

Parma School District No. 137

Year Ended June 30, 2021

Audited Financial Statements



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Quest CPAs PLLC

PARMA SCHOOL DISTRICT NO. 137
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Independent Auditor's Report

Board of Trustees
Parma School District No. 137

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parma School District No. 137 (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School'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 of 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.

Basis for Qualified Opinion on Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as certain note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2021, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer’s share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not included the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 School'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 School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
August 20, 2021

PARMA SCHOOL DISTRICT NO. 137

Statement of Net Position

June 30, 2021

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$3,348,307
Receivables:	
Local Sources	568,112
State Sources	160,540
Federal Sources	911,019
Inventory	15,442
Total Current Assets	<u>5,003,420</u>
Noncurrent Assets	
Nondepreciable Capital Assets	12,500
Depreciable Net Capital Assets	15,179,016
Total Noncurrent Assets	<u>15,191,516</u>
Total Assets	<u>20,194,936</u>
Deferred Outflows of Resources	
Pension Deferred Outflows	1,218,388
Total Deferred Outflows of Resources	<u>1,218,388</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$21,413,324</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$0
Salaries & Benefits Payable	878,330
Unspent Grant Allocation	638,973
Accrued Interest	85,149
Long-Term Debt, Current	743,100
Total Current Liabilities	<u>2,345,552</u>
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	6,583,456
Net Pension Liability	2,975,754
Total Noncurrent Liabilities	<u>9,559,210</u>
Total Liabilities	<u>11,904,762</u>
Deferred Inflows of Resources	
Pension Deferred Inflows	97,165
Total Deferred Inflows of Resources	<u>97,165</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,001,927</u>
Net Position	
Net Investment in Capital Assets	7,779,811
Restricted:	
Special Programs	590,179
Debt Service	864,440
Capital Projects	330,495
Unrestricted	(153,528)
Total Net Position	<u>9,411,397</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$21,413,324</u></u>

See Accompanying Notes

PARMA SCHOOL DISTRICT NO. 137

Statement of Activities Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$1,458,275		\$337,971		(\$1,120,304)
Secondary School	2,293,157	\$11,895	34,858		(2,246,404)
Special Education	719,423				(719,423)
Interscholastic	285,706				(285,706)
School Activity	0				0
Summer School	0				0
Support Service Programs					
Attendance - Guidance - Health	103,959		19,998		(83,961)
Instruction Improvement	567,514		245,032		(322,482)
Educational Media	113,403				(113,403)
Instruction-Related Technology	0				0
Board of Education	29,980				(29,980)
District Administration	367,821				(367,821)
School Administration	401,857				(401,857)
Buildings - Care	581,019				(581,019)
Maintenance - Student Occupied	311,330		116,234		(195,096)
Maintenance - Grounds	33,447				(33,447)
Security	11,631				(11,631)
Pupil-To-School Transportation	620,566				(620,566)
Pupil-Activity Transportation	0				0
Other Support Services	712,467		762,805		50,338
Non-Instructional Programs					
Child Nutrition	529,338	26,606	516,367		13,635
Community Services	347,836	391,216			43,380
Capital Assets - Student Occupied	609,559		956		(608,603)
Capital Assets - Non-Student Occupied	0		36,152		36,152
Debt Service - Principal	0				0
Debt Service - Interest	269,035				(269,035)
Total	<u>\$10,367,323</u>	<u>\$429,717</u>	<u>\$2,070,373</u>	<u>\$0</u>	<u>(7,867,233)</u>
General Revenues					
Local Taxes					2,156,023
Other Local Revenues					57,872
State Revenues					6,852,433
Federal Revenues					0
Pension Revenue (Expense)					(988,821)
Total					<u>8,077,507</u>
Change in Net Position					210,274
Net Position - Beginning - As Previously Stated					8,919,793
Restatement - See Note K					281,330
Net Position - Beginning - As Restated					<u>9,201,123</u>
Net Position - Ending					<u>\$9,411,397</u>

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Balance Sheet - Governmental Funds

June 30, 2021

	General Fund	Child Nutrition Fund	Bond R & I Fund
Assets			
Cash & Investments	\$1,791,006	\$253,343	\$660,777
Receivables:			
Local Sources	261,484		239,987
State Sources	156,490		
Federal Sources		2,438	
Due From Other Funds	230,415		
Inventory		15,442	
Total Assets	<u>\$2,439,395</u>	<u>\$271,223</u>	<u>\$900,764</u>
Liabilities			
Accounts Payable			
Due To Other Funds			
Salaries & Benefits Payable	\$800,227	\$37,084	
Unspent Grant Allocation			
Total Liabilities	<u>800,227</u>	<u>37,084</u>	<u>\$0</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues	38,224		36,324
Total Deferred Inflows of Resources	<u>38,224</u>	<u>0</u>	<u>36,324</u>
Fund Balances			
Restricted:			
Special Programs		218,697	
Debt Service			864,440
Capital Projects			
Nonspendable		15,442	
Unassigned	1,600,944		
Total Fund Balances	<u>1,600,944</u>	<u>234,139</u>	<u>864,440</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$2,439,395</u>	<u>\$271,223</u>	<u>\$900,764</u>

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Balance Sheet - Governmental Funds

June 30, 2021

	Other Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$643,181	\$3,348,307
Receivables:		
Local Sources	66,641	568,112
State Sources	4,050	160,540
Federal Sources	908,581	911,019
Due From Other Funds	0	230,415
Inventory	0	15,442
Total Assets	\$1,622,453	\$5,233,835
Liabilities		
Accounts Payable	\$0	\$0
Due To Other Funds	230,415	230,415
Salaries & Benefits Payable	41,019	878,330
Unspent Grant Allocation	638,973	638,973
Total Liabilities	910,407	1,747,718
Deferred Inflows of Resources		
Unavailable Tax Revenues	10,069	84,617
Total Deferred Inflows of Resources	10,069	84,617
Fund Balances		
Restricted:		
Special Programs	371,482	590,179
Debt Service	0	864,440
Capital Projects	330,495	330,495
Nonspendable	0	15,442
Unassigned	0	1,600,944
Total Fund Balances	701,977	3,401,500
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,622,453	\$5,233,835

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	\$3,401,500
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,191,516
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	84,617
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Certain liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(7,411,705)
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Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(1,854,531)
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Net Position of Governmental Activities	\$9,411,397
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PARMA SCHOOL DISTRICT NO. 137

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Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2021

	General Fund	Child Nutrition Fund	Bond R & I Fund
Revenues			
Local Taxes	\$994,434		\$910,707
Other Local Revenue	40,979	\$26,606	
State Revenue	6,429,760		295,981
Federal Revenue		516,367	
Total Revenues	7,465,173	542,973	1,206,688
Expenditures			
Instructional Programs			
Elementary School	1,354,689		
Secondary School	2,611,657		
Special Education	719,423		
Interscholastic	275,724		
School Activity			
Summer School			
Support Service Programs			
Attendance - Guidance - Health	83,961		
Instruction Improvement	319,626		
Educational Media	113,403		
Instruction-Related Technology			
Board of Education	29,980		
District Administration	367,821		
School Administration	401,857		
Buildings - Care	581,019		
Maintenance - Student Occupied			
Maintenance - Grounds	49,847		
Security	11,631		
Pupil-To-School Transportation	508,113		
Pupil-Activity Transportation			
Other Support Services			
Non-Instructional Programs			
Child Nutrition	20,362	523,152	
Community Services			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			970,000
Debt Service - Interest			291,875
Total Expenditures	7,449,113	523,152	1,261,875
Excess (Deficiency) of Revenues Over Expenditures	16,060	19,821	(55,187)
Other Financing Sources (Uses)			
Proceeds From Capital Lease			
Transfers In			
Transfers Out	(53,656)		
Total Other Financing Sources (Uses)	(53,656)	0	0
Net Change in Fund Balances	(37,596)	19,821	(55,187)
Fund Balances - Beginning - As Prev. Stated	1,638,540	214,318	919,627
Restatement - See Note K			
Fund Balances - Beginning - As Restated	1,638,540	214,318	919,627
Fund Balances - Ending	\$1,600,944	\$234,139	\$864,440

See Accompanying Notes

PARMA SCHOOL DISTRICT NO. 137

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Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2021

	Other Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$252,869	\$2,158,010
Other Local Revenue	456,156	523,741
State Revenue	306,877	7,032,618
Federal Revenue	1,337,669	1,854,036
Total Revenues	2,353,571	11,568,405
Expenditures		
Instructional Programs		
Elementary School	334,678	1,689,367
Secondary School	44,894	2,656,551
Special Education	0	719,423
Interscholastic	9,982	285,706
School Activity	0	0
Summer School	0	0
Support Service Programs		
Attendance - Guidance - Health	19,998	103,959
Instruction Improvement	247,888	567,514
Educational Media	0	113,403
Instruction-Related Technology	0	0
Board of Education	0	29,980
District Administration	0	367,821
School Administration	0	401,857
Buildings - Care	0	581,019
Maintenance - Student Occupied	311,330	311,330
Maintenance - Grounds	0	49,847
Security	0	11,631
Pupil-To-School Transportation	392,404	900,517
Pupil-Activity Transportation	0	0
Other Support Services	762,805	762,805
Non-Instructional Programs		
Child Nutrition	0	543,514
Community Services	347,836	347,836
Capital Assets - Student Occupied	88,539	88,539
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	970,000
Debt Service - Interest	0	291,875
Total Expenditures	2,560,354	11,794,494
Excess (Deficiency) of Revenues Over Expenditures	(206,783)	(226,089)
Other Financing Sources (Uses)		
Proceeds From Capital Lease	332,404	332,404
Transfers In	53,656	53,656
Transfers Out	0	(53,656)
Total Other Financing Sources (Uses)	386,060	332,404
Net Change in Fund Balances	179,277	106,315
Fund Balances - Beginning - As Prev. Stated	241,370	3,013,855
Restatement - See Note K	281,330	281,330
Fund Balances - Beginning - As Restated	522,700	3,295,185
Fund Balances - Ending	\$701,977	\$3,401,500

PARMA SCHOOL DISTRICT NO. 137
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2021

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**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds to the Statement of Activities**

Net Change in Fund Balances - Total Governmental Funds	\$106,315
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Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period.	(156,265)
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Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	(1,987)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	984,322
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Proceeds of debt is a financing source in the governmental funds, but increases long-term debt in the statement of net position.	(332,404)
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In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds.	4,628
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Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	(394,335)
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Change in Net Position of Governmental Activities	<u>\$210,274</u>
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PARMA SCHOOL DISTRICT NO. 137

Statement of Fiduciary Net Position

June 30, 2021

	Private Purpose Trust Funds
Assets	
Cash & Investments	\$123,195
Total Assets	<u>\$123,195</u>
Net Position	
Restricted:	
Trust Activities	\$123,195
Total Net Position	<u>\$123,195</u>

PARMA SCHOOL DISTRICT NO. 137
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	Private Purpose Trust Funds
Additions	
Contributions	\$33,672
Investment Income	531
Total Additions	<u>34,203</u>
Deductions	
Scholarships & Supplies	<u>20,917</u>
Total Deductions	<u>20,917</u>
Change in Net Position	13,286
Net Position - Beginning	<u>109,909</u>
Net Position - Ending	<u><u>\$123,195</u></u>

PARMA SCHOOL DISTRICT NO. 137
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Parma School District No. 137 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Canyon County.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

PARMA SCHOOL DISTRICT NO. 137
Notes to Financial Statements

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Fiduciary funds of the School include:

Private Purpose Trust Funds – Private purpose trust funds are used to account for the assets and related income producing and disbursement activities, for which the School acts as a trustee.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is paid to the general fund unless Idaho Code specifies otherwise. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants. Investments also include mutual funds in the deferred compensation plan and are stated at fair using quoted market prices (Level 1).

Receivables – Receivables are reported net of any estimated uncollectible amounts.

PARMA SCHOOL DISTRICT NO. 137
Notes to Financial Statements

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method, except for certain transportation vehicles which use the declining balance method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded.

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis.

Pensions – For purposes of measuring the net pension liability and pension expense/revenue, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. 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.

Deferred Outflows/Inflows of Resources – The School’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

PARMA SCHOOL DISTRICT NO. 137
Notes to Financial Statements

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

PARMA SCHOOL DISTRICT NO. 137
Notes to Financial Statements

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	\$869,988		\$869,988
Investments - Local Gov't Investment Pool	2,478,319	\$123,195	2,601,514
Total	\$3,348,307	\$123,195	\$3,471,502

Deposits – At year end, the carrying amounts of the School's deposits were \$869,988 and the bank balances were \$1,058,069. Of the bank balances, \$700,278 was insured and the remainder was uninsured and uncollateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

	Investment Maturity Schedule (In Years)	
<u>Investment Type</u>	<u>Less Than 1</u>	<u>Total</u>
Local Gov't Invest Pool	\$2,601,514	\$2,601,514
Total	\$2,601,514	\$2,601,514

Credit rate risk:

	Investment Rating Schedule	
<u>Investment Type</u>	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	\$2,601,514	\$2,601,514
Total	\$2,601,514	\$2,601,514

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer's office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

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Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Capital Projects Funds	Bond R & I Fund	Total
Local Sources					
Local Taxes	<u>\$261,484</u>		<u>\$66,641</u>	<u>\$239,987</u>	<u>\$568,112</u>
Total	<u><u>\$261,484</u></u>		<u><u>\$66,641</u></u>	<u><u>\$239,987</u></u>	<u><u>\$568,112</u></u>
State Sources					
Foundation Program	\$156,490				\$156,490
Special Programs		<u>\$4,050</u>			<u>4,050</u>
Total	<u><u>\$156,490</u></u>	<u><u>\$4,050</u></u>			<u><u>\$160,540</u></u>
Federal Sources					
Special Programs		<u>\$911,019</u>			<u>\$911,019</u>
Total		<u><u>\$911,019</u></u>			<u><u>\$911,019</u></u>

PARMA SCHOOL DISTRICT NO. 137

Notes to Financial Statements

D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$12,500			\$12,500
Construction in Progress	0			0
Total	<u>12,500</u>	<u>\$0</u>	<u>\$0</u>	<u>12,500</u>
Depreciable Capital Assets				
Buildings	24,945,297			24,945,297
Equipment	440,358	80,914		521,272
Transportation	1,741,661	392,404		2,134,065
Subtotal	<u>27,127,316</u>	<u>473,318</u>	<u>0</u>	<u>27,600,634</u>
Accumulated Depreciation				
Buildings	10,051,113	498,906		10,550,019
Equipment	362,030	22,114		384,144
Transportation	1,378,892	108,563		1,487,455
Subtotal	<u>11,792,035</u>	<u>629,583</u>	<u>0</u>	<u>12,421,618</u>
Total	<u>15,335,281</u>	<u>(156,265)</u>	<u>0</u>	<u>15,179,016</u>
Net Capital Assets	<u>\$15,347,781</u>	<u>(\$156,265)</u>	<u>\$0</u>	<u>\$15,191,516</u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$521,020
Pupil-To-School Transportation	108,563
Total	<u>\$629,583</u>

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Notes to Financial Statements

E. LONG-TERM DEBT

At year end, the School's bonded debt was as follows:

	<u>Outstanding</u>
2009 - \$5,000,000 - general obligation (QSCB tax credit) bonds for capital improvements due in annual installments to a sinking fund held by a third party trustee acting as paying and escrow agent and semiannual interest payments with interest at 2.00% through 2025/26, secured by future taxes, paid through the bond redemption and interest fund	\$2,300,000
2018 - \$4,815,000 - general obligation bonds for capital improvements due in annual principal installments and semiannual interest payments, with interest at 3.00% - 4.00% through 2036/37, secured by future taxes, paid through the bond redemption and interest fund	4,465,000
Total	<u><u>\$6,765,000</u></u>

Maturities on the bonds are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/22	\$665,000	\$274,500
6/30/23	670,000	266,200
6/30/24	680,000	257,600
6/30/25	690,000	248,600
6/30/26	700,000	189,200
6/30/27-31	1,350,000	541,000
6/30/32-36	1,640,000	243,000
6/30/37	370,000	7,400
Total	<u><u>\$6,765,000</u></u>	<u><u>\$2,027,500</u></u>

Capital Leases – The School leases buses that qualify as capital lease obligations. The buses cost \$392,404 and at year end, related accumulated depreciation was \$65,252.

Capital leases due in annual installments of \$72,423 with interest at 3.09% through 2025/26, secured by buses, paid through the bus depreciation fund	\$332,404
Total	<u><u>\$332,404</u></u>

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Notes to Financial Statements

Maturities on the capital leases are estimated as follows:

Year Ended	
6/30/22	\$72,423
6/30/23	72,424
6/30/24	72,423
6/30/25	72,424
6/30/26	72,423
Total Future Minimum Lease Payments	362,117
Amount Representing Interest	(29,713)
Present Value of Future Minimum Lease Payments	\$332,404

Changes in long-term debt are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2009 G.O. QSCB Bonds	\$2,520,000		\$220,000	\$2,300,000	\$460,000
2012 G.O.R. Bonds	555,000		555,000	0	0
2018 G.O. Bonds	4,660,000		195,000	4,465,000	205,000
Bond Premium	243,474		14,322	229,152	14,322
Capital Leases		\$332,404		332,404	63,778
Total	\$7,978,474	\$332,404	\$984,322	\$7,326,556	\$743,100

Interest and related costs during the year amounted to \$272,924, of which \$269,035 was charged to the debt service – interest program and \$3,890 was charged to the pupil-to-school transportation program.

F. PENSION PLAN

Plan Description

The School contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

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Notes to Financial Statements

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020 it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were \$594,486 for the year ended June 30, 2021.

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

At June 30, 2021, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the School's proportion was 0.1281475 percent.

For the year ended June 30, 2021, the School recognized pension revenue (expense) of (\$988,821). At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$232,498	\$97,165
Changes in assumptions or other inputs	50,325	
Net difference between projected and actual earnings on pension plan investments	341,079	
Employer contributions subsequent to the measurement date	594,486	
Total	<u><u>\$1,218,388</u></u>	<u><u>\$97,165</u></u>

\$594,486 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2019 is 4.8 and 4.8 for the measurement period June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension revenue (expense) as follows:

Year Ended	
6/30/22	(\$9,610)
6/30/23	(125,351)
6/30/24	(170,131)
6/30/25	(221,645)
Total	<u><u>(\$526,737)</u></u>

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

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

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

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Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2020.

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Notes to Financial Statements

Capital Market Assumptions from Callen 2020

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return*		5.85%	3.49%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return*	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2018

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return*	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return*	7.05%
*Net of Investment Expenses	

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate.

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

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Notes to Financial Statements

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
School's proportionate share of the net pension liability (asset)	\$6,102,457	\$2,975,754	\$390,481

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Impacts on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan whenever deemed necessary), such deficits are not deemed to be of substantial concern.

G. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

Due To Fund	Due From Fund	
	Nonmajor Governmental	Total
General	\$230,415	\$230,415
Total	\$230,415	\$230,415

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

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Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$53,656	Depreciation
Nonmajor Governmental	\$53,656		Depreciation
Total	<u>\$53,656</u>	<u>\$53,656</u>	

H. DEFERRED COMPENSATION PLAN

The School offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is funded with employee contributions only.

I. CANYON OWYHEE SCHOOL SERVICE AGENCY

The School is involved in a cooperative effort with the Homedale, Marsing, Notus, and Wilder School Districts to provide special and vocational education to the School's students through the Canyon Owyhee School Service Agency (COSSA). During the year, the School paid COSSA \$893,523 for instruction of School students served by COSSA.

J. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

Canyon County entered into tax abatement agreements with local businesses under Idaho code section 63-602NN. Under the code, in exchange for investing in new plant and building facilities within Idaho, businesses receive exemption from local property taxes for a period of up to five years. For fiscal year ending June 30, 2021, Canyon County abated property taxes totaling \$43,951 related to the School.

K. PRIOR PERIOD ADJUSTMENT

During the year, the School implemented GASB No. 84 *Fiduciary Activities*. As required by GASB 84, the School's net position and student activities fund balances were restated by \$281,330 to reflect the implementation of this new standard which requires that certain previously reported fiduciary funds now be classified as governmental funds.

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Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2021

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$1,013,000	\$986,863	\$994,434	\$7,571
Other Local Revenue	71,000	46,000	40,979	(5,021)
State Revenue	6,201,583	6,258,423	6,429,760	171,337
Federal Revenue	0	0	0	0
Total Revenues	<u>7,285,583</u>	<u>7,291,286</u>	<u>7,465,173</u>	<u>173,887</u>
Expenditures				
Instructional Programs				
Elementary School	1,302,862	1,392,518	1,354,689	37,829
Secondary School	2,563,092	2,652,549	2,611,657	40,892
Special Education	689,100	720,693	719,423	1,270
Interscholastic	294,477	301,296	275,724	25,572
School Activity	0	0	0	0
Summer School	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	87,167	87,133	83,961	3,172
Instruction Improvement	210,271	262,883	319,626	(56,743)
Educational Media	150,719	121,266	113,403	7,863
Instruction-Related Technology	0	0	0	0
Board of Education	27,275	33,775	29,980	3,795
District Administration	452,148	447,160	367,821	79,339
School Administration	426,401	428,404	401,857	26,547
Buildings - Care	626,627	634,907	581,019	53,888
Maintenance - Student Occupied	38,000	46,000	0	46,000
Maintenance - Grounds	30,000	22,000	49,847	(27,847)
Security	16,440	16,440	11,631	4,809
Pupil-To-School Transportation	580,545	538,665	508,113	30,552
Pupil-Activity Transportation	25,750	25,750	0	25,750
Other Support Services	0	0	0	0
Non-Instructional Programs				
Child Nutrition	22,812	23,268	20,362	2,906
Community Services	0	0	0	0
Capital Assets - Student Occupied	379,711	379,711	0	379,711
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>7,923,397</u>	<u>8,134,418</u>	<u>7,449,113</u>	<u>685,305 *</u>
Excess (Deficiency) of Revenues Over Expenditures	(637,814)	(843,132)	16,060	859,192
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(43,311)	(53,656)	(53,656)	0 *
Total Other Financing Sources (Uses)	<u>(43,311)</u>	<u>(53,656)</u>	<u>(53,656)</u>	<u>0</u>
Net Change in Fund Balances	<u>(681,125)</u>	<u>(896,788)</u>	<u>(37,596)</u>	<u>859,192</u>
Fund Balances - Beginning	<u>1,250,000</u>	<u>1,638,540</u>	<u>1,638,540</u>	<u>0</u>
Fund Balances - Ending	<u>\$568,875</u>	<u>\$741,752</u>	<u>\$1,600,944</u>	<u>\$859,192</u>

*Total expenditures (over) under appropriations are:

\$685,305

PARMA SCHOOL DISTRICT NO. 137

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Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2021

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Child Nutrition Fund				
Revenues				
Other Local Revenue	\$94,908	\$94,908	\$26,606	(\$68,302)
Federal Revenue	445,000	457,349	516,367	59,018
Total Revenues	<u>539,908</u>	<u>552,257</u>	<u>542,973</u>	<u>(9,284)</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	725,469	777,628	523,152	254,476
Total Expenditures	<u>725,469</u>	<u>777,628</u>	<u>523,152</u>	<u>254,476 *</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(185,561)	(225,371)	19,821	245,192
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(185,561)	(225,371)	19,821	245,192
Fund Balances - Beginning	185,562	225,766	214,318	(11,448)
Fund Balances - Ending	<u>\$1</u>	<u>\$395</u>	<u>\$234,139</u>	<u>\$233,744</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u><u>\$254,476</u></u>

PARMA SCHOOL DISTRICT NO. 137
Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	2021	2020	2019
School's portion of the net pension liability	0.1281475%	0.1339547%	0.1342681%
School's proportionate share of the net pension liability	\$2,975,754	\$1,529,056	\$1,980,478
School's covered payroll	\$4,546,189	\$4,549,647	\$4,423,286
School's proportional share of the net pension liability as a percentage of its covered payroll	65.46%	33.61%	44.77%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%

	2018	2017	2016	2015
School's portion of the net pension liability	0.1366091%	0.1388199%	0.1418233%	0.1461323%
School's proportionate share of the net pension liability	\$2,147,260	\$2,814,093	\$1,867,582	\$1,075,762
School's covered payroll	\$4,243,595	\$4,057,571	\$3,972,429	\$3,958,913
School's proportional share of the net pension liability as a percentage of its covered payroll	50.60%	69.35%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30, 2020.

PARMA SCHOOL DISTRICT NO. 137**Schedule of Employer Contributions****PERSI - Base Plan****Last 10 - Fiscal Years***

	2021	2020	2019
Statutorily required contribution	\$594,486	\$542,815	\$515,020
Contributions in relation to the statutorily required contribution	\$594,486	\$542,815	\$515,020
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$4,978,945	\$4,546,189	\$4,549,647
Contributions as a percentage of covered payroll	11.94%	11.94%	11.32%

	2018	2017	2016	2015
Statutorily required contribution	\$500,716	\$480,375	\$459,317	\$449,679
Contributions in relation to the statutorily required contribution	\$500,716	\$480,375	\$459,317	\$449,679
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$4,423,286	\$4,243,595	\$4,057,571	\$3,972,429
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

PARMA SCHOOL DISTRICT NO. 137
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Page 1 of 6

	Special Revenue Funds			
	Student Activity	Driver Education	Professional Technical	Technology
Assets				
Cash & Investments	\$325,666	\$23,642		\$10,845
Receivables:				
Local Sources				
State Sources		4,050		
Federal Sources				
Due From Other Funds				
Inventory				
Total Assets	<u>\$325,666</u>	<u>\$27,692</u>	<u>\$0</u>	<u>\$10,845</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs	325,666	27,692		10,845
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
Total Fund Balances	<u>325,666</u>	<u>27,692</u>	<u>0</u>	<u>10,845</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$325,666</u>	<u>\$27,692</u>	<u>\$0</u>	<u>\$10,845</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Page 2 of 6

	Special Revenue Funds			
	Substance Abuse	Title I-A ESSA IBP	ESSER I	Title I-C ESSA EMC
Assets				
Cash & Investments	\$9,105			
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$133,290		\$46,466
Due From Other Funds				
Inventory				
Total Assets	<u>\$9,105</u>	<u>\$133,290</u>	<u>\$0</u>	<u>\$46,466</u>
Liabilities				
Accounts Payable				
Due To Other Funds		\$85,474		\$20,649
Salaries & Benefits Payable	\$1,826	27,006		4,965
Unspent Grant Allocation		20,810		20,852
Total Liabilities	<u>1,826</u>	<u>133,290</u>	<u>\$0</u>	<u>46,466</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs	7,279			
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
Total Fund Balances	<u>7,279</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$9,105</u>	<u>\$133,290</u>	<u>\$0</u>	<u>\$46,466</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Page 3 of 6

	Special Revenue Funds			
	ESSER II	Title IV-A ESSA SS&AE	Title III ESSA ELA	Title II-A ESSA SEI
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$586,384	\$5,705	\$10,120	\$24,748
Due From Other Funds				
Inventory				
Total Assets	<u>\$586,384</u>	<u>\$5,705</u>	<u>\$10,120</u>	<u>\$24,748</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$85,255	\$2,352	\$2,685	\$13,759
Salaries & Benefits Payable		3,353		3,869
Unspent Grant Allocation	501,129		7,435	7,120
Total Liabilities	<u>586,384</u>	<u>5,705</u>	<u>10,120</u>	<u>24,748</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$586,384</u>	<u>\$5,705</u>	<u>\$10,120</u>	<u>\$24,748</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Page 4 of 6

	Special Revenue Funds			
	FEMA Grant	Title IV-B ESSA 21st CCLC	CRF	CRF Special Distribution
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$12,543		
Due From Other Funds				
Inventory				
Total Assets	<u>\$0</u>	<u>\$12,543</u>	<u>\$0</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds		\$12,543		
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>12,543</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$12,543</u>	<u>\$0</u>	<u>\$0</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Page 5 of 6

	<u>Special Revenue</u>	<u>Capital Projects Funds</u>		
	<u>CRF</u>	<u>Plant</u>		<u>School</u>
	<u>K-4 / K-12</u>	<u>Facilities</u>	<u>Bus</u>	<u>Building</u>
	<u>Learning Loss</u>	<u>Fund</u>	<u>Depreciation</u>	<u>Maintenance</u>
Assets				
Cash & Investments		\$161,775	\$76,646	\$35,502
Receivables:				
Local Sources		66,641		
State Sources				
Federal Sources	\$89,325			
Due From Other Funds				
Inventory				
Total Assets	<u>\$89,325</u>	<u>\$228,416</u>	<u>\$76,646</u>	<u>\$35,502</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$7,698			
Salaries & Benefits Payable				
Unspent Grant Allocation	81,627			
Total Liabilities	<u>89,325</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues		10,069		
Total Deferred Inflows of Resources	<u>0</u>	<u>10,069</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects		218,347	76,646	35,502
Nonspendable				
Unassigned				
Total Fund Balances	<u>0</u>	<u>218,347</u>	<u>76,646</u>	<u>35,502</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$89,325</u>	<u>\$228,416</u>	<u>\$76,646</u>	<u>\$35,502</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Page 6 of 6

	<u>Total</u>
Assets	
Cash & Investments	\$643,181
Receivables:	
Local Sources	66,641
State Sources	4,050
Federal Sources	908,581
Due From Other Funds	0
Inventory	0
Total Assets	<u><u>\$1,622,453</u></u>
Liabilities	
Accounts Payable	\$0
Due To Other Funds	230,415
Salaries & Benefits Payable	41,019
Unspent Grant Allocation	638,973
Total Liabilities	<u><u>910,407</u></u>
Deferred Inflows of Resources	
Unavailable Tax Revenues	10,069
Total Deferred Inflows of Resources	<u><u>10,069</u></u>
Fund Balances	
Restricted:	
Special Programs	371,482
Debt Service	0
Capital Projects	330,495
Nonspendable	0
Unassigned	0
Total Fund Balances	<u><u>701,977</u></u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u><u>\$1,622,453</u></u>

PARMA SCHOOL DISTRICT NO. 137
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

Page 1 of 6

	Special Revenue Funds			
	Student Activity	Driver Education	Professional Technical	Technology
Revenues				
Local Taxes				
Other Local Revenue	\$391,216	\$11,895		\$10,852
State Revenue		12,750	\$23,632	110,919
Federal Revenue				
Total Revenues	<u>391,216</u>	<u>24,645</u>	<u>23,632</u>	<u>121,771</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School		18,012	26,882	
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement			1,524	113,775
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Buildings - Care				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Community Services	346,880			
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>346,880</u>	<u>18,012</u>	<u>28,406</u>	<u>113,775</u>
Excess (Deficiency) of Revenues				
Over Expenditures	44,336	6,633	(4,774)	7,996
Other Financing Sources (Uses)				
Proceeds From Capital Lease				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	44,336	6,633	(4,774)	7,996
Fund Balances - Beginning - As Prev. Stated	0	21,059	4,774	2,849
Restatement - See Note K	281,330			
Fund Balances - Beginning - As Restated	<u>281,330</u>	<u>21,059</u>	<u>4,774</u>	<u>2,849</u>
Fund Balances - Ending	<u>\$325,666</u>	<u>\$27,692</u>	<u>\$0</u>	<u>\$10,845</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

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	Special Revenue Funds		
	Substance Abuse	Title I-A ESSA IBP	Title I-C ESSA EMC
Revenues			
Local Taxes			
Other Local Revenue			
State Revenue	\$14,456		
Federal Revenue		\$207,489	\$173,890
Total Revenues	<u>14,456</u>	<u>207,489</u>	<u>51,457</u>
Expenditures			
Instructional Programs			
Elementary School	11,163	142,692	17,258
Secondary School			
Special Education			
Interscholastic			
School Activity			
Summer School			
Support Service Programs			
Attendance - Guidance - Health			19,998
Instruction Improvement		63,871	14,171
Educational Media			
Instruction-Related Technology			
Board of Education			
District Administration			
School Administration			
Buildings - Care			
Maintenance - Student Occupied			9,457
Maintenance - Grounds			
Security			
Pupil-To-School Transportation			
Pupil-Activity Transportation			
Other Support Services			164,433
Non-Instructional Programs			
Child Nutrition			
Community Services		926	30
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	<u>11,163</u>	<u>207,489</u>	<u>51,457</u>
Excess (Deficiency) of Revenues			
Over Expenditures	3,293	0	0
Other Financing Sources (Uses)			
Proceeds From Capital Lease			
Transfers In			
Transfers Out			
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	3,293	0	0
Fund Balances - Beginning - As Prev. Stated	3,986	0	0
Restatement - See Note K			
Fund Balances - Beginning - As Restated	<u>3,986</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$7,279</u>	<u>\$0</u>	<u>\$0</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

Page 3 of 6

	Special Revenue Funds			
	ESSER II	Title IV-A ESSA SS&AE	Title III ESSA ELA	Title II-A ESSA SEI
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$114,534	\$18,598	\$6,943	\$29,006
Total Revenues	<u>114,534</u>	<u>18,598</u>	<u>6,943</u>	<u>29,006</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement		18,598	6,943	29,006
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Buildings - Care				
Maintenance - Student Occupied	63,780			
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services	50,754			
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>114,534</u>	<u>18,598</u>	<u>6,943</u>	<u>29,006</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Proceeds From Capital Lease				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning - As Prev. Stated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restatement - See Note K				
Fund Balances - Beginning - As Restated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

Page 4 of 6

	Special Revenue Funds			
	FEMA Grant	Title IV-B ESSA 21st CCLC	CRF	CRF Special Distribution
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$18,428			
Federal Revenue	68,426	\$163,565	\$165,414	\$330,649
Total Revenues	<u>86,854</u>	<u>163,565</u>	<u>165,414</u>	<u>330,649</u>
Expenditures				
Instructional Programs				
Elementary School		163,565		
Secondary School				
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Buildings - Care				
Maintenance - Student Occupied	38,517			4,480
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services	48,337		165,414	326,169
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>86,854</u>	<u>163,565</u>	<u>165,414</u>	<u>330,649</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Proceeds From Capital Lease				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning - As Prev. Stated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restatement - See Note K				
Fund Balances - Beginning - As Restated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

PARMA SCHOOL DISTRICT NO. 137
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

Page 5 of 6

	<u>Special Revenue</u>	<u>Capital Projects Funds</u>		
	<u>CRF</u>	<u>Plant</u>		<u>School</u>
	<u>K-4 / K-12</u>	<u>Facilities</u>	<u>Bus</u>	<u>Building</u>
	<u>Learning Loss</u>	<u>Fund</u>	<u>Depreciation</u>	<u>Maintenance</u>
Revenues				
Local Taxes		\$148,963		\$103,906
Other Local Revenue		36,170	\$6,023	
State Revenue				126,692
Federal Revenue	\$7,698			
Total Revenues	<u>7,698</u>	<u>185,133</u>	<u>6,023</u>	<u>230,598</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Special Education				
Interscholastic		9,982		
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Buildings - Care				
Maintenance - Student Occupied				195,096
Maintenance - Grounds				
Security				
Pupil-To-School Transportation			392,404	
Pupil-Activity Transportation				
Other Support Services	7,698			
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied		88,539		
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>7,698</u>	<u>98,521</u>	<u>392,404</u>	<u>195,096</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	86,612	(386,381)	35,502
Other Financing Sources (Uses)				
Proceeds From Capital Lease			332,404	
Transfers In			53,656	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>386,060</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>86,612</u>	<u>(321)</u>	<u>35,502</u>
Fund Balances - Beginning - As Prev. Stated	<u>0</u>	<u>131,735</u>	<u>76,967</u>	<u>0</u>
Restatement - See Note K				
Fund Balances - Beginning - As Restated	<u>0</u>	<u>131,735</u>	<u>76,967</u>	<u>0</u>
Fund Balances - Ending	<u><u>\$0</u></u>	<u><u>\$218,347</u></u>	<u><u>\$76,646</u></u>	<u><u>\$35,502</u></u>

PARMA SCHOOL DISTRICT NO. 137
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

Page 6 of 6

	Total
Revenues	
Local Taxes	\$252,869
Other Local Revenue	456,156
State Revenue	306,877
Federal Revenue	1,337,669
Total Revenues	2,353,571
Expenditures	
Instructional Programs	
Elementary School	334,678
Secondary School	44,894
Special Education	0
Interscholastic	9,982
School Activity	0
Summer School	0
Support Service Programs	
Attendance - Guidance - Health	19,998
Instruction Improvement	247,888
Educational Media	0
Instruction-Related Technology	0
Board of Education	0
District Administration	0
School Administration	0
Buildings - Care	0
Maintenance - Student Occupied	311,330
Maintenance - Grounds	0
Security	0
Pupil-To-School Transportation	392,404
Pupil-Activity Transportation	0
Other Support Services	762,805
Non-Instructional Programs	
Child Nutrition	0
Community Services	347,836
Capital Assets - Student Occupied	88,539
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	2,560,354
Excess (Deficiency) of Revenues	
Over Expenditures	(206,783)
Other Financing Sources (Uses)	
Proceeds From Capital Lease	332,404
Transfers In	53,656
Transfers Out	0
Total Other Financing Sources (Uses)	386,060
Net Change in Fund Balances	179,277
Fund Balances - Beginning - As Prev. Stated	241,370
Restatement - See Note K	281,330
Fund Balances - Beginning - As Restated	522,700
Fund Balances - Ending	\$701,977

PARMA SCHOOL DISTRICT NO. 137
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	202020/202121N109947	\$90,640
National School Lunch Program*	10.555	202020/202121N109947	382,102
Total Child Nutrition Cluster			472,742
Child & Adult Care Food Program	10.558	202020/202121N109947	14,078
Fresh Fruit & Vegetable Program	10.582	202020/202121L160347	17,198
Total US Dept of Agriculture			504,018
US Dept of Treasury			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus Relief Fund	21.019	20-1892-0-1-806	516,110
Total US Dept of Treasury			516,110
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	S010A19/200012	207,489
Migrant Education - State Grant Program	84.011	S011A19/200012	51,457
Twenty-First Century Community Learning Centers	84.287	S287C19/200012	163,565
English Language Acquisition State Grants	84.365	S365A19/200012	6,943
Supporting Effective Instruction State Grants	84.367	S367A19/200011	29,006
Student Support & Academic Enrichment	84.424	S424A19/200013	18,598
COVID-19 - Education Stabilization Fund	84.425	S425D20/210043	288,424
Total US Dept of Education			765,482
US Dept of Homeland Security			
<i>Passed Through State of Idaho Office of Emergency Management</i>			
Disaster Grants - Public Assistance	97.036	4534DRIDP00000001	68,426
Total US Dept of Homeland Security			68,426
Total Expenditures of Federal Awards			\$1,854,036

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$20,657.



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Board of Trustees
Parma School District No. 137

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Parma School District No. 137 (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 20, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
August 20, 2021



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Parma School District No. 137

Report on Compliance for Each Major Federal Program

We have audited Parma School District No. 137 (the School's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Quest CPAs PLLC

Payette, Idaho
August 20, 2021

PARMA SCHOOL DISTRICT NO. 137
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified
	• Each Major Fund • Aggreg Remain Fund Info
	Qualified
	• Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
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Major program identification:

- a. Child Nutrition Cluster – CFDA #10.553, 10.555
- b. COVID-19 – Coronavirus Relief Fund – CFDA #21.019

Dollar threshold used to distinguish between type A and B programs:	\$750,000
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Auditee qualified as a low-risk auditee?	No
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