of 26.20%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the entry age normal – level % of salary actuarial cost method was used. The actuarial assumptions included a rate of 4.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 5% for medical. Implicit in these rates is an assumed rate of reflection of 3%. Mortality, disability and retirement rates are from the Wisconsin Retirement System Experience Study for public schools. The UAAL is being amortized as a level percentage of projected payrolls. The remaining amortization period at June 30, 2015 was 27 years.

NOTE 15 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENT

The Government Accounting Standards Board (GASB) has approved GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions. Application of this standard may restate portion of these financial statements.

NOTE 16

COMMITMENTS

During 2014-2015, the District issued \$17,000,000 in General Obligation School Improvement Bonds for the additions and improvements at Parkview Elementary School to convert it for use as a junior/senior high school and; constructing additions to and remodeling and renovation projects at Parkview Junior/Senior High School to convert it for use as a 4K-6 grade school elementary school; and the acquiring of furnishings, fixtures and equipment. As of June 30, 2015, the construction projects continued to be in process and the District remains committed to several contracts. As of June 30, 2015, there was unspent bond proceeds of \$6,371,451.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
Parkview School District
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Original Budget Favorable	Variance with Final Budget Favorable
	Original	Final		(Unfavorable)	(Unfavorable)
REVENUES					
Property taxes	\$ 3,877,395	\$ 3,844,865	\$ 3,844,865	\$ (32,530)	\$
Other local sources	134,805	161,805	133,068	(1,737)	(28,737)
Interdistrict sources	339,389	270,700	252,008	(87,381)	(18,692)
Intermediate sources	500	500	8,932	8,432	8,432
State sources	5,705,537	5,702,224	5,724,892	19,355	22,668
Federal sources	199,225	222,262	217,444	18,219	(4,818)
Other sources	63,898	88,548	80,271	16,373	(8,277)
Total revenues	<u>10,320,749</u>	<u>10,290,904</u>	<u>10,261,480</u>	<u>(59,269)</u>	<u>(29,424)</u>
EXPENDITURES					
Regular instruction	3,848,505	3,866,544	3,804,134	44,371	62,410
Vocational instruction	331,962	327,906	325,923	6,039	1,983
Other instruction	512,722	480,361	470,270	42,452	10,091
Total instruction	<u>4,693,189</u>	<u>4,674,811</u>	<u>4,600,327</u>	<u>92,862</u>	<u>74,484</u>
Support services:					
Pupil services	337,742	327,529	311,477	26,265	16,052
Instructional staff services	357,321	379,551	311,957	45,364	67,594
General administration services	234,625	238,412	228,797	5,828	9,615
Building administration services	521,222	510,347	513,834	7,388	(3,487)
Business administration	1,728,823	1,745,465	1,572,221	156,602	173,244
Central services	313,229	313,002	757,191	(443,962)	(444,189)
Insurance	122,322	122,322	125,317	(2,995)	(2,995)
Principal and interest	92,917	93,917	93,167	(250)	750
Other support services	1,006,599	1,201,596	1,168,934	(162,335)	32,662
Total support services	<u>4,714,800</u>	<u>4,932,141</u>	<u>5,082,895</u>	<u>(368,095)</u>	<u>(150,754)</u>
Total expenditures	<u>9,407,989</u>	<u>9,606,952</u>	<u>9,683,222</u>	<u>(275,233)</u>	<u>(76,270)</u>
Excess (deficiency) of revenues over expenditures	<u>912,760</u>	<u>683,952</u>	<u>578,258</u>	<u>(334,502)</u>	<u>(105,694)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds			420,266	420,266	420,266
Transfers to other funds	(1,099,490)	(1,084,122)	(965,727)	133,763	118,395
Total other financing sources (uses)	<u>(1,099,490)</u>	<u>(1,084,122)</u>	<u>(545,461)</u>	<u>554,029</u>	<u>538,661</u>
Net change in fund balances	(186,730)	(400,170)	32,797	219,527	432,967
Fund balance - beginning	2,383,141	2,383,141	2,383,141		
Fund balance - ending	<u>\$ 2,196,411</u>	<u>\$ 1,982,971</u>	<u>\$ 2,415,938</u>	<u>\$ 219,527</u>	<u>\$ 432,967</u>

Exhibit B-2
Parkview School District
Budgetary Comparison Schedule for the Special Education Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with	Variance with
	Original	Final		Original Budget	Final Budget
				Favorable (Unfavorable)	Favorable (Unfavorable)
REVENUES					
Intermediate sources	\$	\$	\$ 207	\$ 207	\$ 207
State sources			383,882	(881)	(881)
Federal sources			245,205	45,239	45,239
Other sources			200	2,031	2,031
Total revenues			<u>629,287</u>	<u>46,596</u>	<u>46,596</u>
EXPENDITURES					
Instruction			1,228,916	70,904	57,104
Support services			428,254	10,651	12,944
Non-Program Transactions			67,746	1,961	1,961
Total expenditures			<u>1,724,916</u>	<u>83,516</u>	<u>72,009</u>
Excess (deficiency) if revenues over expenditures			<u>(1,095,629)</u>	<u>130,112</u>	<u>118,605</u>
OTHER FINANCING SOURCES (USES)					
Transfer from general fund			<u>1,095,629</u>	<u>(130,112)</u>	<u>(118,605)</u>
Total other financing sources (uses):			<u>1,095,629</u>	<u>(130,112)</u>	<u>(118,605)</u>
Net change in fund balances					
Fund balance - beginning					
Fund balance - ending	\$	\$	\$	\$	\$

Parkview School District
Notes to Budgetary Schedules
June 30, 2015

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 fund level for all 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

The following functions/sub-functions had an excess of actual expenditures over budget for the year ended June 30, 2015:

Fund	Excess Expenditures
General Fund:	
Support services	\$ 150,754

Parkview School District
Notes to Budgetary Schedules
June 30, 2015

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	\$ 10,261,480	\$ 675,883
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>675,883</u>	<u>(675,883)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 10,937,363</u>	<u>\$ _____</u>
B) Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedules	\$ 9,683,222	\$ 1,641,400
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,641,400</u>	<u>(1,641,400)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 11,324,622</u>	<u>\$ _____</u>

Exhibit B-3
 Parkview School District
 Schedule of Funding Progress for
 Postemployment Benefit Plans
 June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Unfunded AAL (2-1)	Funded Ratio (1/2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll ((2-1)/3)
7/1/2007		\$ 4,427,051	\$ 4,427,051	0.00%	\$ 4,961,355	89.23%
7/1/2011		3,000,197	3,000,197	0.00%	4,120,492	72.81%
7/1/2014		974,673	974,673	0.00%	3,720,589	26.20%

Exhibit B-4
 Parkview School District
 Wisconsin Retirement System Schedules
 June 30, 2015

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

	2015
District's proportion of the net pension liability (asset)	(.04215799)%
District's proportionate share of the net pension liability (asset)	\$(1,035,516)
District's covered-employee payroll	\$5,619,479
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(18.43%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years*

Contractually required contributions	\$393,364
Contributions in relation to the contractually required contributions	(\$393,364)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$5,619,479
Contributions as a percentage of covered-employee payroll	7.0%

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

The District implemented Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 9 preceding years.

Notes to Wisconsin Retirement System Schedules
for the Year Ended June 30, 2015

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

Changes of assumptions. There were no changes in the assumptions.

SUPPLEMENTARY INFORMATION

Exhibit C-1
Parkview School District
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2015

	Special Revenue Funds			Total Non-major Governmental Funds
	Food Service Fund	Community Service Fund	Special Revenue Trust Fund	
ASSETS				
Cash and investments	\$	\$ 10,162	\$ 49,883	\$ 60,045
Due from other governments	8,370			8,370
Inventories and prepaid supplies	8,804			8,804
 Total assets	 \$ 17,174	 \$ 10,162	 \$ 49,883	 \$ 77,219
LIABILITIES				
Accounts payable	\$ 32	\$ 1,393	\$	\$ 1,425
Accrued wages and related payables	1,112	262		1,374
Unearned revenue	5,308			5,308
Due to other funds	5,644			5,644
 Total liabilities	 12,096	 1,655		 13,751
FUND BALANCES				
Nonspendable	5,078			5,078
Restricted		8,507	49,883	58,390
Total fund balances	5,078	8,507	49,883	63,468
 Total liabilities and fund balances	 \$ 17,174	 \$ 10,162	 \$ 49,883	 \$ 77,219

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, 2015

	Special Revenue Funds			Non-major Governmental Funds
	Food Service Fund	Community Service Fund	Special Revenue Trust Fund	
REVENUES				
Other local sources	\$ 161,683	\$	\$ 63,268	\$ 224,951
State sources	8,261			8,261
Federal sources	185,494			185,494
Other sources	1,052			1,052
Total revenues	<u>356,490</u>		<u>63,268</u>	<u>419,758</u>
EXPENDITURES				
Instruction:				
Regular instruction			2,426	2,426
Total instruction			<u>2,426</u>	<u>2,426</u>
Support services:				
Instructional staff services			14,014	14,014
Business administration	349,483			349,483
Central services	2,177	725		2,902
Community services		21,600		21,600
Total support services	<u>351,660</u>	<u>22,325</u>	<u>14,014</u>	<u>387,999</u>
Total expenditures	<u>351,660</u>	<u>22,325</u>	<u>16,440</u>	<u>390,425</u>
Excess (deficiency) of revenues over expenditures	<u>4,830</u>	<u>(22,325)</u>	<u>46,828</u>	<u>29,333</u>
OTHER FINANCING SOURCES (USES)				
Transfer in from general fund	210			210
Total other financing sources (uses)	<u>210</u>			<u>210</u>
Net change in fund balance	5,040	(22,325)	46,828	29,543
Fund balances - beginning	38	30,832	3,055	33,925
Fund balances - ending	<u>\$ 5,078</u>	<u>\$ 8,507</u>	<u>\$ 49,883</u>	<u>\$ 63,468</u>

Exhibit C-3
Parkview School District
Schedule of Changes in Assets and Liabilities
Pupil Activity Fund
June 30, 2015

	<u>Balance</u> 7/1/2014	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 6/30/15
ASSETS				
Cash and investments	\$ 110,130	\$ 152,958	\$ (160,684)	\$ 102,404
Due from other funds	<u>2,599</u>	<u>13,914</u>	<u></u>	<u>16,513</u>
 Total assets	 <u>\$ 112,729</u>	 <u>\$ 166,872</u>	 <u>\$ (160,684)</u>	 <u>\$ 118,917</u>
 LIABILITIES				
Accounts payable	\$ 1,067	\$ 1,601	\$ (1,067)	\$ 1,601
Due to student organizations	<u>111,662</u>	<u>165,271</u>	<u>(159,617)</u>	<u>117,316</u>
 Total liabilities	 <u>\$ 112,729</u>	 <u>\$ 166,872</u>	 <u>\$ (160,684)</u>	 <u>\$ 118,917</u>