



MINERAL POINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended June 30, 2021

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Mineral Point Unified School District
June 30, 2021
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Mineral Point Unified School District
Mineral Point, Wisconsin

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 through 12 and budgetary comparison information and the Wisconsin Retirement System schedules on pages 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 19, 2021

**MINERAL POINT UNIFIED
SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

The discussion and analysis of the Mineral Point Unified School District's financial information provides an overall review of financial activities for the fiscal year. The analysis generally focuses on school district financial performance as a whole. It should be read in conjunction with the Independent Auditor's Report at the front of this report and the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total governmental revenues were \$13,053,488; including \$4,775,665 of property taxes, \$4,911,480 of state formula aid, and \$3,366,343 of charges for services, operating grants, capital grants, gain on sale of fixed assets, interest and investment earnings and miscellaneous revenue. Total governmental expenditures were \$11,940,970; including \$6,571,638 for direct instruction.

The District amount of outstanding long-term obligations and non-current liabilities decreased by \$510,904.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

District-wide financial statements

- The district-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business.
- The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *Statement of Activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.
- The district-wide financial statements are shown on pages 13 and 14 of this report.

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Fund financial statements

- The District also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the district-wide statements and provide information that may be useful in evaluating a district's short-term financing requirements.
- There are two fund financial statements, the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balance*. Generally, fund statements focus on short-term inflows and outflows of spendable resources and their impact on fund balance.
- Because the focus of fund financial statements is narrower than that of the district-wide statements, it is useful to make comparison between the information presented. By doing so, readers may better understand the long-term implication of the government's short-term financial decisions. A reconciliation to facilitate this comparison is provided either at the bottom of the governmental funds statement or as a separate statement.
- The District has one kind of fund: *Governmental funds* include the District's six ongoing funds (general and special education, special revenue trust, community service, debt service, food service and capital project).
- Financial information is presented separately on both the *Balance Sheet* and *Statement of Revenues, Expenditures and Changes in Fund Balance* for the general/special education fund and capital projects fund as these are considered to be major funds. Data for the special revenue trust, community service, food service, and debt service funds is combined into a single, aggregated column. Data for each of these individual non-major funds is provided separately as supplementary information.
- The District adopts an annual appropriated budget for its general fund and special education fund. Budgetary comparison statements have been provided to demonstrate budget compliance. The budgetary comparison statements are on pages 44 and 45 of this report.

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Notes to the financial statements

The Notes to the Financial Statements provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 43 of this report.

The major features of the District's financial statements, including the portion of the activities reported and the type of information contained is shown in the table below.

	District-Wide Statements	Fund Financial Statements
		Governmental
Scope	Entire district (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, capital projects and debt service.
Required financial statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures and Changes in Fund Balances
Basis of accounting and measurement focus	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2021.

**Table 1
Condensed Statement of Net Position**

	Total School District	
	2021	2020
Current assets	\$ 8,344,249	\$15,466,480
Noncurrent assets	19,217,290	11,003,192
Total assets	<u>\$27,561,539</u>	<u>\$26,469,672</u>
Deferred pension outflows	\$ 2,758,933	\$ 1,969,432
Total deferred outflows	<u>\$ 2,758,933</u>	<u>\$ 1,969,432</u>
Total assets & deferred outflows	<u>\$30,320,472</u>	<u>\$28,439,104</u>
Current liabilities	\$ 1,944,067	1,781,510
Long-term liabilities	12,153,158	12,664,062
Total liabilities	<u>\$14,097,225</u>	<u>\$14,445,572</u>
Deferred pension inflows	\$3,873,674	\$2,756,477
Total deferred inflows	<u>\$3,873,674</u>	<u>\$2,756,477</u>
Net position		
Net investment in capital assets	\$ 5,360,347	\$ 7,079,248
Restricted	6,363,477	2,276,290
Unrestricted	625,749	1,881,517
Total net position	<u>\$12,349,573</u>	<u>\$11,237,055</u>
Total liabilities, deferred inflows & net position	<u>\$30,320,472</u>	<u>\$28,439,104</u>

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Table 2, below, provides a summary of the District's operating results and their impact on net position for the year ended June 30, 2021. The District relied primarily on property taxes (36.58%) and state aids (37.63%) to fund its operations. Combined, these account for 74.21% of all revenues or \$9.68 million. Program revenues, in the form of charges for services (.43%), operating grants and contributions (24.28%) and capital grants and contributions (.26%), and other (.82%) accounted for \$3.37 million of the total revenue of \$13.05 million.

Table 2
Changes in Net Position from Operating Results

	Total School District	
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 56,169	\$ 231,629
Operating grants and contributions	3,169,805	3,039,764
Capital grants and contributions	33,284	79,574
General revenues		
Property taxes	4,775,665	4,527,898
State formula aid	4,911,480	4,533,326
Other	107,085	295,638
Total revenues	\$13,053,488	\$12,707,829
Expenses		
Instruction	\$ 6,571,638	\$ 7,002,024
Pupil and instructional services	882,198	876,473
Administration	2,876,733	2,767,176
Central services/Insurance	139,400	147,776
Interest expense & fiscal charges	341,174	598,208
Other support services	487,118	491,507
Purchased instructional services	638,699	467,205
Post-Secondary scholarships	4,010	8,450
Total expenses	\$11,940,970	\$12,358,819
Gain (loss) on disposal of fixed assets	(0)	(57,362)
Changes in Net Position	\$ 1,112,518	291,648

**MINERAL POINT UNIFIED
SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

Table 3, below, shows the District's total cost for providing the seven major district activities and their respective net cost. The net cost of services is the result after subtracting charges for services and operating grants and contributions that the District used to offset the program's total cost. The cost of all governmental activities this year was \$11,940,970. Individuals who directly participated or benefited from a program offering paid for \$56,169 of costs. Federal, state governments, and local aid subsidized certain programs with grants and contributions of \$3,203,089. General revenues of the District financed the net cost of governmental activities \$9,794,230.

**Table 3
Net Cost of Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2021	2021	2020	2020
Instruction	\$ 6,571,638	\$ 3,856,056	\$ 7,002,024	\$ 4,280,466
Pupil and instructional services	882,198	772,410	876,473	720,249
Administration	2,876,733	2,505,325	2,767,176	2,343,344
Central services /Insurances	139,400	139,400	147,776	147,776
Other support services	283,700	283,700	291,041	291,041
Interest expense	341,174	313,653	598,208	568,208
Depreciation-Unallocated	200,466	200,466	200,466	200,466
Community services	2,952	2,952		
Purchased instruction services	638,699	627,890	467,205	448,352
Post-Secondary scholarships	4,010	(20,140)	8,450	7,950
Total	\$ 11,940,970	\$ 8,681,712	\$ 12,358,819	\$ 9,007,852

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Table 4, below shows the original and final budgeted amounts and the actual budget and variance with the final budget.

	Budget Amounts			Variance with	Variance with
	Original	Final	Actual	Original Budget Favorable (Unfavorable)	Final Budget Favorable (Unfavorable)
REVENUES					
Property taxes	\$3,816,630	\$3,879,583	\$3,879,493	\$62,863	\$(90)
Other local sources	48,150	48,150	37,562	(10,588)	(10,588)
Interdistrict sources	873,321	873,321	860,981	(12,340)	(12,340)
Intermediate sources	5,000	5,000	4,177	(823)	(823)
State sources	5,749,022	5,742,187	5,768,571	19,549	26,384
Federal sources	153,000	153,000	247,002	94,002	94,002
Other sources			9,277	9,277	9,277
Total Revenues	<u>10,645,123</u>	<u>10,701,241</u>	<u>10,807,063</u>	<u>161,940</u>	<u>105,822</u>
EXPENDITURES					
Instruction:					
Undifferentiated instruction	2,230,036	2,193,536	2,161,444	68,592	32,092
Regular instruction	2,218,301	2,312,301	2,259,323	(41,022)	52,978
Vocational instruction	350,508	350,508	378,113	(27,605)	(27,605)
Physical instruction	246,366	246,366	252,547	(6,181)	(6,181)
Co-curricular activities	481,763	471,763	425,551	56,212	46,212
Total Instruction	<u>5,526,974</u>	<u>5,574,474</u>	<u>5,476,978</u>	<u>49,996</u>	<u>97,496</u>
Support Services					
Pupil Services	236,302	236,302	234,840	1,462	1,462
Instructional staff services	378,209	361,209	419,925	(41,716)	(58,716)
General administration services	265,143	265,143	269,378	(4,235)	(4,235)
Building administration services	550,985	550,985	537,786	13,199	13,199
Business administration	1,592,362	1,561,862	1,435,332	157,030	126,530
Central services	48,400	48,400	38,255	10,145	10,145
Insurance	86,161	86,161	78,882	7,279	7,279
Principal and interest	70,241	70,241	81,087	(10,846)	(10,846)
Other support services	462,501	462,501	168,415	294,086	294,086
Total support services	<u>3,690,304</u>	<u>3,642,804</u>	<u>3,263,900</u>	<u>426,404</u>	<u>378,904</u>
Non-Program Transactions:					
Purchased instructional services	316,996	372,562	512,509	(195,513)	(139,947)
Total Expenditures	<u>9,534,274</u>	<u>9,589,840</u>	<u>9,253,387</u>	<u>280,887</u>	<u>336,453</u>
Excess (deficiency) of revenues over expenditures	<u>1,110,849</u>	<u>1,111,401</u>	<u>1,553,676</u>	<u>442,827</u>	<u>442,275</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,111,401)	(1,111,401)	(1,520,817)	(409,416)	(409,416)
Total other financing sources (uses)	<u>(1,111,401)</u>	<u>(1,111,401)</u>	<u>(1,520,817)</u>	<u>(409,416)</u>	<u>(409,416)</u>
Net change in fund balance	<u>(552)</u>		<u>32,859</u>	<u>33,411</u>	<u>32,859</u>
Fund balance - beginning	<u>2,323,543</u>	<u>2,323,543</u>	<u>2,323,543</u>	<u>0</u>	<u>0</u>
Fund balance-ending	<u>\$2,322,991</u>	<u>\$2,323,543</u>	<u>\$2,356,402</u>	<u>\$33,411</u>	<u>\$32,859</u>

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

	Budget Amounts			Variance with Original Budget Favorable	Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)	(Unfavorable)
REVENUES					
Interdistrict sources	4,500	4,500	4,732	232	232
Intermediate sources			471	471	471
State sources	470,881	470,881	439,624	(31,257)	(31,257)
Federal sources	205,000	205,000	188,152	(16,848)	(16,848)
Total revenues	<u>680,381</u>	<u>680,381</u>	<u>632,979</u>	<u>(47,402)</u>	<u>(47,402)</u>
EXPENDITURES					
Instruction:					
Special Instruction	1,357,623	1,357,623	1,371,417	(13,794)	(13,794)
Total instruction	<u>1,357,623</u>	<u>1,357,623</u>	<u>1,371,417</u>	<u>(13,794)</u>	<u>(13,794)</u>
Support Services					
Pupil Services	113,518	113,518	114,695	(1,177)	(1,177)
Instructional staff services	175,309	175,309	147,475	27,834	27,834
Building administration services	3,200	3,200	3,075	125	125
Total support services	<u>292,027</u>	<u>292,027</u>	<u>265,245</u>	<u>26,782</u>	<u>26,782</u>
Non-Program Transactions					
Purchased instructional services	103,855	103,855	126,188	(22,333)	(22,333)
Total non-program transactions	<u>103,855</u>	<u>103,855</u>	<u>126,188</u>	<u>(22,333)</u>	<u>(22,333)</u>
Total expenditures	<u>1,753,505</u>	<u>1,753,505</u>	<u>1,762,850</u>	<u>(9,345)</u>	<u>(9,345)</u>
Excess of revenues over (under) expenditures	<u>(1,073,124)</u>	<u>(1,073,124)</u>	<u>(1,129,871)</u>	<u>(56,747)</u>	<u>(56,747)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,073,124	1,073,124	1,129,871	56,747	56,747
Total other financing sources (uses)	<u>1,073,124</u>	<u>1,073,124</u>	<u>1,129,871</u>	<u>56,747</u>	<u>56,747</u>
Net change in fund balances					
Fund balance - beginning					
Fund balance - ending					

**MINERAL POINT UNIFIED
SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of \$7,041,740 down from last year's ending fund balance of \$14,395,574.

- The general fund had an increase in fund balance of \$32,859.

The capital projects fund had a decrease in fund balance of \$7,476,039.

- The debt service fund had an increase fund balance of \$358. The fund balance of the debt service fund will fluctuate from year to year. The District makes principal and interest payments in April, and is required to carry a balance at least sufficient to cover the payments until property taxes are collected in the second half of the year.

The special revenue fund had an increase of \$60,977.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021 the District had invested over \$27.45 million in capital assets, including buildings, site improvements, and furniture and equipment (see Table 5 below). The District recognized depreciation expense of \$ 629,990 for this fiscal year. Detailed information about capital assets can be found in Note 4 to the financial statements.

Table 5

	Capital Assets	
Governmental Activities	Balance 6/30/2021	Balance 6/30/2020
Total capital assets, not being depreciated	\$ 9,745,005	\$2,025,044
Total capital assets, being depreciated	17,707,669	17,433,837
Total capital assets	27,452,674	19,458,881
Total accumulated depreciation	10,002,255	9,372,265
Governmental activities capital assets, net	\$17,450,419	10,086,616

**MINERAL POINT UNIFIED
SCHOOL DISTRICT**
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Long-Term Obligations

At the end of fiscal year 2021, the District had \$12,153,158 in general obligation bonds and other long-term debt and liabilities (see Table 6 below). The District's outstanding long-term obligations decreased by \$510,904. Detailed information about the District's long-term obligations is presented in Note 5 to the financial statements.

Table 6

Outstanding Long-Term Obligations

	<u>Total School District</u>	
	<u>2021</u>	<u>2020</u>
Notes Payable	\$ 11,803,638	\$ 12,327,749
Debt premium	229,836	
Capital leases	56,600	128,285
Vested employee sick leave	615,910	571,557
Current portion	(552,826)	(606,313)
Total	\$12,153,158	\$12,664,062

FACTORS BEARING ON THE DISTRICT'S FUTURE

Circumstances that may impact the District's financial status in the future are as follows:

- The District will have an increase in enrollment for 2021-2022.
- The District experienced a reduced amount of state aid as the majority of school funding was given directly to property tax payers.
- Both the support and certified groups are settled for the 2021-2022 year. Both groups share an Employee Handbook Agreement.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Mitch Wainwright, District Administrator, (608) 987-0740 or Marsha Kjelland, District Bookkeeper, (608) 987-0742, Mineral Point Unified School District, 705 Ross Street, Mineral Point, WI 53565.

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Mineral Point Unified School District
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,096,594
Cash and cash equivalents - restricted	4,733,666
Accounts receivable	30
Taxes receivable	1,292,103
Inventory	5,031
Due from other governmental units	102,073
Prepays	114,752
Total current assets	8,344,249
Noncurrent assets:	
Capital assets	
Property, plant and equipment	27,452,674
Less: accumulated depreciation	(10,002,255)
Net book value of capital assets	17,450,419
Net pension asset - restricted	1,766,871
Total noncurrent assets	19,217,290
Total assets	27,561,539
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	2,758,933
Total assets and deferred outflows of resources	\$ 30,320,472
LIABILITIES	
Current liabilities:	
Accrued salaries and wages	\$ 54,356
Accounts payable	1,227,816
Customer deposits	20,337
Accrued interest payable	88,732
Current portion of long-term obligations	552,826
Total current liabilities	1,944,067
Noncurrent liabilities:	
Notes and bonds payable, plus unamortized debt premiums of \$229,836	12,033,474
Capital lease	56,600
Vested employee sick leave	615,910
Less: current portion	(552,826)
Total noncurrent liabilities	12,153,158
Total liabilities	14,097,225
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	3,873,674
NET POSITION	
Net investment in capital assets	5,360,347
Restricted	
Capital projects	3,892,626
Special revenue	452,031
Community service	74,877
Debt service	177,072
Net pension asset	1,766,871
Unrestricted	625,749
Total net position	12,349,573
Total liabilities, deferred inflows of resources, and net position	\$ 30,320,472

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

<u>Functions/Programs</u>	Program Revenues			Net (Expenses)	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental activities:					
Instruction:					
Regular instruction	\$ 4,098,078	\$ 19,916	\$ 1,887,928		\$ (2,190,234)
Vocational education	356,803		17,328		(339,475)
Special education	1,334,020		673,066		(660,954)
Other instruction	782,737	3,431	113,913		(665,393)
Total instruction	6,571,638	23,347	2,692,235		(3,856,056)
Support services:					
Pupil services	322,998		1,558		(321,440)
Instructional staff services	559,200		108,230		(450,970)
General administration services	259,889				(259,889)
Building administration services	524,636		3,360		(521,276)
Business administration	2,092,208	32,822	329,463	5,763	(1,724,160)
Central services	60,518				(60,518)
Insurance	78,882				(78,882)
Other support services	283,700				(283,700)
Interest expense and fiscal charges	341,174			27,521	(313,653)
Depreciation - unallocated	200,466				(200,466)
Community services	2,952				(2,952)
Total support services	4,726,623	32,822	442,611	33,284	(4,217,906)
Non-program transactions:					
Purchased instructional services	638,699		10,809		(627,890)
Post-Secondary scholarships	4,010		24,150		20,140
Total non-program transactions:	642,709		34,959		(607,750)
Total governmental activities	\$ 11,940,970	\$ 56,169	\$ 3,169,805	\$ 33,284	\$ (8,681,712)
General revenues:					
Property taxes					
General purposes					3,878,583
Debt services					805,172
Other taxes					91,910
Federal and State aid not restricted for specific purposes					
General					4,911,480
Interest and investment earnings					97,807
Miscellaneous					9,278
Total general revenues					9,794,230
Changes in net position					1,112,518
Net position - beginning of year					11,237,055
Net position - end of year					\$ 12,349,573

Exhibit A-3
Mineral Point Unified School District
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 1,257,711		\$ 838,883	\$ 2,096,594
Cash and investments - restricted		4,733,666		4,733,666
Accounts receivable			30	30
Taxes receivable	1,292,103			1,292,103
Inventory			5,031	5,031
Due from other funds		350,000		350,000
Due from other governments	102,073			102,073
Prepays	114,752			114,752
Total assets	\$ 2,766,639	\$ 5,083,666	\$ 843,944	\$ 8,694,249
LIABILITIES				
Accrued wages and payroll taxes	\$ 54,356			\$ 54,356
Accounts payable	5,881	1,191,040	30,895	1,227,816
Customer deposits			20,337	20,337
Due to other funds	350,000			350,000
Total liabilities	410,237	1,191,040	51,232	1,652,509
FUND BALANCES				
Non-spendable	114,752			114,752
Restricted		3,892,626	792,712	4,685,338
Unassigned	2,241,650			2,241,650
Total fund balances	2,356,402	3,892,626	792,712	7,041,740
Total liabilities and fund balances	\$ 2,766,639	\$ 5,083,666	\$ 843,944	\$ 8,694,249

Exhibit A-4
 Mineral Point Unified School District
 Reconciliation of the Governmental Funds Balance Sheet
 with the Statement of Net Position
 June 30, 2021

	June 30, 2021
Total fund balances - governmental funds:	\$ 7,041,740
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:	
Governmental capital assets	27,452,674
Governmental accumulated depreciation	(10,002,255) 17,450,419
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.	
	1,766,871
Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the statement of net position and are being amortized with pension expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.	
Deferred outflows of resources	2,758,933
Deferred inflows of resources	(3,873,674)
Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:	
General obligation debt	11,803,638
Debt premiums	229,836
Capital leases	56,600
Accrued interest on long-term debt	88,732
Vested employee sick leave	615,910 (12,794,716)
Total net position - governmental activities	\$ 12,349,573

Exhibit A-5
Mineral Point Unified School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES				
Property taxes	\$ 3,879,493	\$	\$ 896,172	\$ 4,775,665
Other local sources	37,562	75,410	343,108	456,080
Interdistrict sources	865,713			865,713
Intermediate sources	4,648			4,648
State sources	6,208,195		8,392	6,216,587
Federal sources	435,154		277,416	712,570
Other sources	9,277			9,277
Total revenues	11,440,042	75,410	1,525,088	13,040,540
EXPENDITURES				
Instruction:				
Regular instruction	4,420,767		69,982	4,490,749
Vocational instruction	378,113		3,626	381,739
Special instruction	1,371,417			1,371,417
Other instruction	678,098		133,910	812,008
Total instruction	6,848,395		207,518	7,055,913
Support services:				
Pupil services	349,535			349,535
Instructional staff services	567,400		6,152	573,552
General administration services	269,378			269,378
Building administration services	540,861		3,083	543,944
Business administration	1,435,332	7,901,449	381,937	9,718,718
Central services	38,255			38,255
Insurance	78,882			78,882
Principal and interest	81,087		871,442	952,529
Other support services	168,415			168,415
Community services			2,546	2,546
Total support services	3,529,145	7,901,449	1,265,160	12,695,754
Non-program transactions:				
Purchased instructional services	638,697			638,697
Post-Secondary scholarships			4,010	4,010
Total non-program transactions:	638,697		4,010	642,707
Total expenditures	11,016,237	7,901,449	1,476,688	20,394,374
Excess (deficiency) of revenues over expenditures	423,805	(7,826,039)	48,400	(7,353,834)
OTHER FINANCING SOURCES (USES)				
Transfer to other funds	(390,946)			(390,946)
Transfer from other funds		350,000	40,946	390,946
Total other financing sources (uses)	(390,946)	350,000	40,946	
Net change in fund balances	32,859	(7,476,039)	89,346	(7,353,834)
Fund balance - beginning	2,323,543	11,368,665	703,366	14,395,574
Fund balance - ending	\$ 2,356,402	\$ 3,892,626	\$ 792,712	\$ 7,041,740

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

Net change in fund balances-total governmental funds \$ (7,353,834)

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

The acquisition of capital assets are reported in the governmental funds as
 expenditures. However, for governmental activities, those costs are shown in
 the statement of net position and allocated over their estimated useful lives as
 annual depreciation expense in the statement of activities.

Capital outlay reported in governmental fund statements	7,993,793	
Depreciation expense reported in the statement of activities	<u>(629,990)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		7,363,803

Vested employee benefits are reported in the governmental funds when amounts
 are paid. The statement of activities reports the value of benefits earned
 during the year.

Change in compensated absences	(44,353)
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Long-term proceeds provide current financial resources to governmental funds,
 but issuing long-term debt increases long-term liabilities in the statement of
 net position. Repayment of principal on long-term debt is reported in the
 governmental funds as an expenditure, but is reported as a reduction in
 long-term debt in the statement of net position and does not affect the statement
 of activities.

Principal payments on long-term loans and capital leases	595,796
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Debt premiums are reported in the governmental funds as revenue when
 those amounts are received. However, the premium is shown in the
 statement of net position and allocated over the life of the debt as
 interest income in the statement of activities.

Amount of debt premium amortized in the current year	<u>12,948</u>	12,948
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In governmental funds, interest payments on outstanding debt are reported
 as an expenditure when paid. In the statement of activities, interest is
 reported as incurred.

The amount of interest paid during the current period	353,266	
The amount of interest accrued during the current period	<u>(337,707)</u>	
Interest paid is greater (less) than interest accrued by		15,559

Pension expense reported in the governmental funds represents current year required
 contributions into the defined benefit pension plan.

Pension expense in the statement of activities is actuarially determined by the
 defined benefit pension plan as the differences between the net pension liability from
 the prior year to the current year, with some adjustments.

Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.	<u>522,599</u>
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Change in net position-governmental activities	<u><u>\$ 1,112,518</u></u>
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NOTES TO THE BASIC FINANCIAL STATEMENTS

Mineral Point Unified School District
June 30, 2021
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Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Mineral Point Unified School District is organized as a common school district governed by an elected seven-member school board. The District operates an Early Childhood Program and grades pre-kindergarten through grade 12. The District is comprised of all or parts of eight taxing districts.

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

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board. The financial reporting entity consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

B. Basis of Presentation

District-wide Statements:

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

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

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

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements:

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

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

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

Governmental Activities

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

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

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

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

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

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Major Funds

The District reports the following major governmental funds:

General Fund

Capital Projects Fund

Non-Major Funds

The District reports the following non-major funds:

Special Revenue Funds:

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

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

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

Debt Service Fund

C. Measurement Focus and Basis of Accounting

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

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, deferred inflows of resources is removed from the combined balance sheet and revenue is recognized.

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities

Cash and Cash Equivalents/Investments

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

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

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

Accounts Receivable

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

Inventories and Prepaid Items

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Capital Assets

District-wide Statements

In the district-wide financial statements, capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at estimated fair market value at the time received.

All capital assets, or groups of assets, that meet the District's capitalization threshold of \$2,500 are capitalized and updated for additions. Assets that are disposed of are taken off on an annual basis. All improvements to capital assets are capitalized while the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are expensed.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Computer equipment	3 years
Vehicles	5 years
Other equipment	5-10 years
Site improvements	20 years
Buildings	50 years
Subsequent modernization to buildings	20 years

Fund Financial Statements

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Vested Employee Benefits

The District's policy states that school year employees shall earn 10 sick days per school year accumulative up to 110 days. Upon retirement after age 55, teachers will be paid for 50% of their accumulated sick days not to exceed 110 days. The retirement must be recognized as such by the Wisconsin State Teachers Retirement System.

The District's policy states that sick leave for calendar year employees is earned at 12 days per year and part time employees will receive sick leave on a pro-rated basis based upon number of hours they are scheduled to work accumulative to either 60 days or 45 days, respectively, depending on an employee's classification. Upon retirement after age 55 or 20 years of service, support staff will be paid 75% of their accumulated sick leave not to exceed 45 days or 33.75 days, depending upon the maximum days that can be accumulated for the various classifications.

Sick leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The vested sick leave liability is reported on the district-wide financial statements. In the governmental fund financial statements, none of the liability is reported as it is not expected to be paid using expendable available resources.

Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

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

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

E. Retirement Plans

District employees participate in the Wisconsin Retirement System. See Audit Note #7.

F. Claims and Judgments

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

G. Estimates

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Risk Management

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

I. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

J. Equity Classifications

District-wide Statements

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

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

Fund Statements

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

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Equity Classifications (Continued)

Fund Statements (Continued)

The School Board recognizes the need to maintain an operating reserve in the general fund for the following purposes:

- Hold adequate working capital to meet cash flow needs during the fiscal year.
- Reduce the need for short term borrowing.
- Serve as a safeguard for unanticipated expenditures of the District.
- Show fiscal responsibility to maintain a high credit rating which will help reduce future borrowing costs.

Long-Term Goals

The District's long-term goal for fund balance is to achieve and maintain a general fund balance that would alleviate the need to short-term borrow for operational cash flow needs. Fund balance in excess of this goal may be used for one-time expenditures or unforeseen costs (i.e. damages). The general fund balance shall not be used for recurring costs in the operating budget.

The Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by majority vote of the Board.

The School Board authorizes and directs the superintendent or designee to assign the fund balance, to the extent such assignment does not create a negative unassigned fund balance, as follows:

- 1) An amount sufficient to liquidate open encumbrances that are reasonably expected to result in an expenditure in the subsequent year end.
- 2) An amount estimated to be sufficient to cover the cost of unsettled labor agreements, if any.
- 3) An amount estimated for labor costs incurred prior to recognition of revenue in the subsequent year.
- 4) Unrestricted Community Service fund balance shall be assigned for future community service.

The District has a fund balance policy that establishes a minimum fund balance requirement of not less than 15% of the subsequent year's operational expenditures. If the fund balance happens to fall below 15% the District will take proactive actions to raise the fund balance. As of June 30, 2021 the general fund balance was 19.7% of current year general fund expenditures.

K. Pensions

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has one item that qualifies for reporting in this category. The deferred inflows of resources are related to the WRS pension system.

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

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

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

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities in the basic financial statements represent:

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS

At June 30, 2021, the cash and investments included the following:

Account Balances	
Petty cash/cash on hand	\$ 300
Deposits with financial institutions	6,788,633
Mutual funds	28,788
WI local government investment pool	12,539
	\$ 6,830,260

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

Per Statement of Net Assets - Exhibit A-1	
Cash and cash equivalents	\$ 2,096,594
Cash and cash equivalents - restricted	4,733,666
Total	\$ 6,830,260

Investments Authorized by Wisconsin State Statutes

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

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

Investments

At June 30, 2021, the District's pooled investment balances were as follows:

Investment Type	Fair Value
WI local government investment pool (LGIP)	\$ 12,539

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates.

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Investment Type	Remaining Maturity (in months)	
	Amount	12 months or less
WI local government investment pool (LGIP)	\$ 12,539	\$ 12,539
	\$ 12,539	\$ 12,539

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. As of June 30, 2021, the District's investment in the Wisconsin Local Government Investment Pool was not rated.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

At June 30, 2021 the District had \$5,411,944 deposited in one financial institution and \$1,557,549 in a different financial institution.

Custodial Credit Risk

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

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement

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

The District uses the following hierarchical disclosure framework:

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

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

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

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

	<u>Assets at Fair Value as of June 30, 2021</u>	
	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds	\$ 28,788	\$ 28,788

On a scale of one to five stars, the mutual funds are rated three, four or five stars by Morningstar. The mutual funds are subject to market risk.

Federal Deposit Insurance Corporation (FDIC) Insurance

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Collateralization of Public Unit Deposits

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

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

At June 30, 2021, \$3,077,031 of the District's deposits with financial institutions was insured by FDIC coverage. \$3,892,461 of the District's deposits above FDIC thresholds at June 30, 2021 was insured by collateral pledged at a local financial institution. \$2,467,324 of the District's deposits with financial institutions were insured through use of ICS bank accounts. The State of Wisconsin Guarantee Fund would provide coverage for \$400,000 of this uninsured amount, provided funds are available at the time of any potential loss.

Fluctuating cash flows during the year due to collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding insured amounts at the balance sheet date.

Wisconsin Local Government Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2021, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the District.

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

Investment allocation in the local government investment pool as of June 30, 2021 was 95.48% in U.S. Government Securities, 1.07% in FDIC insured deposit accounts and Banker Acceptances, and 3.45% in Corporate Notes.

NOTE 4

CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 237,250	\$ 59,608	\$	\$ 296,858
Construction work in process	1,787,794	7,669,103	(8,750)	9,448,147
Total capital assets not being depreciated	2,025,044	7,728,711	(8,750)	9,745,005
<i>Capital assets, being depreciated:</i>				
Buildings	13,014,758	28,365		13,043,123
Land improvements	598,032	127,273		725,305
Furniture and equipment	3,672,773	118,194		3,790,967
Vehicles	148,274			148,274
Total capital assets being depreciated	17,433,837	273,832		17,707,669
Total capital assets	19,458,881	8,002,543	(8,750)	27,452,674
Less accumulated depreciation:				
Buildings	6,531,001	288,384		6,819,385
Land improvements	135,328	43,382		178,710
Furniture and equipment	2,577,906	289,721		2,867,627
Vehicles	128,030	8,503		136,533
Total accumulated depreciation	9,372,265	629,990		10,002,255
Total net capital assets	\$ 10,086,616	\$ 7,372,553	\$ (8,750)	\$ 17,450,419

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 43,263
Vocational instruction	12,665
Special education	27,107
Other instruction	7,217
Instructional staff services	6,310
General administration	368
Business administration	195,045
Central services	22,263
Other support services	115,286
Depreciation not charged to a specific function	<u>200,466</u>
Total depreciation for governmental activities	<u><u>\$ 629,990</u></u>

NOTE 5

SHORT-TERM AND LONG-TERM OBLIGATIONS

A. Short-term Liabilities

The District had a \$1,500,000 tax and revenue anticipation note from a local bank for 2020/21. Interest was 1.69% and the note expires on August 1, 2021.

Borrowings under the note are due upon demand and the note is subject to annual renewal.

	Balance 7/1/20	Additions	Removals	Balance 6/30/21
Line of credit	\$	\$ 584,450	\$ (584,450)	\$

The note was issued for cash flow purposes. Total interest paid on this note for the year was \$2,992.

B. Long-term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
General obligation bonds	\$ 9,610,000	\$	\$	\$ 9,610,000	\$
Notes from direct borrowings and direct placements	2,717,749		(524,111)	2,193,638	536,062
Debt premium	242,784		(12,948)	229,836	
Capital lease	128,285		(71,685)	56,600	16,764
Sub-total	<u>12,698,818</u>		<u>(608,744)</u>	<u>12,090,074</u>	<u>552,826</u>
Vested employee sick leave	571,557	47,673	(3,320)	615,910	
Total	<u><u>\$13,270,375</u></u>	<u><u>\$ 47,673</u></u>	<u><u>\$ (612,064)</u></u>	<u><u>\$ 12,705,984</u></u>	<u><u>\$ 552,826</u></u>

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 5

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

B. Long-term Liabilities (Continued)

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

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

	Expense	Paid
Long-term debt	\$ 331,297	\$ 346,856
Capital lease	6,410	6,410
Total	\$ 337,707	\$ 353,266

General obligation debt at June 30, 2021 is comprised of the following individual issues:

Description	Issue Date	Interest Rates	Date of Maturity	Balance 6/30/21
Notes payable - Energy Efficiency Loan	07/01/13	1.87%	04/01/23	\$ 120,000
Notes payable - Stadium	01/05/18	2.45%	01/25/28	149,482
Notes payable - Energy Efficiency Loan	01/05/18	2.45%	08/01/27	394,156
GO refunding bonds	07/09/19	1.85%-3.00%	04/01/39	9,610,000
General obligation promissory note	01/07/20	2.20%-2.30%	04/01/25	1,530,000
Total				\$ 11,803,638

The \$172,705 stadium loan dated January 5, 2018 is expected to be repaid through community fundraising efforts. If the fundraising efforts do not produce the necessary funds to make full payments on the loan, the District has obtained guarantors from the community to contribute the necessary funds to pay for any shortfall.

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District.

The 2020 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$399,947,141. The legal debt limit and margin of indebtedness as of June 30, 2021 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$399,471,409)	\$ 39,947,141
Deduct long-term debt applicable to debt margin	(11,803,638)
Margin of indebtedness	\$ 28,143,503

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 5

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

B. Long-term Liabilities (Continued)

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

Years Ended June 30,	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			Bonds - Non-direct		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 536,062	\$ 50,352	\$ 586,414	\$	\$ 274,766	\$ 274,766
2023	547,950	38,707	586,657		274,766	274,766
2024	559,885	26,230	586,115		274,766	274,766
2025	321,852	13,223	335,075	255,000	274,766	529,766
2026	83,899	5,656	89,555	505,000	270,048	775,048
2027-2031	143,990	5,077	149,067	2,965,000	1,153,103	4,118,103
2032-2036				3,510,000	678,600	4,188,600
2037-2039				2,375,000	143,850	2,518,850
Totals	\$ 2,193,638	\$ 139,245	\$ 2,332,883	\$ 9,610,000	\$ 3,344,665	\$12,954,665

C. Vested Employee Benefits

Vested employee sick leave at June 30, 2021 is calculated based on the District's assumptions that employees will receive future payments for these benefits. Benefits included in this calculation include sick leave payments estimated for all staff. The estimated liability for earned sick leave benefits at June 30, 2021 is \$615,910 and is shown on the statement of net position. There are currently 106 people eligible to receive these benefits. The liability for the vested employee sick leave was determined using an estimated probability that certain employees would receive benefits in the future and depending on the assumptions used, the estimated liability could vary significantly.

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 6

LEASES

Capital Leases, as Lessee

The District has acquired capital assets through lease/purchase agreements. The gross amount of these capital assets is \$339,578.

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

<u>Year Ended June 30,</u>	
2022	\$ 20,930
2023	20,930
2024	20,931
2025	<u>1,744</u>
Total payments	64,535
Less: interest	<u>(7,935)</u>
Minimum lease payments	<u>\$ 56,600</u>

Operating Lease

The District has entered into a lease agreement for multiple copiers. The amount paid for the year ended June 30, 2021 was \$12,421.

NOTE 7

DEFINED BENEFIT PENSION PLAN

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

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

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

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2%)	11%
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0
2018	2.4	17
2019	0.0	(10)
2020	1.7	21

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

During the reporting period, the WRS recognized \$320,168 in contributions from the employer.

Contribution rates as of June 30, 2021 are:

Employee Category	Employee	Employer
General (including teachers)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At June 30, 2021, the Mineral Point Unified School District reported a liability (asset) of (\$1,766,871) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Mineral Point Unified School District's proportion of the net pension liability (asset) was based on the Mineral Point Unified School District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Mineral Point Unified School District's proportion was 0.02830101%, which was a decrease of 0.00012477% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Mineral Point Unified School District's recognized pension expense of \$198,393.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,557,205	\$ 550,817
Changes of assumptions	40,076	
Net differences between projected and actual earnings on pension plan investments		3,317,157
Changes in proportion and differences between employer contributions and proportionate share of contributions		5,700
Employer contributions subsequent to the measurement date	161,652	
Total	\$ 2,758,933	\$ 3,873,674

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$161,652 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Net Outflows (Inflows) of Resources
2022	\$ (330,659)
2023	(90,231)
2024	(601,095)
2025	(254,408)
Total	\$ (1,276,393)

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

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

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

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

Mineral Point Unified School District
 June 30, 2021
 Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Mineral Point Unified School District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the Mineral Point Unified School District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Mineral Point Unified School District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Mineral Point School District’s proportionate share of the net pension liability (asset)	\$1,681,816	(\$1,766,871)	(\$4,299,906)

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

NOTE 8

GOVERNMENTAL FUND BALANCES

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

Non-spendable:	
Major Funds:	
General - prepaids	\$ 114,752
Total non-spendable	<u>114,752</u>
Restricted:	
Major Funds:	
Capital projects	3,892,626
Non-major Funds:	
Special revenue	452,031
Debt service	265,804
Community service	74,877
Total restricted	<u>4,685,338</u>
Unassigned:	
Major Funds:	
General	2,241,650
Total governmental fund balances	<u><u>\$ 7,041,740</u></u>

NOTE 9

LIMITATION OF SCHOOL DISTRICT REVENUES

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

Mineral Point Unified School District
June 30, 2021
Notes to the Basic Financial Statements

NOTE 10 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

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

NOTE 11 INTERFUND BALANCES AND ACTIVITY

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital projects	General	\$ 350,000	Long term capital improvements

In the Statement of Net Position, amounts reported in fund balances as interfund balances have been eliminated within the governmental type activities column.

The following is a schedule of interfund transfers:

<u>Fund Transfer to</u>	<u>Fund Transfer from</u>	<u>Amount</u>	<u>Reason</u>
Capital projects	General	\$ 350,000	Long term capital improvements
Food service	General	2,669	Operating costs
Debt service	General	38,277	Debt service
	Total	<u>\$ 390,946</u>	

\$1,129,871 was transferred to the special education fund from the general fund during the fiscal year ended June 30, 2021. This transfer was used to cover any costs not covered by direct revenues. In the Fund Statements the general fund and special education funds are combined and the transfer is netted. In the Statement of Activities, all transfers have been eliminated.

NOTE 12 COMMITMENTS/SUBSEQUENT EVENTS

Prior to June 30, 2021, the District approved a \$1,500,000 line of credit at 0.95% interest with a local financial institution. As of October 19, 2021, the District had not drawn on this line of credit.

Prior to June 30, 2019, the District passed a \$11,920,000 referendum for renovating and updating the existing elementary school, improving parking, bus lane and storm water, securing lobby, office and classroom addition, constructing a gym and physical education addition. Cost left to be incurred for the Elementary School at June 30, 2021 were approximately 2.7 million. The District approved the following work to be completed subsequent to June 30, 2021.

- Paint the High School gym floor for \$35,000
- Paint the High School gym for \$27,000
- Replace 3 locker room floors, the kitchen and a ramp for \$40,000
- Blacktop the North parking lot for \$80,000
- Install lights in the Elementary School parking lot for \$30,000
- Replace Elementary School dishwasher for \$25,000
- Purchase of Chromebooks for \$77,625

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
Required Supplementary Information
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Original Budget Favorable (Unfavorable)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual		
REVENUES					
Property taxes	\$ 3,816,630	\$ 3,879,583	\$ 3,879,493	\$ 62,863	\$ (90)
Other local sources	48,150	48,150	37,562	(10,588)	(10,588)
Interdistrict sources	873,321	873,321	860,981	(12,340)	(12,340)
Intermediate sources	5,000	5,000	4,177	(823)	(823)
State sources	5,749,022	5,742,187	5,768,571	19,549	26,384
Federal sources	153,000	153,000	247,002	94,002	94,002
Other sources			9,277	9,277	9,277
Total revenues	<u>10,645,123</u>	<u>10,701,241</u>	<u>10,807,063</u>	<u>161,940</u>	<u>105,822</u>
EXPENDITURES					
Instruction:					
Undifferentiated instruction	2,230,036	2,193,536	2,161,444	68,592	32,092
Regular instruction	2,218,301	2,312,301	2,259,323	(41,022)	52,978
Vocational instruction	350,508	350,508	378,113	(27,605)	(27,605)
Physical instruction	246,366	246,366	252,547	(6,181)	(6,181)
Co-curricular activities	481,763	471,763	425,551	56,212	46,212
Total instruction	<u>5,526,974</u>	<u>5,574,474</u>	<u>5,476,978</u>	<u>49,996</u>	<u>97,496</u>
Support Services:					
Pupil services	236,302	236,302	234,840	1,462	1,462
Instructional staff services	378,209	361,209	419,925	(41,716)	(58,716)
General administration services	265,143	265,143	269,378	(4,235)	(4,235)
Building administration services	550,985	550,985	537,786	13,199	13,199
Business administration	1,592,362	1,561,862	1,435,332	157,030	126,530
Central services	48,400	48,400	38,255	10,145	10,145
Insurance	86,161	86,161	78,882	7,279	7,279
Principal and interest	70,241	70,241	81,087	(10,846)	(10,846)
Other support services	462,501	462,501	168,415	294,086	294,086
Total support services	<u>3,690,304</u>	<u>3,642,804</u>	<u>3,263,900</u>	<u>426,404</u>	<u>378,904</u>
Non-Program Transactions:					
Purchased instructional services	316,996	372,562	512,509	(195,513)	(139,947)
Total expenditures	<u>9,534,274</u>	<u>9,589,840</u>	<u>9,253,387</u>	<u>280,887</u>	<u>336,453</u>
Excess (deficiency) of revenues over expenditures	<u>1,110,849</u>	<u>1,111,401</u>	<u>1,553,676</u>	<u>442,827</u>	<u>442,275</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1,111,401)</u>	<u>(1,111,401)</u>	<u>(1,520,817)</u>	<u>(409,416)</u>	<u>(409,416)</u>
Total other financing sources (uses)	<u>(1,111,401)</u>	<u>(1,111,401)</u>	<u>(1,520,817)</u>	<u>(409,416)</u>	<u>(409,416)</u>
Net change in fund balance	(552)		32,859	33,411	32,859
Fund balance - beginning	2,323,543	2,323,543	2,323,543		
Fund balance - ending	<u>\$ 2,322,991</u>	<u>\$ 2,323,543</u>	<u>\$ 2,356,402</u>	<u>\$ 33,411</u>	<u>\$ 32,859</u>

Exhibit B-2
 Required Supplementary Information
 Mineral Point Unified School District
 Budgetary Comparison Schedule for the Special Education Fund
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances	
	Original	Final		Positive	(Negative)
REVENUES					
Interdistrict sources	\$ 4,500	\$ 4,500	\$ 4,732	\$ 232	\$ 232
Intermediate sources			471	471	471
State sources	470,881	470,881	439,624	(31,257)	(31,257)
Federal sources	205,000	205,000	188,152	(16,848)	(16,848)
Total revenues	<u>680,381</u>	<u>680,381</u>	<u>632,979</u>	<u>(47,402)</u>	<u>(47,402)</u>
EXPENDITURES					
Instruction:					
Special instruction	1,357,623	1,357,623	1,371,417	(13,794)	(13,794)
Total instruction	<u>1,357,623</u>	<u>1,357,623</u>	<u>1,371,417</u>	<u>(13,794)</u>	<u>(13,794)</u>
Support Services:					
Pupil services	113,518	113,518	114,695	(1,177)	(1,177)
Instructional staff services	175,309	175,309	147,475	27,834	27,834
Building administration services	3,200	3,200	3,075	125	125
Total support services	<u>292,027</u>	<u>292,027</u>	<u>265,245</u>	<u>26,782</u>	<u>26,782</u>
Non-Program Transactions:					
Purchased instructional services	103,855	103,855	126,188	(22,333)	(22,333)
Total non-program transactions	<u>103,855</u>	<u>103,855</u>	<u>126,188</u>	<u>(22,333)</u>	<u>(22,333)</u>
Total expenditures	<u>1,753,505</u>	<u>1,753,505</u>	<u>1,762,850</u>	<u>(9,345)</u>	<u>(9,345)</u>
Excess of revenues over (under) expenditures	<u>(1,073,124)</u>	<u>(1,073,124)</u>	<u>(1,129,871)</u>	<u>(56,747)</u>	<u>(56,747)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,073,124	1,073,124	1,129,871	56,747	56,747
Total other financing sources (uses)	<u>1,073,124</u>	<u>1,073,124</u>	<u>1,129,871</u>	<u>56,747</u>	<u>56,747</u>
Net change in fund balances					
Fund balance - beginning	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Fund balance - ending	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Exhibit B-3
 Required Supplementary Information
 Mineral Point Unified School District
 June 30, 2021
 Wisconsin Retirement System Schedules

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	(0.02830101%)	\$ (1,766,871)	\$ 4,743,221	(37.25%)	(105.26%)
2019	(0.02842578%)	(916,576)	4,507,506	(20.33%)	(102.96%)
2018	0.02886144%	1,026,799	4,355,944	23.57%	96.45%
2017	(0.02877180%)	(854,268)	4,277,283	(19.97%)	(102.93%)
2016	0.02822117%	232,610	4,263,535	5.46%	99.12%
2015	0.02748280%	446,590	3,981,792	11.22%	98.20%
2014	(0.02684848%)	(659,291)	3,803,283	(17.33%)	(102.74%)

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years**

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 323,685	\$ (323,685)		\$ 4,795,324	6.75%
2020	311,675	(311,675)		4,686,847	6.65%
2019	288,904	(288,904)		4,360,417	6.63%
2018	293,695	(293,695)		4,350,822	6.75%
2017	289,473	(289,473)		4,322,748	6.70%
2016	270,887	(270,887)		4,043,245	6.70%
2015	271,255	(271,255)		3,931,210	6.90%

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

Mineral Point Unified School District
 June 30, 2021
 Notes to the Required Supplementary Information

NOTE 1

BUDGET SCHEDULE

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

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

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

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

NOTE 2

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

Annual budgets are adopted on a basis consistent with U.S generally accepted accounting principles for all governmental and special revenue funds.

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

Fund	Excess Expenditures
General Fund:	
Non-program transactions	\$ 139,947
Transfers out	409,416
Special Education Fund:	
Instruction	13,794
Non-program transactions	22,333

Mineral Point Unified School District
June 30, 2021
Notes to the Required Supplementary Information

NOTE 3

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

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 10,807,063	\$ 632,979
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	632,979	(632,979)
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	\$ 11,440,042	\$
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 9,253,387	\$ 1,762,850
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	1,762,850	(1,762,850)
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	\$ 11,016,237	\$

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

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

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

SUPPLEMENTARY INFORMATION

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

	Special Revenue				Total Non-Major Governmental Funds
	Special Revenue Fund	Food Service Fund	Community Service Fund	Debt Service Fund	
ASSETS					
Cash and investments	\$ 452,031	\$ 46,171	\$ 74,877	\$ 265,804	\$ 838,883
Accounts receivable		30			30
Inventory		5,031			5,031
Total assets	\$ 452,031	\$ 51,232	\$ 74,877	\$ 265,804	\$ 843,944
LIABILITIES					
Accounts payable	\$	\$ 30,895	\$	\$	\$ 30,895
Customer deposits		20,337			20,337
Total liabilities		51,232			51,232
FUND BALANCES					
Restricted	452,031		74,877	265,804	792,712
Total fund balances	452,031		74,877	265,804	792,712
Total liabilities and fund balances	\$ 452,031	\$ 51,232	\$ 74,877	\$ 265,804	\$ 843,944

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

	Special Revenue			Debt Service Fund	Total Non-major Governmental Funds
	Special Revenue Fund	Food Service Fund	Community Service Fund		
REVENUES					
Property taxes	\$	\$	\$ 91,000	\$ 805,172	\$ 896,172
Local sources	281,935	32,822		28,351	343,108
State sources		8,392			8,392
Federal sources		277,416			277,416
Total revenues	281,935	318,630	91,000	833,523	1,525,088
EXPENDITURES					
Instruction:					
Regular instruction	69,982				69,982
Vocational instruction	3,626				3,626
Other instruction	133,910				133,910
Total instruction	207,518				207,518
Support services:					
Instructional staff services	6,152				6,152
Building administrative services	3,083				3,083
Business administration	195	321,299	60,443		381,937
Principal and interest				871,442	871,442
Community service			2,546		2,546
Total support services	9,430	321,299	62,989	871,442	1,265,160
Non-program transactions:					
Post-Secondary scholarships	4,010				4,010
Total expenditures	220,958	321,299	62,989	871,442	1,476,688
Excess (deficiency) of revenues over expenditures	60,977	(2,669)	28,011	(37,919)	48,400
OTHER FINANCING SOURCES (USES)					
Transfers from other funds		2,669		38,277	40,946
Total other financing sources (uses)		2,669		38,277	40,946
Net change in fund balances	60,977		28,011	358	89,346
Fund balances - beginning	391,054		46,866	265,446	703,366
Fund balances - ending	\$ 452,031	\$	\$ 74,877	\$ 265,804	\$ 792,712

Exhibit C-3
Mineral Point Unified School District
Schedule of Federal Financial Assistance
For the Year Ended June 30, 2021

Awarding Agency/ Pass-Through Agency Award Description	Assistance Listing	Pass Through ID Number	Accrued Receivable (Deferred) Revenue 7/1/2020	Expenditures	Receipts Grantor Reimbursement	Accrued Receivable (Deferred) Revenue 6/30/2021	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
<u>Passed Through</u>							
<u>Wisconsin Department of Public Instruction</u>							
COVID-19 School Breakfast Program	10.553	2021-253633-DPI-SB-546	\$	\$ 62,661	\$ 62,661	\$	
COVID-19 School Lunch Program	10.555	2021-253633-DPI-NSL-547		185,030	185,030		
Donated Food Commodities	10.555	Not Available		29,725	29,725		
Total School Program Cluster				277,416	277,416		
TOTAL U.S. DEPARTMENT OF AGRICULTURE				277,416	277,416		
<u>U.S. DEPARTMENT OF EDUCATION</u>							
<u>Passed Through</u>							
<u>Wisconsin Department of Public Instruction</u>							
IDEA Flow Through	84.027A	2021-253633-DPI-IDEA-FT-341		133,952	133,952		
IDEA CEIS	84.027A	2021-253633-DPI-IDEA-FT-341		3,831		3,831	
IDEA Preschool Entitlement	84.173A	2021-253633-DPI-IDEA-P-347	(868)	12,160	13,028		
Total IDEA Cluster			(868)	149,943	146,980	3,831	
TITLE I Basic Grant	84.010A	2021-253633-DPI-TIA-141	(5,847)	83,040	88,887		
Title II-A Teacher & Prin. Training	84.367A	2021-253633-DPI-TIIA-365		16,028	16,028		
Title IV-A Public	84.424A	2021-253633-DPI-TIV-A-381		9,004	9,004		
Education Stabilization Fund							
COVID-19 Elem and Secondary School Emergency Relief	84.425D	2021-253633-DPI-ESSERF-160		70,611	70,611		
COVID-19 Elem and Secondary School Emergency Relief	84.425D	2021-253633-DPI-ESSERFII-163		11,166	11,166		
Total Education Stabilization Fund				81,777	81,777		
<u>Passed Through CESA #3</u>							
Carl Perkins	84.048	2021-253633-DPI-CTE-400		4,177		4,177	
TOTAL U.S. DEPARTMENT OF EDUCATION				(6,715)	343,969	342,676	8,008
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
<u>Passed Through</u>							
<u>Wisconsin Department of Health Services</u>							
	93.778	Not Available	(208)	89,606	87,910	1,904	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				(208)	89,606	87,910	1,904
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>							
Direct program:							
COVID-19 Disaster Assistance - Public Assistance	97.036	Not Available		5,036		5,036	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				5,036		5,036	
TOTAL FEDERAL ASSISTANCE			\$ (6,923)	\$ 716,027	\$ 708,002	\$ 14,948	

Exhibit C-4
 Mineral Point Unified School District
 Schedule of State Awards
 For the Year Ended June 30, 2021

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass Through ID Number	Accrued (Deferred) Receivable July 1, 2020	State Reimbursement	Expenditures	Accrued (Deferred) Receivable June 30, 2021
<u>Wisconsin Department of Public Instruction</u>						
<u>Entitlement Programs</u>						
General Equalization	255.201	253633-116	\$ (73,849)	\$ 4,890,604		\$ 77,274
Handicapped Pupils and Schools Age Parents						
Internal District Programs	255.101	253633-100		397,380	1,451,733	
Passed through Iowa-Grant School District	255.101	253633-100		4,732		4,732
Passed through CESA #3	255.101	253633-100		471		
State Lunch	255.102	253633-107		4,254		
Common School Fund	255.103	253633-104		29,543		
Pupil Transportation	255.107	253633-102		20,515		
WI Morning Milk	255.115	253633-109		2,243		
High Cost Sp. Ed. Aid	255.210	253633-119		36,244		
Sparsity Aid	255.212	253633-162		280,872		
Supplemental Per Pupil Aid	255.245	253633-181		2,115		
Early College Credit Program	255.445	253633-178		1,112		
School Breakfast	255.344	253633-108		1,895		
Educator Effective Eval Sys.	255.940	253633-154		7,040		
Per Pupil Aid	255.945	253633-113		516,432		
Career & Technical Educ Incentive Grants	255.950	253633-171		3,191		
Assessment of Reading Readiness	255.956	253633-166		920		
Transition Incentive	255.960	253633-168		6,000		
Total Wisconsin Department of Public Instruction - Entitlement			<u>(73,849)</u>	<u>6,205,563</u>	<u>1,451,733</u>	<u>82,006</u>
<u>Wisconsin Department of Justice</u>						
School Safety Initiative	455.206	Not Applicable		1,125		
<u>Wisconsin Department of Military Affairs</u>						
COVID 19 Federal Disaster Assistance - State Match	465.305	Not Applicable		719		719
Total State Awards			<u>\$ (73,849)</u>	<u>\$ 6,207,407</u>	<u>\$ 1,451,733</u>	<u>\$ 82,725</u>

Mineral Point Unified School District
For the Year Ended June 30, 2021
Notes to the Schedule of Expenditures of Federal and State Awards

NOTE 1

BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of the Mineral Point Unified School District and are presented on the modified accrual basis of accounting. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2

INDIRECT COST RATE

The District does not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3

SUBRECIPIENTS

There were no awards passed through to subrecipients.



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 Education
Mineral Point Unified School District
Mineral Point, Wisconsin

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 Mineral Point Unified School District (“District”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Mineral Point Unified School District’s basic financial statements, and have issued our report thereon dated October 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 a 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 was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item #2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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*.

Mineral Point Unified School District's Responses to Findings

Mineral Point Unified School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Mineral Point Unified School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 19, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE WISCONSIN
DEPARTMENT OF PUBLIC INSTRUCTION

To the Board of Education
Mineral Point Unified School District
Mineral Point, Wisconsin

Report on Compliance for Each State Program

We have audited the Mineral Point Unified School District (District)'s compliance with the types of compliance requirements described in the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction, that are required to be conducted on each of the District's state programs that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2021. The District's major state programs are identified in the accompanying schedule of findings and responses.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state 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 the Wisconsin Department of Public Instruction in the *Wisconsin Public School District Audit Manual*. Those standards and compliance requirements 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 the major state programs occurred. An audit includes examining, on a test basis, evidence about the District'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 state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Program

In our opinion, the District 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, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the requirements that could have an effect on each major state program, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *Wisconsin Public School District Audit Manual*, 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 District'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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 state 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 state 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control over compliance as described in the accompanying schedule of findings and responses as item #2021-001 that we consider to be a material weakness.

Purpose of this Report

The purpose of this report on 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 Wisconsin Department of Public Instruction. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 19, 2021

Mineral Point Unified School District
For the Year Ended June 30, 2021
Schedule of Findings and Responses

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

State Awards

Internal Control over major programs:

- Material Weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Wisconsin Public School District Audit Manual?

Yes No

Identification of major programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.201	General Equalization Aid
255.101	Special Education and School Age Parents

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Mineral Point Unified School District
For the Year Ended June 30, 2021
Schedule of Findings and Responses (Continued)

Section II – Financial Statement Findings

Finding #2021-001 – Lack of Segregation of Duties (Prior year finding #2020-001)

Condition: The available office staff precludes a proper segregation of duties in the following control areas: payroll, cash receipts, and cash disbursements.

Effect: Because of the lack of segregation of duties, errors or irregularities could occur and not be detected on a timely basis.

Cause: Due to the small size of the District there is only one person in the bookkeeping department, who records all transactions and performs reconciliations.

Criteria: Checks and balances should be in place to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct any misstatements on a timely basis.

Recommendation: Procedures should be implemented segregating duties among different employees. Management should continue to maintain a working knowledge of matters relating to the District's operations.

Response: We agree with this finding but due to the size of our District and financial constraints do not believe it is cost effective to increase the office staff in an attempt to bring about a more effective segregation of duties. The Board of Education and Administration personnel review monthly treasurer reports, and approve disbursements monthly. Any concerns or questions are addressed throughout the year. Management will review various accounting functions periodically.

Section III – Major State Program Findings and Responses

Finding #2021-001 noted in Section II also applies to internal control procedures over state awards.

Mineral Point Unified School District
For the Year Ended June 30, 2021
Schedule of Prior Year Findings and Responses

Prior Year Findings

#2020-001 – Lack of Segregation of duties

This is still a finding. See finding #2021-001

#2020-002 – Preparation of financial statements

This is no longer a finding.