



Sun Prairie Area School District

Futures depend on us...every child, every day.

SUN PRAIRIE AREA SCHOOL DISTRICT

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2021

SUN PRAIRIE AREA SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the School Board
Sun Prairie Area School District
Sun Prairie, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Required Supplementary Information listed in the table of contents 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.

Other Information

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

The other supplemental information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, other supplemental 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 13, 2021

**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

This discussion and analysis of the Sun Prairie Area School District (the "District") financial information provides an overall review of financial activities for the fiscal year.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the school district exceeded liabilities and deferred inflows at the close of the 2020-2021 fiscal year by \$84,804,691 (*net position*).
- The outstanding long-term obligations of the District increased by \$63,386,287.

The following financial events took place during fiscal year 2021:

- The general fund balance increased by \$2,420,795.
- Total general fund expenditures were \$3.04M under budget.
- Total special education fund expenditures were \$991,000 under budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other supplementary information to the basic financial statements is provided.

1. District-Wide Financial Statements

District-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*.

- The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *Statement of Activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government and business-type functions, and how those functions were financed for the fiscal year.

2. Fund Financial Statements

The District also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the district-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements.

**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

There are two fund financial statements, the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances*. Generally, fund financial statements focus on near-term inflows and outflows of spendable resources and their impact on fund balance.

Because the focus of fund financial statements is narrower than that of the district-wide statements, it is useful to make comparisons between the various sources of information presented. This helps the reader better understand the long-term implications of the government's near-term financial decisions. A reconciliation to facilitate the comparison of the Statement of Net Position to the Governmental Funds Balance Sheet is presented. A separate statement to reconcile the Statement of Activities to the governmental funds operating statement is presented.

The District has three kinds of funds: *governmental, proprietary and fiduciary*. *Governmental funds* include the District's three major funds (general, capital projects and debt service), nonmajor special revenue funds, non-referendum debt service fund and capital improvement fund as needed. The District has one *proprietary* fund, the food service fund; and one *fiduciary* fund, the private benefit trust fund for scholarships.

Financial information is presented separately on both the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* for the general fund, capital projects fund and the debt service fund, as these are considered to be major funds. Data for the other special projects, special revenue trust, community service, package cooperative, and capital improvement fund are combined into a single, aggregated column.

The proprietary fund statement for the District's food service program is prepared on the same basis of accounting and measurement focus as the district-wide financial statements. This includes a *Statement of Net Position* and a *Statement of Revenue, Expenses and Changes in Net Position*.

The District serves as a trustee, or *fiduciary*, for students. The assets of these organizations do not directly benefit, nor are under the direct control of, the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. Fiduciary activities are excluded from the district-wide financial statements, because the District cannot use these assets to finance its operations.

The District adopts an annual appropriation budget for its *general fund, special education fund, debt service fund, and capital projects fund*.

3. Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

FINANCIAL ANALYSIS

The District as a Whole

Table 1 provides a summary of the District's net position for the year ended June 30, 2021 compared to year ended June 30, 2020. Please note, some rounding of amounts occur.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-type Activities		Total School District	
	2021	2020	2021	2020	2021	2020
Current & other assets	\$ 186,287,855	\$ 162,559,287	\$ 1,352,780	\$ 856,895	\$ 187,640,635	\$ 163,416,182
Capital assets	313,778,106	243,198,712	194,316	215,420	313,972,422	243,414,132
Total Assets	500,065,961	405,757,999	1,547,096	1,072,315	501,613,057	406,830,314
Deferred Outflows	39,540,731	28,769,181	434,754	370,584	39,975,485	29,139,765
Current Liabilities	47,470,405	46,844,932	137,878	99,497	47,608,283	46,944,429
Non-Current Liabilities	356,869,307	289,392,885	137,817	155,095	357,007,124	289,547,980
Total Liabilities	404,339,712	336,237,817	275,695	254,592	404,615,407	336,492,409
Deferred Inflows	51,569,000	36,493,352	599,444	504,502	52,168,444	36,997,854
Net Investment in						
Capital Assets	56,839,735	43,750,959	194,316	215,420	57,034,051	43,966,379
Restricted	12,837,968	11,874,998	912,395	468,385	13,750,363	12,343,383
Unrestricted	14,020,277	6,170,054	-	-	14,020,277	6,170,054
Total Net Position	\$ 83,697,980	\$ 61,796,011	\$ 1,106,711	\$ 683,805	\$ 84,804,691	\$ 62,479,816

In governmental activities, the largest portion of the District's net position is its investment in capital assets (e.g. land, buildings, and equipment); less related outstanding debt used to acquire those assets. These assets are used to provide services to students and, consequently, are not available for future spending. Sun Prairie Area School District's buildings are in excellent condition, as a result of sufficient annual operating funds appropriated for maintenance and repair.

Restricted net position accounts for 16% of total net position. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20).

**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

FINANCIAL ANALYSIS (CONTINUED)

Change in Net position

Table 2 shows the changes in net position for the fiscal years 2021 and 2020.

**Table 2
Change in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total School District</u>	
	2021	2020	2021	2020	2021	2020
General Revenues:						
Property taxes	\$ 50,539,551	\$ 50,332,438	\$ -	\$ -	\$ 50,539,551	\$ 50,332,438
Debt property taxes	20,600,000	18,600,000	-	-	20,600,000	18,600,000
Community service property taxes	614,000	447,354	-	-	614,000	447,354
Federal and state aid	57,045,615	55,265,466	-	-	57,045,615	55,265,466
Interest earnings	424,172	2,172,624	60	7,197	424,232	2,179,821
Miscellaneous	1,241,483	471,211	12,362	15,247	1,253,845	486,458
Transfers	(36,436)	(44,609)	36,436	44,609	-	-
Total general revenues	130,428,385	127,244,484	48,858	67,053	130,477,243	127,311,537
Program Revenues:						
Charges for service	3,051,326	4,049,736	40,007	1,053,133	3,091,333	5,102,869
Operating grants and contributions	11,114,151	9,175,009	2,212,151	1,510,276	13,326,302	10,685,285
Total program revenues	14,165,477	13,224,745	2,252,158	2,563,409	16,417,635	15,788,154
Total revenues	144,593,862	140,469,229	2,301,016	2,630,462	146,894,878	143,099,691
Program Expenses:						
Instruction	59,681,369	64,086,903	-	-	59,681,369	64,086,903
Support	47,538,275	49,780,153	-	-	47,538,275	49,780,153
Non-program services	4,883,592	4,281,385	-	-	4,883,592	4,281,385
Interest expense	10,588,657	8,424,326	-	-	10,588,657	8,424,326
Food service program	-	-	1,878,110	2,774,715	1,878,110	2,774,715
Total Expenses	122,691,893	126,572,767	1,878,110	2,774,715	124,570,003	129,347,482
Change in Net Position	21,901,969	13,896,462	422,906	(144,253)	22,324,875	13,752,209
Beginning Net Position	61,796,011	47,535,806	683,805	828,058	62,479,816	48,363,864
Restatement	-	363,743	-	-	-	363,743
Beginning Net Position - Restated	61,796,011	47,899,549	683,805	828,058	62,479,816	48,727,607
Ending Net Position	\$ 83,697,980	\$ 61,796,011	\$ 1,106,711	\$ 683,805	\$ 84,804,691	\$ 62,479,816

**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities

The District relies primarily on property taxes and general state aid to fund governmental activities.

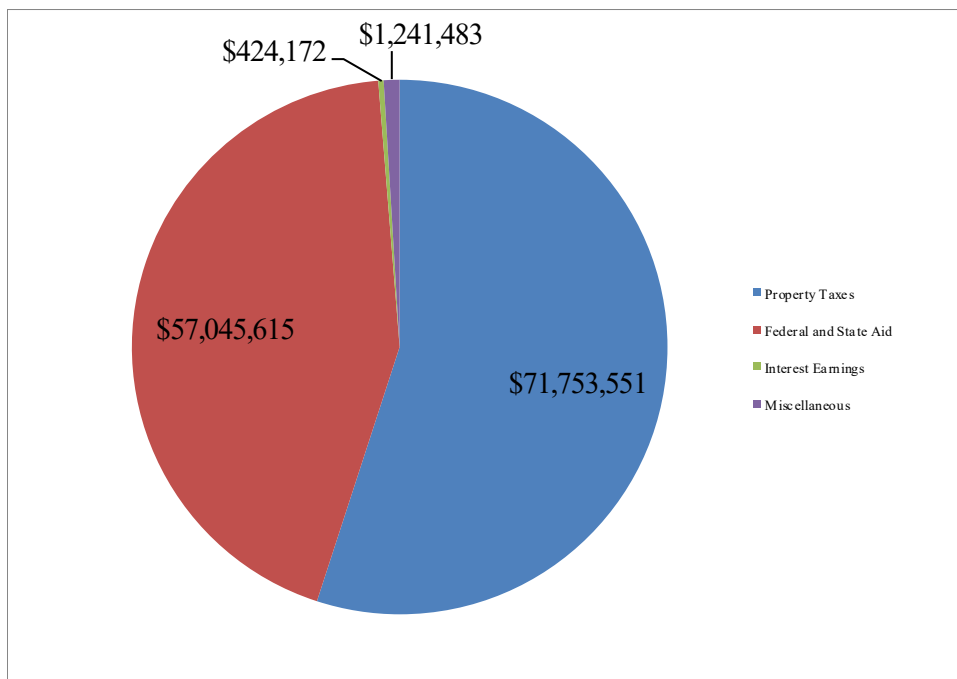
School funding regulations restrict the amount by which these two revenue sources, in combination, may be increased. This restriction, called revenue limit, is intended to help hold down increases in property taxes throughout the state.

General state aid is paid according to a formula taking into consideration spending and property values by District, as compared to spending and property values for the state as a whole. The District is considered a “rich” district by the state and does not receive 2/3 funding.

Chart 1 shows the portion of the District’s general revenues allocated to each source.

Taxes	\$ 71,753,551	55.00%
Federal and State Aid	57,045,615	43.72%
Interest Earnings	424,172	0.33%
Miscellaneous	1,241,483	0.95%
	<u>\$ 130,464,821</u>	<u>100.0%</u>

**Chart 1
General Revenues by Source – Governmental Activities**



**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

FINANCIAL ANALYSIS (CONTINUED)

Governmental Funds

As of June 30, 2021, the District's governmental funds reported combined ending fund balance of \$127,075,402, an increase of \$9,555,724 from the prior year. The following table provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Fund	June 30, 2021	June 30, 2020	Change	Change (%)
General	\$ 25,271,066	\$ 22,850,271	\$ 2,420,795	10%
Debt Service	9,325,083	9,113,810	211,273	2%
Capital Projects	86,735,660	80,768,475	5,967,185	7%
Non-Major	5,743,593	4,787,122	956,471	17%
Total	<u>\$ 127,075,402</u>	<u>\$ 117,519,678</u>	<u>\$ 9,555,724</u>	<u>8%</u>

BUDGETARY ANALYSIS

The District adopts an interim budget at its Annual Meeting for the subsequent year, consistent with current state statutes and regulations. This original budget is amended in October to reflect the actual revenue cap and state aid certification. Subsequent amendments reflect revisions made by the Board.

The final 2020-21 General Fund Budget reflected an excess of expenditures over revenues of \$225,989. Actual results for 2020-21 show an excess of revenues over expenditures of \$2,420,795.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the District has an investment of approximately \$314 million in a broad range of capital assets including buildings, sites, and equipment. This amount represents a net increase of approximately \$70.6 million, which includes the Ashley Field, construction of West High School, Cardinal Heights Upper Middle School. Total accumulated depreciation on these assets is about \$83 million for governmental activities and \$665 thousand for business-type activities. Table 3 shows the detail of capital assets:

**Table 3
Non-current (Capital) Assets**

	Governmental Activities		Business-type Activities		Total School District	
	2021	2020	2021	2020	2021	2020
Land	\$ 23,595,029	\$ 23,169,291	\$ -	\$ -	\$ 23,595,029	\$ 23,169,291
Capital Assets Being Depreciated	296,231,876	276,443,331	859,688	859,688	297,091,564	277,303,019
Construction in Progress	77,001,942	20,308,632	-	-	77,001,942	20,308,632
Accumulated Depreciation	(83,050,741)	(76,722,542)	(665,372)	(644,268)	(83,716,113)	(77,366,810)
Total	<u>\$ 313,778,106</u>	<u>\$ 243,198,712</u>	<u>\$ 194,316</u>	<u>\$ 215,420</u>	<u>\$ 313,972,422</u>	<u>\$ 243,414,132</u>

**SUN PRAIRIE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Obligations

At year-end, the District had \$347 million in long-term obligations. Table 4 shows outstanding long-term obligations:

**Table 4
Outstanding Long-Term Obligations**

	2021	2020	% Change
General obligation debt	\$ 331,690,000	\$ 269,360,000	23.14%
Premium and discount on debt	14,183,908	13,512,961	4.97%
Capital leases	882,910	658,807	34.02%
Compensated absences	671,796	510,559	31.58%
Total Long-Term Debt	\$ 347,428,614	\$ 284,042,327	22.32%

FACTORS BEARING ON THE DISTRICT'S FUTURE

Circumstances that could impact the District's financial future:

- The District will continue to closely monitor enrollment and the impact of enrollment on its budget.
- The State of Wisconsin continues to wrestle with how to distribute state aid.
- The State of Wisconsin also continues to wrestle with revenue cap increases.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is prepared to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. In some cases, rounding of amounts occurs. If you have questions about this report or need additional financial information, contact:

Philip Frei
Director of Business & Finance
501 S. Bird Street
Sun Prairie WI 53590

FINANCIAL STATEMENTS

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 31,329,669	\$ 366,428	\$ 31,696,097
Restricted Cash and Investments	112,371,193	-	112,371,193
Receivables:			
Taxes	16,596,889	-	16,596,889
Accounts	32,181	39,537	71,718
Internal Balances	125,433	(125,433)	-
Due from Other Governments	2,983,897	514,813	3,498,710
Prepays	101,643	-	101,643
Inventories	30,429	283,773	314,202
Total Current Assets	<u>163,571,334</u>	<u>1,079,118</u>	<u>164,650,452</u>
Capital Assets:			
Land and Construction in Progress	100,596,971	-	100,596,971
Capital Assets Being Depreciated	296,231,876	859,688	297,091,564
Less: Accumulated Depreciation	<u>(83,050,741)</u>	<u>(665,372)</u>	<u>(83,716,113)</u>
Net Capital Assets	<u>313,778,106</u>	<u>194,316</u>	<u>313,972,422</u>
Other Noncurrent Assets:			
Net Pension Asset - Restricted	22,531,521	273,662	22,805,183
Other Assets	<u>185,000</u>	<u>-</u>	<u>185,000</u>
Total Other Noncurrent Assets	<u>22,716,521</u>	<u>273,662</u>	<u>22,990,183</u>
Total Assets	<u>500,065,961</u>	<u>1,547,096</u>	<u>501,613,057</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	35,794,754	434,754	36,229,508
Deferred OPEB Outflows	1,275,761	-	1,275,761
Deferred Supplemental Pension Benefit Outflows	169,519	-	169,519
Loss on Refunding	<u>2,300,697</u>	<u>-</u>	<u>2,300,697</u>
Total Deferred Outflows of Resources	<u>39,540,731</u>	<u>434,754</u>	<u>39,975,485</u>
LIABILITIES			
Current Liabilities:			
Short-term Notes Payable	11,400,000	-	11,400,000
Accounts Payable	13,517,867	49,429	13,567,296
Accrued Liabilities:			
Payroll and Related Items	11,308,820	88,449	11,397,269
Interest	3,661,761	-	3,661,761
Due to Other Governments	11,289	-	11,289
Current Portion of Long-term Obligations	<u>7,570,668</u>	<u>-</u>	<u>7,570,668</u>
Total Current Liabilities	<u>47,470,405</u>	<u>137,878</u>	<u>47,608,283</u>
Noncurrent Liabilities:			
Deposits Payable	-	137,817	137,817
OPEB Liability	15,718,114	-	15,718,114
Supplemental Pension Benefit Liability	1,293,247	-	1,293,247
Noncurrent Portion of Long-term Liabilities	<u>339,857,946</u>	<u>-</u>	<u>339,857,946</u>
Total Noncurrent Liabilities	<u>356,869,307</u>	<u>137,817</u>	<u>357,007,124</u>
Total Liabilities	<u>404,339,712</u>	<u>275,695</u>	<u>404,615,407</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	49,354,306	599,444	49,953,750
Deferred OPEB Inflows	2,101,207	-	2,101,207
Deferred Supplemental Pension Benefit Inflows	<u>113,487</u>	<u>-</u>	<u>113,487</u>
Total Deferred Inflows of Resources	<u>51,569,000</u>	<u>599,444</u>	<u>52,168,444</u>
NET POSITION			
Net Investment in Capital Assets	56,839,735	194,316	57,034,051
Restricted			
Debt Service	5,921,278	-	5,921,278
Community Service	383,960	-	383,960
Self Insurance	1,146,269	-	1,146,269
Future Capital Improvement	4,569,078	-	4,569,078
Food Service	-	912,395	912,395
Other Funds	817,383	-	817,383
Unrestricted	<u>14,020,277</u>	<u>-</u>	<u>14,020,277</u>
Total Net Position	<u>\$ 83,697,980</u>	<u>\$ 1,106,711</u>	<u>\$ 84,804,691</u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction	\$ 59,681,369	\$ 2,639,630	\$ 6,549,684	\$ (50,492,055)		\$ (50,492,055)
Support Services	47,538,275	411,696	4,564,467	(42,562,112)		(42,562,112)
Non-program Services	4,883,592	-	-	(4,883,592)		(4,883,592)
Interest and Fiscal Charges	10,588,657	-	-	(10,588,657)		(10,588,657)
Total Governmental Activities	<u>122,691,893</u>	<u>3,051,326</u>	<u>11,114,151</u>	<u>(108,526,416)</u>		<u>(108,526,416)</u>
Business-type Activities:						
Food Service Program	1,878,110	40,007	2,212,151	-	\$ 374,048	374,048
Total Business-type Activities	<u>1,878,110</u>	<u>40,007</u>	<u>2,212,151</u>	<u>-</u>	<u>374,048</u>	<u>374,048</u>
Total	<u>\$ 124,570,003</u>	<u>\$ 3,091,333</u>	<u>\$ 13,326,302</u>	<u>(108,526,416)</u>	<u>374,048</u>	<u>(108,152,368)</u>
General Revenues:						
Taxes:						
Property Taxes, levied for general purposes				50,539,551	-	50,539,551
Property Taxes, levied for debt service				20,600,000	-	20,600,000
Property Taxes, levied for community service				614,000	-	614,000
Federal and State Aid not Restricted to Specific Purpose				57,045,615	-	57,045,615
Interest and Investment Earnings				424,172	60	424,232
Miscellaneous				862,785	12,362	875,147
Special Item - Gain (Loss) on Sale of Fixed Assets				378,698	-	378,698
Transfers				(36,436)	36,436	-
Total General Revenues, Special Items and Transfers				<u>130,428,385</u>	<u>48,858</u>	<u>130,477,243</u>
Change in Net Position				<u>21,901,969</u>	<u>422,906</u>	<u>22,324,875</u>
Net position - Beginning				<u>61,796,011</u>	<u>683,805</u>	<u>62,479,816</u>
Net position - Ending				<u>\$ 83,697,980</u>	<u>\$ 1,106,711</u>	<u>\$ 84,804,691</u>

See accompanying notes to the financial statements

**SUN PRAIRIE AREA SCHOOL DISTRICT
BALANCE SHEET GOVERNMENTAL FUNDS
June 30, 2021**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 31,118,423	\$ -	\$ -	\$ 211,246	\$ 31,329,669
Restricted Cash and Investments	724,862	98,502,170	9,325,083	3,819,078	112,371,193
Receivables:					
Taxes	16,596,889	-	-	-	16,596,889
Accounts	32,181	-	-	-	32,181
Due from Other Funds	228,584	-	-	1,733,678	1,962,262
Due from Other Governments	2,983,897	-	-	-	2,983,897
Inventories	30,429	-	-	-	30,429
Prepaid Expenses	101,643	-	-	-	101,643
Total Assets	<u>\$ 51,816,908</u>	<u>\$ 98,502,170</u>	<u>\$ 9,325,083</u>	<u>\$ 5,764,002</u>	<u>\$ 165,408,163</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,834,799	\$ 11,679,457	\$ -	\$ 3,611	\$ 13,517,867
Accrued Liabilities	5,063,046	-	-	-	5,063,046
Accrued Wages Payable	6,503,730	-	-	-	6,503,730
Due to Other Funds	1,732,978	87,053	-	16,798	1,836,829
Due to Other Governments	11,289	-	-	-	11,289
Short-term Notes Payable	11,400,000	-	-	-	11,400,000
Total Liabilities	<u>26,545,842</u>	<u>11,766,510</u>	<u>-</u>	<u>20,409</u>	<u>38,332,761</u>
Fund Balances:					
Nonspendable	132,072	-	-	-	132,072
Restricted	1,963,652	86,735,660	9,325,083	4,953,038	102,977,433
Committed	-	-	-	790,555	790,555
Assigned	5,100,000	-	-	-	5,100,000
Unassigned	18,075,342	-	-	-	18,075,342
Total Fund Balances	<u>25,271,066</u>	<u>86,735,660</u>	<u>9,325,083</u>	<u>5,743,593</u>	<u>127,075,402</u>
Total Liabilities and Fund Balances	<u>\$ 51,816,908</u>	<u>\$ 98,502,170</u>	<u>\$ 9,325,083</u>	<u>\$ 5,764,002</u>	<u>\$ 165,408,163</u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
NET POSITION
June 30, 2021

Total fund balance, governmental funds	\$ 127,075,402
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	313,778,106
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	
Net pension asset	22,531,521
Intangible assets	185,000
Other items, including OPEB liability, and supplemental pension benefit liability, are not due and payable in the current period and, therefore, are either deferred or not reported in the fund financial statements.	
Total OPEB liability	(15,718,114)
Total supplemental pension benefit liability	(1,293,247)
Pension and other benefits deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan and OPEB plan. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expenses in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and, therefore, are not reported in the fund financial statement.	
Deferred pension outflows	35,794,754
Deferred OPEB outflows	1,275,761
Deferred supplemental pension benefit outflows	169,519
Deferred pension inflows	(49,354,306)
Deferred OPEB inflows	(2,101,207)
Deferred supplemental pension benefit inflows	(113,487)
Some liabilities (such as Notes Payable, Capital Lease Contract Payable, Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
General obligation debt	(331,690,000)
Deferred outflows - loss on refunding	2,300,697
Capital leases	(882,910)
Accrued interest on long-term debt	(3,403,805)
Compensated absences	(671,796)
Discount on long-term debt	124,563
Premium on long-term debt	(14,308,471)
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 83,697,980</u></u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Local	\$ 50,812,355	\$ 673,521	\$ 20,610,395	\$ 881,532	\$ 72,977,803
Interdistrict	2,465,674	-	-	-	2,465,674
Intermediate	16,843	-	-	-	16,843
State	63,755,294	-	-	100,000	63,855,294
Federal	4,094,826	-	-	-	4,094,826
Other	583,824	257,337	-	-	841,161
Total Revenues	<u>121,728,816</u>	<u>930,858</u>	<u>20,610,395</u>	<u>981,532</u>	<u>144,251,601</u>
EXPENDITURES					
Current:					
Instruction	62,971,202	222,157	-	107,140	63,300,499
Support Service	41,652,288	705,022	-	644,499	43,001,809
Non-Program Services	4,849,242	-	-	34,350	4,883,592
Debt Service:					
Principal Repayment	478,222	-	90,855,000	-	91,333,222
Interest and Fiscal Charges	433,550	-	10,605,547	-	11,039,097
Capital Outlay	9,245,871	68,036,494	-	-	77,282,365
Total Expenditures	<u>119,630,375</u>	<u>68,963,673</u>	<u>101,460,547</u>	<u>785,989</u>	<u>290,840,584</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,098,441</u>	<u>(68,032,815)</u>	<u>(80,850,152)</u>	<u>195,543</u>	<u>(146,588,983)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	760,928	760,928
Transfers Out	(797,364)	-	-	-	(797,364)
Premium on Long-term Debt	-	-	1,876,425	-	1,876,425
Debt Proceeds from Long-term Loan	-	74,000,000	79,185,000	-	153,185,000
Capital Lease Proceeds	702,326	-	-	-	702,326
Proceeds from Sale of Capital Assets	417,392	-	-	-	417,392
Total Other Financing Sources (Uses)	<u>322,354</u>	<u>74,000,000</u>	<u>81,061,425</u>	<u>760,928</u>	<u>156,144,707</u>
Net Change in Fund Balances	<u>2,420,795</u>	<u>5,967,185</u>	<u>211,273</u>	<u>956,471</u>	<u>9,555,724</u>
Fund Balances - Beginning	<u>22,850,271</u>	<u>80,768,475</u>	<u>9,113,810</u>	<u>4,787,122</u>	<u>117,519,678</u>
Fund Balances - Ending	<u>\$ 25,271,066</u>	<u>\$ 86,735,660</u>	<u>\$ 9,325,083</u>	<u>\$ 5,743,593</u>	<u>\$ 127,075,402</u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds: \$ 9,555,724

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays (\$77,163,393) were more than depreciation (\$6,545,305) in the current period. 70,618,088

The Statement of Activities reports losses arising from the disposal of capital assets. Losses on disposals do not appear in the governmental funds. This is the amount of loss on disposal of current year capital assets. (38,694)

Repayment of principal on long-term debt is reported in the 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 of long-term debt principal payments in the current year is: 90,855,000

The amount of capital lease principal payments in the current year is: 478,222

Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position and does not affect the Statement of Activities.

Proceeds from the issuance of notes and bonds (153,185,000)

Debt premium from the issuance of refunding bonds (1,876,425)

Capital lease proceeds (702,326)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are netted against outstanding debt and amortized in the Statement of Activities.

Amortization of bond premium 1,248,455

Amortization of bond discount (42,977)

In the Statement of Activities, amortization is recorded on the deferred outflows of resources related to bond refunding, whereas in the governmental funds, no related amortization is reported.

Amortization of loss on refunding (443,126)

Payments for an intangible assets are reported expenditures on the fund financial statements, but are capitalized and amortized on the government-wide financial statements.

Amortization of intangible assets (15,000)

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability (asset) from the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension plan 4,095,795

Actuarially determined change in net pension liability (asset) between years, with adjustments 2,576,359

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on governmental funds (311,913)

Compensated absences (161,237)

Total other postemployment benefits obligation expense (725,649)

Total supplemental pension benefit expense (23,327)

Change in net position of governmental activities \$ 21,901,969

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	<u>Food Service</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 366,428
Accounts Receivable	39,537
Due from Other Funds	15,398
Due from Other Governments	514,813
Inventories	283,773
Total Current Assets	<u>1,219,949</u>
Noncurrent Assets:	
Net Pension Asset - Restricted	273,662
Furniture and Equipment	859,688
Less Accumulated Depreciation	<u>(665,372)</u>
Net Capital Assets	<u>194,316</u>
Total Noncurrent Assets	<u>467,978</u>
Total Assets	<u>1,687,927</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	434,754
Total Deferred Outflows of Resources	<u>434,754</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	49,429
Accrued Liabilities	10,992
Accrued Wages Payable	77,457
Due to Other Funds	140,831
Total Current Liabilities	<u>278,709</u>
Noncurrent Liabilities:	
Deposits Payable	137,817
Total Noncurrent Liabilities	<u>137,817</u>
Total Liabilities	<u>416,526</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Inflows	599,444
Total Deferred Inflows of Resources	<u>599,444</u>
NET POSITION	
Net Investment in Capital Assets	194,316
Restricted for Food Service	912,395
Total Net Position	<u><u>\$ 1,106,711</u></u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	<u>Food Service</u>
OPERATING REVENUES	
Food Sales	\$ 40,007
State Sources	45,790
Federal Sources	1,894,487
Commodities	263,860
Miscellaneous Income	20,376
Total Operating Revenues	<u>2,264,520</u>
OPERATING EXPENSES	
Salaries and Wages	769,358
Employer Paid Benefits	292,508
Purchased Services	45,175
Food and Materials	706,583
Depreciation	21,104
Other	43,382
Total Operating Expenses	<u>1,878,110</u>
Operating Income (Loss)	<u>386,410</u>
NON-OPERATING REVENUES	
Interest and Investment Revenue	<u>60</u>
Total Non-Operating Revenue	<u>60</u>
Income (Loss) Before Transfers	<u>386,470</u>
Transfers In	<u>36,436</u>
Net Transfers	<u>36,436</u>
Change in Net Position	422,906
Total Net Position - Beginning	<u>683,805</u>
Total Net Position - Ending	<u><u>\$ 1,106,711</u></u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 88,555
Cash received from other governmental payments	1,737,630
Cash payments to employees for services	(1,135,613)
Cash payments to utilities and other purchased services	(45,175)
Cash payments to suppliers for goods and services	(796,337)
Cash payments for other operating activities	(43,381)
Net cash provided (used) by operating activities	<u>(194,321)</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer in (out) from (to) other funds	<u>36,436</u>
Net cash provided (used) by non-capital financing activities	<u>36,436</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>60</u>
Net cash provided (used) by investing activities	<u>60</u>
Net decrease in cash and cash equivalents	(157,825)
Cash and equivalents- beginning of year	<u>524,253</u>
Cash and equivalents- end of year	<u><u>\$ 366,428</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 386,410
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	21,104
Changes in assets and liabilities:	
Due to (from) other governments	(402,725)
Due to (from) other funds	(63,781)
Accounts receivable	45,450
Inventory	(126,964)
Accounts payable	37,210
Pension expense	(74,918)
Deposits payable	(17,278)
Accrued liabilities	1,171
Net cash provided (used) by operating activities	<u><u>\$ (194,321)</u></u>
Noncash operating activities:	
Donated food commodities	<u><u>\$ 263,860</u></u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2021

	Private Benefit Trust
ADDITIONS	
Contributions:	
Interest	\$ 15
Total Additions	<u>15</u>
DEDUCTIONS	
Gifts and Scholarships	26,998
Total Deductions	<u>26,998</u>
Change in Net Position	<u>(26,983)</u>
Net Position - Beginning	26,983
Net Position - Ending	<u><u>\$ -</u></u>

See accompanying notes to the financial statements

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the Sun Prairie Area School District (the “District”) conform to the generally accepted accounting principles as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Introduction

The Sun Prairie Area School District (the “District”) is organized as a common school district. The District, governed by a seven-member elected school board, operates grades 4K through 12 and is comprised of all or parts of ten taxing districts. As required by accounting principles generally accepted in the United States of America, these financial statements present the District as the primary government.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

B. Component Units

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District’s reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. The District has no component units, and it is not included in any other governmental reporting entity.

C. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District’s governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and 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 of 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.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented.

The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as investments earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds. Under GASB 54, the General Fund now includes the operations of the Special Education Fund.

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

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

The District operates one major enterprise fund, the Food Service Fund. This fund accounts for the activities of the District's food service programs.

The District accounts for resources held in a trust for student scholarships in the Private Benefit Trust fund as a fiduciary fund.

The District also has the following non-major funds:

- Special Revenue Trust
- Community Service
- Package Cooperative
- Capital Improvement

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

The district-wide, proprietary, and fiduciary fund financial statements are reported 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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting. Under the modified accrual basis of accounting, 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 when paid. Interest cost on temporary borrowing is recognized as an expenditure of the fiscal period incurred. 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.

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is reported as deferred inflows until they become current receivables.

Property taxes are recognized as revenue in the period for which the taxes are levied if they are due in the current year and available to pay current liabilities. The 2020 tax levy is used to finance operations of the District’s fiscal year ended June 30, 2021. All property taxes are considered due on January 1, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

State general and categorical aids, federal impact aid, and other entitlements are recognized as revenue at the time of receipt, or earlier if the “susceptible to accrual” criteria are met. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred inflows.

Charges for services provided to 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 aid entitlements.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

Interest income on temporary investments is recognized in the fiscal period earned.

Costs for educational services provided to the District by other educational agencies or private organizations are recognized when incurred. Costs for special education services are not reduced by anticipated state special education aid entitlements.

F. Deposits and Investments

The District's cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

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, fiduciary fund and in the aggregate for non-major funds.

Wisconsin Statute 66.0603 authorizes the District to invest in the following types of instruments:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in the State of Wisconsin.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed as to principal or interest by the federal government or by a commission, board, or other instrumentality of the federal government (U.S. Treasuries and U.S. Agencies).
- The Local Government Investment Pool (LGIP).
- Any security maturing in seven years or less of the acquisition date 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 if the portfolio is limited to the obligations of the U.S. Treasury and U.S. Agencies or repurchase agreements fully collateralized by bonds or securities, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

For purposes of the proprietary fund Statement of Cash Flows, the District considers all highly liquid investments with a maturity of less than three months, when purchased, to be cash equivalents. This consists of current cash and investments.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

See footnote 3 for additional information.

G. Receivables and Payables

Property Taxes

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

Interfunds

The current portion of lending/borrowing arrangements between funds is identified as “due to/from other funds”. The noncurrent portion of outstanding balances between funds is reported as “advances to/from other funds”. Advances between funds are offset by a nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts Receivable

All accounts receivable are shown as gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance is not material.

H. Other Assets

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year’s cost being recorded. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or market. Inventory consists of expendable supplies held for consumption. Costs are recorded as expenditures at the time individual inventory items are consumed.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Capital assets are reported at actual cost. Estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm, were used when capital asset database was established. Donated assets are reported at estimated acquisition value at the time received.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and building improvements	\$ 5,000	Straight-line	20-50 years
Land improvements	5,000	Straight-line	10-20 years
Furniture and equipment	5,000	Straight-line	5-20 years

J. Compensated Absences

The District's policy allows employees to earn varying amounts of sick pay for each year employed. Upon termination, the employee is entitled to severance pay which is paid at various rates as follows:

Teachers	\$30/day to a maximum of 135 days
Administrators	\$50/day to a maximum of 195 days
Other Support Staff (less than 20 years experience)	\$20/day to a maximum of 135 days
Other Support Staff (20 or more years experience)	\$30/day to a maximum of 135 days

Benefits that require payment in future fiscal years, though related to services previously rendered, are recorded as a liability in the governmental funds to the extent they will be liquidated with expendable available resources.

The compensated absences liability accrued in the government-wide statements at June 30, 2021 represents an estimate of the compensated absences the District anticipates paying out at termination of employment. At retirement, unused sick leave is converted into a post-retirement health-care benefit. The anticipated liability for these costs has been included in the District's actuarial determination of post-employment benefits and the liability under GASB 75.

K. Other Post-Employment Benefits (OPEB) Plan

As provided in applicable negotiated contracts, qualified employees meeting minimum age and length of service requirements may be eligible for certain other postemployment benefits directly from the District. The District makes annual contributions on a pay-as-you-go basis. See Note 11 for additional information.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

L. Supplemental Pension (Stipend) Benefit

The District contributes \$3,200 per year for each of 3 years to a non-elective post-employment 403(b) plan for eligible retirees. Funding is on a pay-as-you-go basis. The District's supplemental pension liability is actuarially determined. See note 12 for additional information.

M. Pensions

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

N. Deferred Outflows and Inflows of Resources

Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

O. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

P. Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

Q. Fund Balance

The District's fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the District Board or a body or official of which the District Board has delegated the authority to assign amounts for specific purposes.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

The goal for the fund balance is ten percent (10%) of the annual proposed level of general fund expenditures. All assigned and unassigned funds shall be used for this purpose.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

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 on 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.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of four broad categories:

- 1) 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 a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities.
- 2) Capital related differences include the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- 3) Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.
- 4) Payments for post-employment benefits and pension benefits are recorded when paid in the fund financial statements. Expenses are recorded in the Statement of Activities when incurred, and payments are recorded as a reduction of the post-employment and pension liabilities in the Statement of Net Position.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

3. Cash and Investments

For all the District's cash and investments shown below, the market value at the balance sheet date is substantially the same as the fair value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the District's deposits were higher than the June 30, 2021 balances, detailed below. This means that the District's risk and exposure could be higher at these times.

Depository:	Carrying Amount	Fair Value	Associated Risk
Local Financial Institutions	\$ 238,282	\$ 247,015	Custodial credit risk
Other Cash and Investments:			
Petty Cash	1,150	1,150	Not applicable
WISC Financial Investments:			
WISC SDA	5,000,575	5,000,575	Custodial credit risk
WISC Financial CDs	1,997,000	1,997,000	Custodial credit risk, interest rate risk
WISC Investment Series	47,710,460	47,710,460	Credit risk, interest rate risk
WISC Cash Management Series	17,704,840	17,704,840	Credit risk, interest rate risk
WISC LTD	60,933,957	60,994,353	Credit risk, interest rate risk
US Treasury Bills	10,481,026	10,378,720	Credit risk, interest rate risk
Total June 30, 2021	<u>\$ 144,067,290</u>	<u>\$ 144,034,113</u>	

A reconciliation of cash and investments as shown on the statements is as follows:

Statement of Net Position:	
Cash and Investments	\$ 31,696,097
Restricted Cash and Investments:	
Capital Projects	98,502,170
Debt Service	9,325,083
Other	4,543,940
Total	<u>\$ 144,067,290</u>

The Wisconsin Investment Cooperative Series (WISC) is investment pool established by intergovernmental agreement. The pool invests in investments legally permissible under Wisconsin law. PMA Financial Network is the administrator and investment manager for the WISC. The WISC is not registered with the Securities and Exchange Commission, but invests in funds in accordance with applicable Wisconsin statutes. The WISC has the characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. At June 30, 2021, the District's share of the WISC's assets was substantially equal to the amount reported above.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

3. Cash and Investments (Continued)

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 investments choices.

As of June 30, 2021, The District's investments were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>
U.S. Treasury Securities	Moody's - Aaa	\$ 10,378,720
WISC Investment Series	S&P - AAAM	47,710,460
WISC Cash Management Series	S&P - AAAM	17,704,840
WISC LTD	S&P - AA	60,994,353
Total		<u>\$ 136,788,373</u>

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 sensitivity its fair value has 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 of fair value losses arising from increasing interest rates.

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

<u>Investment Type</u>	<u>Investment Maturities</u>			
	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6 Months to 1 Year</u>	<u>1 Year to 3 Years</u>
Nonnegotiable Certificates of Deposit	\$ 1,997,000	\$ -	\$ 749,300	\$ 1,247,700
US Treasury Bills	10,378,720	-	10,378,720	-
WISC Cash Management Series	17,704,840	17,704,840	-	-
WISC LTD	60,994,353	60,994,353	-	-
WISC Investment Series	47,710,460	47,710,460	-	-
Total	<u>\$ 138,785,373</u>	<u>\$ 126,409,653</u>	<u>\$ 11,128,020</u>	<u>\$ 1,247,700</u>

Concentration of Credit Risk

The District does not have a policy for concentration of credit risk. No District investment represents 5% or more of the total investments.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

3. Cash and Investments (Continued)

Custodial Credit Risk

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

Deposits in banks are insured by the FDIC in the amount of \$250,000 for demand accounts and \$250,000 for time and savings accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. 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 not be significant to individual municipalities.

As of June 30, 2021, there were no District's deposits with financial institutions in excess of federal depository insurance limits that were exposed to custodial credit risk.

Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The District uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the District's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

3. Cash and Investments (Continued)

Fair Value Measurement (Continued)

The District uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the District measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

<u>Fair Value Measurements Using</u>				
	Fair Value as of 6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
U.S. Treasury securities	\$ 10,378,720	\$ -	\$ 10,378,720	\$ -
Total Investments by Fair Value Level	<u>\$ 10,378,720</u>	<u>\$ -</u>	<u>\$ 10,378,720</u>	<u>\$ -</u>

4. Due from/Due to Other Funds

Individual fund interfund receivable and payable balances on June 30, 2021 are as follows:

<u>Due To</u>	<u>Amount</u>	<u>Due From</u>
General Fund	\$ 140,831	Food Service
General Fund	87,053	Capital Projects
General Fund	700	Package Cooperative
Subtotal General Fund	<u>228,584</u>	
Special Revenue Trust Fund	597,995	General Fund
Capital Improvement Fund	750,000	General Fund
Community Services	384,983	General Fund
Package Cooperative	700	Special Revenue Trust Fund
Subtotal Non-major Funds	<u>1,733,678</u>	
Subtotal Governmental Funds	<u>1,962,262</u>	
Food Service	15,398	Special Revenue Trust Fund
Subtotal Food Service	<u>15,398</u>	
Totals - Fund Financial Statements	<u>1,977,660</u>	
Less: Fund Eliminations	(1,821,431)	
Less: Due to Proprietary Fund Eliminations	(30,796)	
Total Government-Wide Statement of Net Position	<u>\$ 125,433</u>	

Interfund balances generally arise from the District's policy not to pool cash and investments. All are expected to be settled in the following year.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

5. Interfund Transfers

The District had the following interfund transfers:

Purpose	Receivable Fund	Payable Fund	Amount
Support Operations	Package Cooperative	General	\$ 10,928
Support Capital Projects	Capital Improvement Fund	General	750,000
Support Operations	Food Service	General	36,436
	Totals - Fund Financial Statements		<u>797,364</u>
	Less: Fund Eliminations		<u>(760,928)</u>
	Total Government-Wide Statement of Activities		<u>\$ 36,436</u>

6. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 7/1/2020	Additions	Retirements	Balance 6/30/2021
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$ 23,169,291	\$ 464,432	\$ (38,694)	\$ 23,595,029
Construction in Progress	<u>20,308,632</u>	<u>74,480,365</u>	<u>(17,787,055)</u>	<u>77,001,942</u>
Total Non-Depreciable Capital Assets	<u>43,477,923</u>	<u>74,944,797</u>	<u>(17,825,749)</u>	<u>100,596,971</u>
Capital Assets Being Depreciated	<u>276,443,331</u>	<u>20,005,651</u>	<u>(217,106)</u>	<u>296,231,876</u>
Total Capital Assets	<u>319,921,254</u>	<u>94,950,448</u>	<u>(18,042,855)</u>	<u>396,828,847</u>
Less Accumulated Depreciation	<u>(76,722,542)</u>	<u>(6,545,305)</u>	<u>217,106</u>	<u>(83,050,741)</u>
Net Governmental Capital Assets	<u>\$ 243,198,712</u>	<u>\$ 88,405,143</u>	<u>\$ (17,825,749)</u>	<u>\$ 313,778,106</u>
Business-Type Activities				
Capital Assets Being Depreciated	\$ 859,688	\$ -	\$ -	\$ 859,688
Less Accumulated Depreciation	<u>(644,268)</u>	<u>(21,104)</u>	<u>-</u>	<u>(665,372)</u>
Net Business-Type Capital Assets	<u>\$ 215,420</u>	<u>\$ (21,104)</u>	<u>\$ -</u>	<u>\$ 194,316</u>
Total Non-Depreciable Capital Assets	\$ 43,477,923	\$ 74,944,797	\$ (17,825,749)	\$ 100,596,971
Total Depreciable Capital Assets	277,303,019	20,005,651	(217,106)	297,091,564
Total Accumulated Depreciation	<u>(77,366,810)</u>	<u>(6,566,409)</u>	<u>217,106</u>	<u>(83,716,113)</u>
Total Capital Assets Net of Depreciation	<u>\$ 243,414,132</u>	<u>\$ 88,384,039</u>	<u>\$ (17,825,749)</u>	<u>\$ 313,972,422</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

6. Capital Assets (Continued)

Depreciation expense was charged to the following functions:

Instruction	\$ 62,570
Support	6,482,735
Total Governmental	<u>6,545,305</u>
Food Service	<u>21,104</u>
Total Depreciation	<u><u>\$ 6,566,409</u></u>

7. Short-term Notes Payable

Short-term notes payable at June 30, 2021 are as follows:

Description	Issue Date	Interest Rate %	Date of Maturity	Balance
Levy & Aid Anticipation Notes	10/8/2020	3.00%	10/22/2021	\$ 11,400,000
Total Short-Term Notes Payable				<u><u>\$ 11,400,000</u></u>

Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
<u>\$ 11,840,000</u>	<u>\$ 11,400,000</u>	<u>\$ 11,840,000</u>	<u>\$ 11,400,000</u>

The District is a participant in the PMA Levy and Aid Anticipation Notes Program Taxable Note Participations, Series 2020A. The participations are delivered under a Master Indenture of Trust dated October 8, 2020. The District's participation consists of \$11,400,000 borrowed with a maturity date of October 22, 2021.

The purpose of issuing the notes is to provide interim financing for meeting the immediate expenses of operating and maintaining the public instruction in the District for the school year.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

8. Long-term Obligations

Long-term obligations of the District are as follows:

	Balance 7/1/2020	Issued	Retired	Balance 6/30/2021	Amount Due Within One Year
General obligation bonds	\$ 269,360,000	\$ 79,185,000	\$ 16,855,000	\$ 331,690,000	\$ 5,980,000
Bond Anticipation Notes	-	74,000,000	74,000,000	-	-
Subtotal G.O. Debt	269,360,000	153,185,000	90,855,000	331,690,000	5,980,000
Premium on debt	13,680,501	1,876,425	1,248,455	14,308,471	1,130,223
Discount on debt	(167,540)	-	(42,977)	(124,563)	(14,147)
Capital leases	658,807	702,326	478,223	882,910	474,592
Compensated absences	510,559	161,237	-	671,796	-
Total Long-Term Obligations	<u>\$ 284,042,327</u>	<u>\$ 155,924,988</u>	<u>\$ 92,538,701</u>	<u>\$ 347,428,614</u>	<u>\$ 7,570,668</u>

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

General Obligation Debt

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

Description	Issue Dates	Interest Rate %	Dates of Maturity	Balance	Amount Due Within One Year
GO QSCB Bonds	9/28/2009	1.10%	9/15/2024	\$ 17,950,000	\$ 1,000,000
GO Refunding Bonds	6/24/2014	2.00-3.50%	3/1/2028	9,105,000	70,000
GO Refunding Bonds	4/23/2015	2.50%	3/1/2026	9,675,000	-
GO Refunding Bonds	12/2/2015	2.00%	3/1/2024	6,420,000	2,105,000
GO Refunding Bonds	4/20/2016	2.00-2.375%	3/1/2028	9,995,000	-
GO Refunding Bonds	3/2/2017	3.50-4.00%	3/1/2037	87,430,000	-
GO Refunding Bonds	3/21/2019	4.00-5.00%	3/1/2029	29,360,000	275,000
GO Refunding Bonds	8/29/2019	3.00-5.00%	3/1/2039	84,280,000	-
GO Refunding Bonds	8/18/2020	2.0-3.0%	3/1/2040	38,045,000	-
GO Refunding Bonds	4/15/2021	2.0-5.0%	3/1/2041	39,430,000	2,530,000
Total General Obligation Debt				<u>\$ 331,690,000</u>	<u>\$ 5,980,000</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

8. Long-term Obligations (Continued)

The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$5,883,991,689. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with §67.03(1)(b) of the Wisconsin statutes follows:

Debt Limit (10% of \$5,883,991,689)	\$ 588,399,169
Deduct long-term debt applicable to debt margin	331,690,000
Margin of indebtedness	<u>\$ 256,709,169</u>

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

Year Ended June 30,	Principal	Interest	Total
2022	\$ 5,980,000	\$ 10,551,667	\$ 16,531,667
2023	12,185,000	10,491,572	22,676,572
2024	13,070,000	10,337,922	23,407,922
2025	20,680,000	9,979,264	30,659,264
2026	14,330,000	9,250,882	23,580,882
2027-2031	77,235,000	37,205,842	114,440,842
2032-2036	86,800,000	22,107,630	108,907,630
2037-2041	101,410,000	7,254,450	108,664,450
Totals	<u>\$331,690,000</u>	<u>\$ 117,179,229</u>	<u>\$ 448,869,229</u>

Cash Defeasance

The District issued a General Obligation Qualified School Construction Bonds in 2009 in the amount of \$22,965,000. Starting from 2012, the District deposited cash into a sinking fund to purchase securities for the purpose of generating resources for future debt payments when it is mature in 2024. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the Statement of Net Position. No economic gain resulted from the defeasance. The total of the defeased debt outstanding at June 30, 2021 is \$5,015,000. The entire amount of defeased debt will be called on September 15, 2024 and will be settled by funds from the sinking fund.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

9. Capital Leases, as Lessee

During the current fiscal year, the District entered into a capital lease for computer equipment with original cost value of \$659,969. Annual payments of \$205,827 are due for term of four years at an interest rate of 3.98 percent. The District also entered into two capital leases for copiers with original cost value of \$21,179 each at an annual interest rate of 5.90 percent. Annual payments of \$4,905 each are due for term of five years.

Equipment capitalized with leases have an original cost of \$214,483 and accumulated depreciation of \$87,707. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2021:

Year Ended June 30,	
2022	\$ 514,093
2023	311,161
2024	104,030
2025	14,865
Total minimum lease payments	944,148
Less: Amount representing interest	61,238
Present value of net minimum lease payments	<u>\$ 882,910</u>

10. Employee Retirement Plan

Plan Description

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

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

Vesting

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

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

10. Employee Retirement Plan (Continued)

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases.

By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

10. Employee Retirement Plan (Continued)

Contributions

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

During the reporting period, the WRS recognized \$4,145,541 in contributions from the employer.

Contribution rates as of June 30, 2021 are:

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

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

At June 30, 2021, the District reported an asset of \$22,805,183 for its proportionate share of the net pension asset. The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.36528395%, which was an increase of 0.00825661% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension revenue of \$2,514,675.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

10. Employee Retirement Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,006,102	\$ (7,109,455)
Net differences between projected and actual earnings on pension plan investments	-	(42,814,874)
Changes in assumptions	517,266	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	104,958	(29,421)
Employer contributions subsequent to the measurement date	2,601,182	-
Total	<u>\$ 36,229,508</u>	<u>\$ (49,953,750)</u>

\$2,601,182 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (4,206,170)
2023	(1,105,937)
2024	(7,732,323)
2025	(3,280,994)
2026	-
Total	<u>\$ (16,325,424)</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

10. Employee Retirement Plan (Continued)

Actuarial Assumptions

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

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

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

10. Employee Retirement Plan (Continued)

Long-term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns
As of December 31, 2020

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

10. Employee Retirement Plan (Continued)

Single Discount Rate

A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 21,707,374	\$ (22,805,183)	\$ (55,499,325)

Pension Plan Fiduciary Net Position

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

Allocation of Pension Plan

Pension amounts are allocated between the Governmental Activities and Business-Type Activities based on the percentage of required contributions of each opinion unit.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

11. Other Post-Employment Benefits (OPEB) Plan

Plan Description

The District operates a single-employer retiree benefit plan that provides post-employment health insurance benefits to eligible employees and their spouses. Benefits and eligibility are determined through bargaining and other District agreements.

Funding Policy

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

Benefits Provided

Benefits and eligibility are determined through bargaining and other District agreements. Current approved benefits are as follows:

Administration: At least age 55 with a minimum of 7 years of services:

Premium – Only HRA: Eligible retirees will receive a benefit amount based upon a percentage of their final salary (ranging from 50% for 7 years of service up to 100% for those with 12 years of service or more) into a Premium Only Plan HRA. Resulting funds are to be used towards payment of a retiree's full medical and/or dental premium amounts until it's exhausted. Upon exhaustion of funds, retirees may self-pay the full (100%) premium amounts required to continue coverage in the group plans.

Administrative Support: At least age 55 and subject to the "Rule of 70" wherein sum of age and service at retirement is at least 70:

Premium Only HRA: Eligible retirees will receive a credit of \$500 per year of service in the District, up to maximum of 25 years, as well as \$180 per unused sick day accumulated upon retirement, up to a maximum of 175 days. Resulting HRA funds may either be used to reimburse continued coverage in the District's medical and/or dental plans or an outside plan. Upon exhaustion of funds, retirees may self-pay the full (100%) premium amounts required to continue coverage in the group plans.

Teachers: At least age 55 and subject of the "Rule of 70" wherein sum of age and service at retirement is at least 70 (those hired on or after July 1, 2008 must have a sum of at least 75):

Premium Only HRA: Eligible retirees will receive a credit of \$500 per year of service in the District, as well as \$180 per unused sick day accumulated upon retirement up to a maximum of 175 days and \$120 per day thereafter (i.e. days over 175), not to exceed \$4,800. Resulting funds may either be used to reimburse continued coverage in the District's medical and/or dental plans or placed in a Premium-Only HRA. Upon exhaustion of funds, retirees may self-pay the full (100%) premium amounts required to continue coverage in the group plans.

Support Staff: At least age 55 with a minimum of 15 years of service:

Post-employment HRA: Eligible retirees will receive a one-time contribution of \$3,600 into an HRA. Resulting funds are to be used towards payment of a retiree's full medical and/or dental premium amounts until their exhaustion. Upon exhaustion of funds, retirees may self-pay the full (100%) premium amounts required to continue coverage in the group plans.

**SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021**

11. Other Post-Employment Benefits (OPEB) Plan (Continued)

Employees covered by Benefit Terms

At June 30, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	165
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,184</u>
	<u><u>1,349</u></u>

Total OPEB Liability

The District's total OPEB liability, reported as of June 30, 2021, of \$15,718,114 was measured at June 30, 2020, as was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation	2.00 percent
Salary increases	3 percent, average, including inflation
Discount rate*	2.25% percent
Healthcare cost trend rates	6.5 percent decreasing by .10% per year down to 5.00%, and level thereafter
Retirees' share of benefit-related costs	6.5 percent of projected health insurance premiums for retirees

**The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.25%) as of the measurement date.*

Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

The Discount rate is based upon all years of projected payments discounted at a municipal bond rate of 2.25%.

Mortality assumptions are based upon the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

11. Other Post-Employment Benefits (OPEB) Plan (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/2019	<u>\$ 14,364,865</u>
Changes for the year:	
Service cost	1,073,443
Interest	510,296
Changes of benefit terms	-
Differences between expected and actual experience	315,597
Changes in assumptions or other inputs	97,309
Benefit payments	<u>(643,396)</u>
Net Changes	<u>1,353,249</u>
Balance at 6/30/2020	<u><u>\$ 15,718,114</u></u>

There were no changes of benefit terms.

The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.25%) as of the measurement date. All other major assumptions and methods remained unchanged from the previous valuation performed.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	<u>\$ 16,849,363</u>	<u>\$ 15,718,114</u>	<u>\$ 14,651,992</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

11. Other Post-Employment Benefits (OPEB) Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following represents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 14,918,110</u>	<u>\$ 15,718,114</u>	<u>\$ 16,660,604</u>

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

For the year ended June 30, 2021, the District recognized an OPEB expense of \$1,419,691. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Gain / Loss</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 291,320	\$ (755,720)
Changes of assumptions or other inputs	290,399	(1,345,487)
District contributions subsequent to the measurement date	694,042	-
Total	<u>\$ 1,275,761</u>	<u>\$ (2,101,207)</u>

\$694,042 reported as deferred outflows related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. There are no other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB that will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (164,048)
2023	(164,048)
2024	(164,048)
2025	(164,048)
2026	(164,048)
Thereafter	(699,248)
	<u>\$ (1,519,488)</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

12. Supplemental Pension (Stipend) Benefit

Plan Description and Benefits Provided

The District also provides teachers who, upon attaining age 55 with a combined age and service totaling at least 70 (75 for those hired on and after 7/1/2008), an annual amount of \$3,200 per year for three years. This is to be contributed to a non-elective 403 (b) employer contribution plan.

There are 736 active employees and 37 retirees in the plan as of the valuation date of June 30, 2020.

Funding Policy

This is funded on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits. The general fund is used for funding of all pension/retirement benefits. The employer makes all contributions.

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

For the year ended June 30, 2021, the District recognized a supplemental pension expense of \$141,727. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to supplemental pension benefit from the following sources:

<u>Gain / Loss</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ (76,075)
Changes of assumptions or other inputs	51,119	(37,412)
District contributions subsequent to the measurement date	118,400	-
Total	<u>\$ 169,519</u>	<u>\$ (113,487)</u>

\$118,400 reported as deferred outflows related to supplemental pension resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net supplemental pension liability in the year ended June 30, 2022. There are no other amounts reported as deferred outflows of resources or deferred inflows of resources related to supplemental pension that will be recognized in supplemental pension expense as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (5,730)
2023	(5,730)
2024	(5,730)
2025	(5,730)
2026	(5,730)
Thereafter	(33,718)
	<u>\$ (62,368)</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

12. Supplemental Pension (Stipend) Benefit (Continued)

Change in the Total Supplemental Pension Liability

Below is a schedule of changes in the total supplemental pension liability for the current reporting period:

Beginning Balance	<u>\$ 1,243,344</u>
Changes for the Year	
Service Costs	104,200
Interest	43,257
Changes of Benefit Terms	-
Differences Between Expected and Actual Experiences	(17,123)
Changes of Assumptions or Other Inputs	38,611
Benefit Payments	<u>(119,042)</u>
Net Changes	<u>49,903</u>
Ending Balance	<u><u>\$ 1,293,247</u></u>

There were no changes of benefit terms.

The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.25%) as of the measurement date. All other major assumptions and methods remained unchanged from the previous valuation performed.

Actuarial Assumptions

The total supplemental pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Discount Rate*	2.25% (based upon all years of projected payments discounted at a municipal bond rate of 2.25%)
Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17.
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

**The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.25%) in order to be compliant with GASB 73.*

Single Discount Rate

A discount rate of 2.25% was used in calculating the District's supplemental pension liabilities (based upon all years of projected payments discounted at a municipal bond rate of 2.25%). It was assumed that the District would continue to fund its retiree benefits out of its general fund assets on a pay-as-you-go basis.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

12. Supplemental Pension (Stipend) Benefit (Continued)

Sensitivity of the District's Total Supplemental Pension Liability to Changes in the Discount Rate

The following presents the District's total supplemental pension liability calculated using the discount rate of 2.25%, as well as what the District's total supplemental pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Total Supplemental Pension Liability	<u>\$ 1,366,368</u>	<u>\$ 1,293,247</u>	<u>\$ 1,222,138</u>

13. Fund Balances

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	General Fund	Debt Service	Capital Projects	Non-Major Governmental Funds	Total
Fund balances:					
<u>Nonspendable:</u>					
Inventory	30,429	\$ -	\$ -	\$ -	\$ 30,429
Prepays	101,643	-	-	-	101,643
<u>Restricted for:</u>					
Pool Maintenance	350,782	-	-	-	350,782
Performing Arts Center	134,644	-	-	-	134,644
Ashley Field	214,252	-	-	-	214,252
Summit Field	25,184	-	-	-	25,184
Debt Service Retirement	-	9,325,083	-	-	9,325,083
Capital Projects	-	-	86,735,660	-	86,735,660
Capital Improvement Trust	-	-	-	4,569,078	4,569,078
Community Service	-	-	-	383,960	383,960
Self Insurance	1,146,269	-	-	-	1,146,269
Unspent Common School Fund	92,521	-	-	-	92,521
<u>Committed for:</u>					
Donor Specifications	-	-	-	790,555	790,555
<u>Assigned to:</u>					
Property Acquisition	300,000	-	-	-	300,000
Budget Stabilization	2,800,000	-	-	-	2,800,000
Potential Health Insurance Tax	200,000	-	-	-	200,000
Professional Educator					
2019 Referendum	1,800,000	-	-	-	1,800,000
<u>Unassigned</u>	<u>18,075,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,075,342</u>
Total fund balances	<u>\$ 25,271,066</u>	<u>\$ 9,325,083</u>	<u>\$ 86,735,660</u>	<u>\$ 5,743,593</u>	<u>\$ 127,075,402</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

14. Self-Funded Insurance Program

On September 1, 2014, the District established a self-funded dental benefit plan for its employees. The Plan administrator, Delta Dental of Wisconsin, is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District. The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2021, the District has reported a liability of \$59,708, which represents reported and unreported claims which were incurred on or before June 30, 2021, but were not paid by the District as of that date. This amount consists of claims reported to the District by the Plan administrator (\$29,854), claims reported to the Plan administrator but not the District (\$29,854) and claims which were not yet reported to either the Plan administrator or the District (\$0). The amounts not reported to the District were determined by the Plan administrator.

Changes in the claims liability for the years ended June 30, 2021, 2020 and 2019 are as follows:

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Estimated claims outstanding July 1	\$ 91,460	\$ 90,493	\$ 90,493
Current year claims and changes in estimates	1,018,623	990,550	989,583
Claim payments	(1,050,375)	(989,583)	(989,583)
Estimated claims outstanding June 30	<u>\$ 59,708</u>	<u>\$ 91,460</u>	<u>\$ 90,493</u>

15. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

16. Contingencies

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

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

17. Risk Management

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

18. Subsequent Events

In June 2021, the board approved a 5-year capital lease in the amount of \$436,500 for 1,800 computers. The lease matures in July 2024 with an annual interest rate of 3.98%.

In November 2021, the board awarded the furniture procurement to two contractors for a total not to exceed \$473,486 and \$3,089,739, respectively.

On October 7, 2021, the District issued a short-term notes payable in the amount of \$9,900,000 with an interest rate of 2.0%. The notes will mature on or before September 28, 2022.

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2021

19. Construction Commitments

As of June 30, 2021, the District's facilities were undergoing remodeling and upgrades. The District has the following contract commitments related to construction projects:

	Total Contract	Expenditures through June 30, 2021	Remaining Commitment
East High School Tennis Court Resurfacing and Parking			
Lot Crack Filling	\$ 142,821	\$ -	\$ 78,536
West High School Lockers	507,000	202,722	304,278
Parking Lot Paving for Patrick Marsh Middle School	440,476	-	440,476
C.H. Bird Elementary Bathroom Renovation	139,463	34,653	104,810
Northside Elementary Media Center Renovation	362,090	82,616	279,474
Eastside Elementary Courtyard Renovation	86,540	-	86,540
Royal Oaks Elementary Renovation	150,985	29,916	121,069
East High School Monument Signage	54,643	-	54,643
Carpeting for Multiple Sites	85,206	51,123	34,083
Prairie View Middle and Patrick Marsh Middle Schools			
Tech Ed Renovation	799,998	79,384	720,614
Prairie View Middle and Patrick Marsh Middle Schools			
PA System Replacement	290,728	-	290,728
Ashley Field Renovation	15,872,873	15,546,125	326,748
Cardinal Heights Upper Middle School Renovation	7,901,734	1,172,454	6,729,280
West High School Renovation	119,248,439	68,143,140	51,105,299
	<u>\$ 146,082,996</u>	<u>\$ 85,342,133</u>	<u>\$ 60,676,578</u>

20. Effect of New Accounting Standards on Current Period Financial Statements

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

REQUIRED SUPPLEMENTARY INFORMATION

**SUN PRAIRIE AREA SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 51,544,685	\$ 51,689,627	\$ 50,812,355	\$ (877,272)
Interdistrict	2,455,910	2,455,910	2,451,163	(4,747)
State	58,488,294	58,472,325	58,560,034	87,709
Federal	2,061,257	3,166,214	2,849,234	(316,980)
Other	548,344	548,344	583,824	35,480
Total Revenues	115,098,490	116,332,420	115,256,610	(1,075,810)
EXPENDITURES				
Instruction	51,984,841	49,244,384	47,933,994	1,310,390
Support Service	39,205,931	39,174,683	36,475,355	2,699,328
Non-program Services	5,102,603	4,835,403	4,620,330	215,073
Debt Service:				
Principal Repayment	592,802	491,128	478,222	12,906
Interest Expense	477,216	447,216	433,550	13,666
Capital Outlay	3,622,820	8,037,004	9,245,871	(1,208,867)
Total Expenditures	100,986,213	102,229,818	99,187,322	3,042,496
Excess (Deficiency) of Revenues Over Expenditures	14,112,277	14,102,602	16,069,288	1,966,686
OTHER FINANCING SOURCES (USES)				
Transfers Out	(14,838,560)	(14,988,560)	(14,768,211)	220,349
Capital Lease Proceeds	659,969	659,969	702,326	42,357
Proceeds from Sales of Capital Assets	-	-	417,392	417,392
Total Other Financing Sources and Uses	(14,178,591)	(14,328,591)	(13,648,493)	680,098
Net Change in Fund Balance	(66,314)	(225,989)	2,420,795	2,646,784
Fund Balance - Beginning	22,850,271	22,850,271	22,850,271	-
Fund Balance - Ending	\$ 22,783,957	\$ 22,624,282	\$ 25,271,066	\$ 2,646,784

See accompanying notes to the required supplementary information

**SUN PRAIRIE AREA SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict	\$ -	\$ -	\$ 14,511	\$ 14,511
Intermediate	-	-	16,843	16,843
State	5,315,507	5,315,507	5,195,260	(120,247)
Federal	1,086,180	1,955,510	1,245,592	(709,918)
Total Revenues	<u>6,401,687</u>	<u>7,271,017</u>	<u>6,472,206</u>	<u>(798,811)</u>
EXPENDITURES				
Instruction	16,015,836	15,862,581	15,037,208	825,373
Support Service	5,067,011	5,108,596	5,176,933	(68,337)
Non-program Services	82,000	463,000	228,912	234,088
Total Expenditures	<u>21,164,847</u>	<u>21,434,177</u>	<u>20,443,053</u>	<u>991,124</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,763,160)</u>	<u>(14,163,160)</u>	<u>(13,970,847)</u>	<u>192,313</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>14,763,160</u>	<u>14,163,160</u>	<u>13,970,847</u>	<u>(192,313)</u>
Total Other Financing Sources and Uses	<u>14,763,160</u>	<u>14,163,160</u>	<u>13,970,847</u>	<u>(192,313)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the required supplementary information

SUN PRAIRIE AREA SCHOOL DISTRICT
EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS
AND GAAP REVENUES AND EXPENDITURES
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Education Fund</u>
A) Sources/Inflows of Resources:		
Actual amounts "total revenues"		
from the budgetary comparison schedules	\$ 115,256,610	\$ 6,472,206
Reclassification:		
Special education fund revenues are reclassified to		
the general fund, required for GAAP reporting	<u>6,472,206</u>	<u>(6,472,206)</u>
The general fund revenues as reported on the Statement		
of Revenues, Expenditures and Changes in Fund Balances		
- governmental funds	<u>\$ 121,728,816</u>	<u>\$ -</u>
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures"		
from the budgetary comparison schedules	\$ 99,187,322	\$ 20,443,053
Reclassification:		
Special education fund expenditures are reclassified to		
the general fund, required for GAAP reporting	<u>20,443,053</u>	<u>(20,443,053)</u>
The general fund expenditures as reported on the Statement		
of Revenues, Expenditures and Changes in Fund Balances		
- governmental funds	<u>\$ 119,630,375</u>	<u>\$ -</u>

See accompanying notes to the required supplementary information

**SUN PRAIRIE AREA SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM SCHEDULES
June 30, 2021**

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	-0.36528395%	\$ (22,805,183)	\$ 61,415,396	(37.13%)	105.26%
2019	-0.35702734%	(11,512,191)	59,095,195	(19.48%)	102.96%
2018	0.35391283%	12,591,109	55,130,178	22.84%	96.45%
2017	-0.35255134%	(10,467,667)	50,900,700	(20.56%)	(102.93%)
2016	0.35149899%	2,897,191	52,117,594	5.56%	99.12%
2015	0.34092145%	5,539,907	50,401,282	10.99%	98.20%
2014	-0.33457131%	(8,217,987)	47,507,723	(17.30%)	(102.74%)

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

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED
Last 10 Fiscal Years****

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 4,225,712	\$ (4,225,712)	\$ -	\$ 62,603,048	6.75%
2020	4,098,259	(4,098,259)	-	61,427,425	6.67%
2019	3,801,408	(3,801,408)	-	57,449,753	6.62%
2018	3,609,504	(3,609,504)	-	53,562,779	6.74%
2017	3,532,354	(3,532,354)	-	52,751,175	6.70%
2016	3,427,533	(3,427,533)	-	50,401,282	6.80%
2015	3,325,839	(3,325,839)	-	47,570,723	6.99%

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

See accompanying notes to the required supplementary information

SUN PRAIRIE AREA SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB
LIABILITY AND RELATED RATIOS**

For the Year Ended June 30, 2021

	<u>Last 10 Years*</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB Liability					
Beginning Balance	\$14,364,865	\$ 13,310,619	\$ 14,659,821	\$ 14,393,230	\$ 13,417,245
Changes for the Year					
Service costs	1,073,443	999,835	1,177,647	1,268,368	1,268,368
Interest	510,296	505,002	520,148	436,894	410,992
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	315,597	-	(982,436)	-	-
Changes in assumptions or other inputs	97,309	237,043	(1,290,034)	(510,108)	-
Benefit payments	(643,396)	(687,634)	(774,527)	(928,563)	(703,375)
Net change in total OPEB	<u>1,353,249</u>	<u>1,054,246</u>	<u>(1,349,202)</u>	<u>266,591</u>	<u>975,985</u>
Total OPEB Liability-Ending	<u>\$ 15,718,114</u>	<u>\$ 14,364,865</u>	<u>\$ 13,310,619</u>	<u>\$ 14,659,821</u>	<u>\$ 14,393,230</u>
 Covered Employee Payroll	 \$ 60,164,734	 \$ 53,299,349	 \$ 53,299,349	 \$ 48,293,508	 \$ 48,293,508
 Total OPEB Liability as a percentage of covered- employee payroll	 26.13%	 26.95%	 24.97%	 30.36%	 29.80%

* Data presented as of the measurement date.

SUN PRAIRIE AREA SCHOOL DISTRICT

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

		<u>Last 10 Years*</u>				
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Supplemental Pension Liability						
Beginning Balance		\$ 1,243,344	\$ 1,196,049	\$ 1,262,259	\$ 1,264,066	\$ 1,206,210
Changes for the Year						
Service Costs		104,200	97,316	94,591	101,349	101,349
Interest		43,257	44,577	43,818	37,858	36,507
Changes of Benefit Terms		-	-	-	-	-
Differences Between Expected and Actual Experiences		(17,123)	-	(75,118)	-	-
Changes of Assumptions or Other Inputs		38,611	17,402	(14,301)	(35,414)	-
Benefit Payments		(119,042)	(112,000)	(115,200)	(105,600)	(80,000)
	Net Changes	<u>49,903</u>	<u>47,295</u>	<u>(66,210)</u>	<u>(1,807)</u>	<u>57,856</u>
Ending Balance		<u>\$ 1,293,247</u>	<u>\$ 1,243,344</u>	<u>\$ 1,196,049</u>	<u>\$ 1,262,259</u>	<u>\$ 1,264,066</u>
Covered Employee Payroll		\$40,661,125	\$ 35,837,498	\$ 35,837,498	\$ 32,872,999	\$ 32,872,999
Total Supplemental Pension Liability as a percentage of Covered Employee Payroll		3.18%	3.47%	3.34%	3.84%	3.85%

* Data presented as of the measurement date

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2021

1. Budget Schedule

Budgets are adopted each fiscal year for all funds in accordance with Section 65.9 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction, which is in accordance with generally accepted accounting principles. 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 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.

2. Expenditures in Excess of Appropriations

The following individual funds had functions that had an excess of actual expenditures over budget for the year ended June 30, 2021:

<u>Fund</u>	<u>Function</u>	<u>Amount</u>
General	Capital Outlay	\$ 1,208,867
Special Education	Support Service	68,337

In each of the funds, the District had sufficient revenues, fund balance, other financing sources and/or expenditures less than the budget in other functions to support the amounts listed above.

3. Wisconsin Retirement System

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

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

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

SUN PRAIRIE AREA SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2021

4. District Total OPEB Liability Schedules

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

Changes of benefit terms. There were no changes of benefit terms during the year.

Changes of assumptions. The discount rate was decreased from 3.50% to 2.25% to be reflective of a 20-year AA municipal bond rate as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged from the valuation performed as of June 30, 2020.

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

5. Supplemental Pension (Stipend) Benefit

Governmental Accounting Standards Board Statement No. 73 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

Changes of benefit terms. There were no changes of benefit terms during the year.

Changes of assumptions. The Discount rate was decreased from 3.50% to 2.25% to be reflective of a 20-year AA municipal bond rate as of the measurement date in order to be compliant with GASB 73. All other assumptions and methods remained unchanged from the valuation performed as of June 30, 2020.

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

OTHER SUPPLEMENTAL INFORMATION

**SUN PRAIRIE AREA SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2021**

	Special Revenue Funds			Capital Improvement Fund	Total Non-Major Governmental Funds
	Special Revenue Trust Fund	Community Service	Package Cooperative		
ASSETS					
Cash and Investments	\$ 211,246	\$ -	\$ -	\$ -	\$ 211,246
Restricted Cash and Investments	-	-	-	3,819,078	3,819,078
Due from Other Funds	597,995	384,983	700	750,000	1,733,678
Total Assets	<u>\$ 809,241</u>	<u>\$ 384,983</u>	<u>\$ 700</u>	<u>\$ 4,569,078</u>	<u>\$ 5,764,002</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,588	\$ 1,023	\$ -	\$ -	\$ 3,611
Due to Other Funds	16,098	-	700	-	16,798
Total Liabilities	<u>18,686</u>	<u>1,023</u>	<u>700</u>	<u>-</u>	<u>20,409</u>
Fund Balances:					
Restricted	-	383,960	-	4,569,078	4,953,038
Committed	790,555	-	-	-	790,555
Total Fund Balances	<u>790,555</u>	<u>383,960</u>	<u>-</u>	<u>4,569,078</u>	<u>5,743,593</u>
Total Liabilities and Fund Balances	<u>\$ 809,241</u>	<u>\$ 384,983</u>	<u>\$ 700</u>	<u>\$ 4,569,078</u>	<u>\$ 5,764,002</u>

SUN PRAIRIE AREA SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Special Revenue Funds

	Special Revenue Trust Fund	Community Service	Package Cooperative	Capital Improvement Fund	Total Non-Major Governmental Funds
REVENUES					
Local	\$ 259,836	\$ 614,000	\$ -	\$ 7,696	\$ 881,532
State	-	100,000	-	-	100,000
Total Revenues	<u>259,836</u>	<u>714,000</u>	<u>-</u>	<u>7,696</u>	<u>981,532</u>
EXPENDITURES					
Instruction	98,330	-	8,810	-	107,140
Support Service	49,777	592,604	2,118	-	644,499
Non-program Services	34,350	-	-	-	34,350
Total Expenditures	<u>182,457</u>	<u>592,604</u>	<u>10,928</u>	<u>-</u>	<u>785,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>77,379</u>	<u>121,396</u>	<u>(10,928)</u>	<u>7,696</u>	<u>195,543</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	10,928	750,000	760,928
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>10,928</u>	<u>750,000</u>	<u>760,928</u>
Net Change in Fund Balances	<u>77,379</u>	<u>121,396</u>	<u>-</u>	<u>757,696</u>	<u>956,471</u>
Fund Balances - Beginning	<u>713,176</u>	<u>262,564</u>	<u>-</u>	<u>3,811,382</u>	<u>4,787,122</u>
Fund Balances - Ending	<u>\$ 790,555</u>	<u>\$ 383,960</u>	<u>\$ -</u>	<u>\$ 4,569,078</u>	<u>\$ 5,743,593</u>