



MINERAL POINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended June 30, 2022

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Mineral Point Unified School District
June 30, 2022
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Mineral Point Unified School District adopted provisions of GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the Wisconsin Retirement System schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Required Supplementary Information (Continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financials statements that collectively comprise of the District’s basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal and state awards, as required by Title 2 *U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Guidelines are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 combining and individual nonmajor fund financial statements and schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 11, 2022

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Mineral Point Unified School District
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,221,656
Cash and cash equivalents - restricted	813,270
Accounts receivable	3,259
Taxes receivable	1,151,689
Inventory	3,604
Due from other governmental units	160,120
Prepays	274,614
Total current assets	4,628,212
Noncurrent assets:	
Capital assets	
Property, plant and equipment	30,431,422
Less: accumulated depreciation	(10,472,947)
Net book value of capital assets	19,958,475
Right to use leased assets	
Net accumulated amortization of \$53,468	30,955
Net pension asset - restricted	2,281,134
Total noncurrent assets	22,270,564
Total assets	26,898,776
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	4,272,968
Total assets and deferred outflows of resources	\$ 31,171,744
LIABILITIES	
Current liabilities:	
Accrued salaries and wages	\$ 54,943
Accounts payable	67,800
Customer deposits	14,649
Accrued interest payable	84,763
Current portion of long-term obligations	566,195
Total current liabilities	788,350
Noncurrent liabilities:	
Notes and bonds payable, plus unamortized debt premiums of \$216,888	11,481,664
Lease liability	39,836
Vested employee sick leave	564,429
Less: current portion	(566,195)
Total noncurrent liabilities	11,519,734
Total liabilities	12,308,084
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	5,370,564
NET POSITION	
Net investment in capital assets	8,467,930
Restricted	
Capital projects	988,270
Special revenue	453,253
Community service	92,907
Debt service	181,532
Food service	122,359
Get Kids Ahead Initiative	7,613
Net pension asset	2,281,134
Unrestricted	898,098
Total net position	13,493,096
Total liabilities, deferred inflows of resources, and net position	\$ 31,171,744

Exhibit A-2
Mineral Point Unified School District
Statement of Activities
For the Year Ended June 30, 2022

<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	\$ 4,120,398	\$ 22,938	\$ 1,773,799		\$ (2,323,661)
Vocational education	365,916		25,769		(340,147)
Special education	1,422,246		947,460		(474,786)
Other instruction	962,731	27,251	287,644		(647,836)
Total instruction	6,871,291	50,189	3,034,672		(3,786,430)
Support services:					
Pupil services	521,628		138,317		(383,311)
Instructional staff services	710,253		250,983		(459,270)
General administration services	274,627				(274,627)
Building administration services	551,891		4,005		(547,886)
Business administration	2,372,046	88,261	604,498	35,279	(1,644,008)
Central services	59,337		299		(59,038)
Insurance	92,186				(92,186)
Other support services	360,345				(360,345)
Interest expense and fiscal charges	327,069			30,000	(297,069)
Depreciation - unallocated	200,466				(200,466)
Community services	16,979				(16,979)
Total support services	5,486,827	88,261	998,102	65,279	(4,335,185)
Non-program transactions:					
Purchased instructional services	562,334		8,135		(554,199)
Post-Secondary scholarships	14,508		14,886		378
Total non-program transactions:	576,842		23,021		(553,821)
Total governmental activities	\$ 12,934,960	\$ 138,450	\$ 4,055,795	\$ 65,279	\$ (8,675,436)
General revenues:					
Property taxes					
General purposes					3,521,878
Debt services					795,054
Other taxes					92,686
Federal and State aid not restricted for specific purposes					
General					5,343,811
Gain(Loss) on sale of asset					15,645
Interest and investment earnings					19,505
Miscellaneous					30,380
Total general revenues					9,818,959
Changes in net position					1,143,523
Net position - beginning of year					12,349,573
Net position - end of year					\$ 13,493,096

Exhibit A-3
Mineral Point Unified School District
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Capital Projects Fund	Food Service Fund	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 1,235,804		\$ 173,397	\$ 812,455	\$ 2,221,656
Cash and investments - restricted		813,270			813,270
Accounts receivable			3,259		3,259
Taxes receivable	1,151,689				1,151,689
Inventory			3,604		3,604
Due from other funds		175,000			175,000
Due from other governments	160,120				160,120
Prepays	274,614				274,614
Total assets	\$ 2,822,227	\$ 988,270	\$ 180,260	812,455	\$ 4,803,212
LIABILITIES					
Accrued wages and payroll taxes	\$ 54,943				\$ 54,943
Accounts payable	24,548		43,252		67,800
Customer deposits			14,649		14,649
Due to other funds	175,000				175,000
Total liabilities	254,491		57,901		312,392
FUND BALANCES					
Non-spendable	274,614		3,604		278,218
Restricted	7,613	988,270	118,755	812,455	1,927,093
Unassigned	2,285,509				2,285,509
Total fund balances	2,567,736	988,270	122,359	812,455	4,490,820
Total liabilities and fund balances	\$ 2,822,227	\$ 988,270	\$ 180,260	812,455	\$ 4,803,212

Exhibit A-4
 Mineral Point Unified School District
 Reconciliation of the Governmental Funds Balance Sheet
 with the Statement of Net Position
 June 30, 2022

		June 30, 2022
Total fund balances - governmental funds:	\$	4,490,820
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	30,431,422	
Governmental accumulated depreciation	(10,472,947)	19,958,475
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Right to used leased assets, net accumulated amortization of \$53,468		30,955
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.		
		2,281,134
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		4,272,968
Deferred inflows of resources		(5,370,564)
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	11,264,776	
Debt premiums	216,888	
Lease liability	39,836	
Accrued interest on long-term debt	84,763	
Vested employee sick leave	564,429	(12,170,692)
Total net position - governmental activities	\$	13,493,096

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, 2022

	General Fund	Capital Projects Fund	Food Service Fund	Other Governmental Funds	Totals
REVENUES					
Property taxes	\$ 3,523,564			\$ 886,054	\$ 4,409,618
Other local sources	65,201	4,211	88,261	515,395	673,068
Interdistrict sources	823,795				823,795
Intermediate sources	4,310				4,310
State sources	6,812,869		15,330		6,828,199
Federal sources	785,512		495,010		1,280,522
Other sources	16,665	29,363			46,028
Total revenues	12,031,916	33,574	598,601	1,401,449	14,065,540
EXPENDITURES					
Instruction:					
Regular instruction	4,258,185			155,159	4,413,344
Vocational instruction	361,216			12,016	373,232
Special instruction	1,466,046				1,466,046
Other instruction	728,315			266,974	995,289
Total instruction	6,813,762			434,149	7,247,911
Support services:					
Pupil services	562,691			1,077	563,768
Instructional staff services	715,639			20,689	736,328
General administration services	284,234				284,234
Building administration services	572,502			4,716	577,218
Business administration	1,682,851	3,112,930	476,242	62,436	5,334,459
Central services	41,549			4,073	45,622
Insurance	92,186				92,186
Principal and interest	22,558			864,107	886,665
Other support services	256,421				256,421
Community services				14,807	14,807
Total support services	4,230,631	3,112,930	476,242	971,905	8,791,708
Non-program transactions:					
Other non-program transactions				226	226
Purchased instructional services	562,107				562,107
Post-Secondary scholarships				14,508	14,508
Total non-program transactions:	562,107			14,734	576,841
Total expenditures	11,606,500	3,112,930	476,242	1,420,788	16,616,460
Excess (deficiency) of revenues over expenditures	425,416	(3,079,356)	122,359	(19,339)	(2,550,920)
OTHER FINANCING SOURCES (USES)					
Transfer to other funds	(214,082)				(214,082)
Transfer from other funds		175,000		39,082	214,082
Total other financing sources (uses)	(214,082)	175,000		39,082	
Net change in fund balances	211,334	(2,904,356)	122,359	19,743	(2,550,920)
Fund balance - beginning	2,356,402	3,892,626		792,712	7,041,740
Fund balance - ending	\$ 2,567,736	\$ 988,270	\$ 122,359	\$ 812,455	\$ 4,490,820

See accompanying notes to the basic financial statements.

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, 2022

Net change in fund balances-total governmental funds		\$ (2,550,920)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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.</p>		
Capital outlay reported in governmental fund statements	3,185,016	
Depreciation expense reported in the statement of activities	<u>(629,120)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		2,555,896
<p>Right to use leased 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 the applicable lease term as annual amortization expenses in the statement of activities.</p>		
Amortization expenses reported in the statement of activities		(16,885)
<p>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.</p>		
Change in compensated absences		51,481
<p>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.</p>		
Principal payments on long-term loans and lease liability		555,626
<p>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.</p>		
Amount of debt premium amortized in the current year		12,948
<p>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.</p>		
The amount of interest paid during the current period	328,936	
The amount of interest accrued during the current period	<u>(324,967)</u>	
Interest paid is greater (less) than interest accrued by		3,969
<p>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.</p>		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.		<u>531,408</u>
Change in net position-governmental activities		<u>\$ 1,143,523</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Mineral Point Unified School District
June 30, 2022
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Mineral Point Unified School District
June 30, 2022
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, 2022
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, 2022
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

Food Service 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.

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, 2022
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, 2022
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, 2022
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, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

Right to use Leased Assets

The District has recorded a right to use leased asset as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary changes necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

Mineral Point Unified School District
June 30, 2022
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, 2022
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, 2022
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, 2022 the general fund balance was 21.7% 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, 2022
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.

M. Change in Accounting Principle

Effective July 1, 2021 the District adopted GASB statement No. 87, Leases. GASB 87 replaces previous lease accounting methodology and establishes a single model for lease accounting based on the foundation principle that leases are a financing right to use an underlying asset. GASB No. 87 requires recognition of certain lease assets and liabilities for lessee agreements and lease receivables and deferred inflows of resources for lessor agreements.

Effective July 1, 2021, the District recorded right to use leased assets of \$47,840. Also, the District removed \$84,423 and \$36,583 from the government wide fixed assets and accumulated depreciation, respectively. The Capital Lease is now recorded as a Lease Liability on the face of the financials. This has no effect on the beginning balance on the statement of activities.

Mineral Point Unified School District
June 30, 2022
Notes to the Basic Financial Statements

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, 2022
 Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS

At June 30, 2022, the cash and investments included the following:

Account Balances	
Petty cash/cash on hand	\$ 300
Deposits with financial institutions	2,997,299
Mutual funds	24,771
WI local government investment pool	12,556
	\$ 3,034,926

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Per Statement of Net Assets - Exhibit A-1	
Cash and cash equivalents	\$ 2,221,656
Cash and cash equivalents - restricted	813,270
Total	\$ 3,034,926

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, 2022, the District's pooled investment balances were as follows:

Investment Type	Fair Value
WI local government investment pool (LGIP)	\$ 12,556

Mineral Point Unified School District
 June 30, 2022
 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)	\$ 12,556	\$ 12,556

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, 2022, 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, 2022 the District had \$3,151,070 deposited in one 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, 2022
 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, 2022</u>	
	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds	\$ 24,771	\$ 24,771

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, 2022
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, 2022, \$357,840 of the District's deposits with financial institutions was insured by FDIC coverage. \$2,793,229 of the District's deposits above FDIC thresholds at June 30, 2022 was insured by collateral pledged at a local financial institution. The State of Wisconsin Guarantee Fund would provide coverage for \$400,000 of uninsured amounts, 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, 2022
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, 2022, 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, 2022 was 95% in U.S. Government Securities, 1% in FDIC insured deposit accounts and Banker Acceptances, and 4% in Commercial Paper.

NOTE 4

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 296,858	\$	\$	\$ 296,858
Construction work in process	9,448,147	46,424	(9,448,147)	46,424
Total capital assets not being depreciated	9,745,005	46,424	(9,448,147)	343,282
<i>Capital assets, being depreciated:</i>				
Buildings	13,043,123	12,373,670		25,416,793
Land improvements	725,305	83,748		809,053
Furniture and equipment	3,706,544	61,253	(121,845)	3,645,952
Vehicles	148,274	68,068		216,342
Total capital assets, being depreciated	17,623,246	12,586,739	(121,845)	30,088,140
Total capital assets	27,368,251	12,633,163	(9,569,992)	30,431,422
Less accumulated depreciation:				
Buildings	6,819,385	293,653		7,113,038
Land improvements	178,710	49,437		228,147
Furniture and equipment	2,831,044	274,526	(121,845)	2,983,725
Vehicles	136,533	11,504		148,037
Total accumulated depreciation	9,965,672	629,120	(121,845)	10,472,947
Total net capital assets	\$ 17,402,579	\$ 12,004,043	\$ (9,448,147)	\$ 19,958,475

Mineral Point Unified School District
June 30, 2022
Notes to the Basic Financial Statements

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Regular instruction	\$ 56,790
Vocational instruction	12,906
Special education	26,682
Other instruction	6,884
Instructional staff services	3,484
General administration	307
Business administration	218,667
Central services	13,716
Other support services	89,218
Depreciation not charged to a specific function	200,466
Total depreciation for governmental activities	\$ 629,120

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 2021/22. Interest was .95% and the note expires on July 31, 2022.

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

	Balance 1/0/00	Additions	Removals	Balance 6/30/22
Line of credit	\$	\$ 512,000	\$ (512,000)	\$

The note was issued for cash flow purposes. Total interest paid on this note for the year was \$1,627.

B. Long-term Liabilities

Long-term liability balances and activity for the year ended June 30, 2022 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	2,193,638		(538,862)	1,654,776	547,950
Debt premium	229,836		(12,948)	216,888	
Lease liability	56,600		(16,764)	39,836	18,245
Sub-total	12,090,074		(568,574)	11,521,500	566,195
Vested employee sick leave	615,910	23,082	(74,563)	564,429	
Total	\$ 12,705,984	\$ 23,082	\$ (643,137)	\$ 12,085,929	\$ 566,195

Mineral Point Unified School District
June 30, 2022
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	\$ 320,801	\$ 324,770
Lease liability	4,166	4,166
Total	\$ 324,967	\$ 328,936

General obligation debt at June 30, 2022 is comprised of the following individual issues:

Description	Issue Date	Interest Rates	Date of Maturity	Balance 6/30/22
Notes payable - Energy Efficiency Loan	07/01/13	1.87%	04/01/23	\$ 60,000
Notes payable - Stadium	01/05/18	2.45%	01/25/28	123,185
Notes payable - Energy Efficiency Loan	01/05/18	2.45%	08/01/27	341,591
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	1,130,000
Total				\$ 11,264,776

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 2021 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$423,401,303. The legal debt limit and margin of indebtedness as of June 30, 2022 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$423,401,303)	\$ 42,340,130
Deduct long-term debt applicable to debt margin	(11,264,776)
Margin of indebtedness	\$ 31,075,354

Mineral Point Unified School District
June 30, 2022
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, 2022 follows:

Years Ended June 30,	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			Bonds - Non-direct		
	Principal	Interest	Total	Principal	Interest	Total
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	80,929	3,573	84,502	515,000	260,453	775,453
2028-2032	60,261	1,503	61,764	3,110,000	1,069,200	4,179,200
2033-2037				3,620,000	573,300	4,193,300
2038-2039				1,605,000	72,600	1,677,600
Totals	\$ 1,654,776	\$ 88,892	\$ 1,743,668	\$ 9,610,000	\$ 3,069,899	\$12,679,899

C. Vested Employee Benefits

Vested employee sick leave at June 30, 2022 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, 2022 is \$564,429 and is shown on the statement of net position. There are currently 110 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.

D. Lease Liability

Aggregate cash flow requirements for the retirement of the lease liability and interest at June 30, 2022 were as follows:

Years Ended June 30,	Principal	Interest	Total
2023	\$ 18,245	\$ 2,685	\$ 20,930
2024	19,858	1,073	20,931
2025	1,733	12	1,745
Totals	\$ 39,836	\$ 3,770	\$ 43,606

Mineral Point Unified School District
June 30, 2022
Notes to the Basic Financial Statements

NOTE 6

RIGHT TO USE LEASED ASSETS

The District has entered into a lease agreement for copiers. The related future minimum lease obligations are discussed in the Lease Liability subsection of the Long-Term Liabilities note.

In the statement of activities, lease expense for the year ended June 30, 2022 was as follows:

	Year Ending 6/30/2022
Lease expense	
Amortization expense by class of underlying asset	
Copy Machine	\$ 16,885
Total amortization expense	16,885
Interest on lease liabilities	4,166
Total	\$ 21,051

Lease asset activity for the year ended June 30, 2022 was as follows:

	Beginning of Year	Additions	Subtractions	End of Year
Right to use Leased Assets				
Copy Machine	\$ 84,423	\$	\$	\$ 84,423
Less: Accumulated Amortization				
Copy Machine	(36,583)	(16,885)		(53,468)
Total Right to used Lease Assets, net	\$ 47,840	\$ (16,885)	\$	\$ 30,955

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>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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, 2022
 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 (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions: Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the 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, 2022
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

During the reporting period, the WRS recognized \$329,958 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At June 30, 2022, the Mineral Point Unified School District reported a liability (asset) of (\$2,281,134) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the Mineral Point Unified School District's proportion was 0.02830127%, which was an increase of 0.00000026% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Mineral Point Unified School District's recognized pension expense (revenue) of (\$200,945).

At June 30, 2022, the Mineral Point Unified School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,685,057	\$ (265,732)
Net differences between projected and actual earnings on pension plan investments		(5,103,087)
Changes in assumptions	425,581	
Changes in proportion and differences between employer contributions and proportionate share of contributions	681	(1,745)
Employer contributions subsequent to the measurement date	161,649	
Total	<u>\$ 4,272,968</u>	<u>\$ (5,370,564)</u>

Mineral Point Unified School District
June 30, 2022
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$161,649 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (107,787)
2024	(618,657)
2025	(271,964)
2026	(260,837)
Total	<u>\$ (1,259,245)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Mineral Point Unified School District
June 30, 2022
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, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.02
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund	115	6.6	4.0
Variable Fund Asset Class			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.			

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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, 2022
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 6.80 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 (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 1,618,626	\$ (2,281,134)	\$ (5,088,236)

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, 2022 include the following:

Non-spendable:	
Major Funds:	
General - prepaids	\$ 274,614
Food service - inventory	3,604
Total non-spendable	278,218
Restricted:	
Major Funds:	
Capital projects	988,270
General fund - kids getting ahead initiative	7,613
Food service	118,755
Non-major Funds:	
Special revenue	453,253
Debt service	266,295
Community service	92,907
Total restricted	1,927,093
Unassigned:	
Major Funds:	
General	2,285,509
Total governmental fund balances	\$ 4,490,820

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, 2022
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. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021 and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. 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, 2022 are as follows:

Receivable Fund	Payable Fund	Amount	Reason
Capital projects	General	\$ 175,000	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:

Fund Transfer to	Fund Transfer from	Amount	Reason
Capital projects	General	\$ 175,000	Long term capital improvements
Debt service	General	39,082	Debt service
	Total	\$ 214,082	

\$1,098,472 was transferred to the special education fund from the general fund during the fiscal year ended June 30, 2022. 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, 2022, the District approved a \$1,500,000 line of credit at 2.00% interest with a local financial institution. As of October 21, 2022, the District had not drawn on this line of credit.

Prior to June 30, 2022, the District approved the following projects totaling \$306,000.

- Upgrade Security Cameras
- Update exterior doors at the high school building
- Sealcoat the parking lot, walkway, and basketball court at high school
- Replace stair treads at high school
- Replace lift at elementary school
- Floor covering at high school gym floor
- Install window shades at elementary school
- Finish parking lot at elementary school

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
Required Supplementary Information
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Original Budget Favorable (Unfavorable)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		(Unfavorable)	(Unfavorable)
REVENUES					
Property taxes	\$ 3,437,722	\$ 3,522,878	\$ 3,523,564	\$ 85,842	\$ 686
Other local sources	48,250	48,250	65,201	16,951	16,951
Interdistrict sources	813,321	813,321	787,277	(26,044)	(26,044)
Intermediate sources	5,000	5,000	3,737	(1,263)	(1,263)
State sources	6,262,573	6,259,528	6,288,199	25,626	28,671
Federal sources	409,375	409,375	578,251	168,876	168,876
Other sources			16,665	16,665	16,665
Total revenues	10,976,241	11,058,352	11,262,894	286,653	204,542
EXPENDITURES					
Instruction:					
Undifferentiated instruction	2,254,785	2,203,313	2,143,578	111,207	59,735
Regular instruction	2,258,432	2,144,862	2,114,607	143,825	30,255
Vocational instruction	352,987	330,210	361,216	(8,229)	(31,006)
Physical instruction	267,241	256,471	265,163	2,078	(8,692)
Co-curricular activities	466,903	466,903	463,152	3,751	3,751
Total instruction	5,600,348	5,401,759	5,347,716	252,632	54,043
Support Services:					
Pupil services	334,283	334,037	357,466	(23,183)	(23,429)
Instructional staff services	440,164	597,732	565,057	(124,893)	32,675
General administration services	271,632	287,046	284,234	(12,602)	2,812
Building administration services	559,652	561,812	572,502	(12,850)	(10,690)
Business administration	1,622,867	1,703,171	1,682,851	(59,984)	20,320
Central services	48,400	48,900	41,549	6,851	7,351
Insurance	89,480	89,480	92,186	(2,706)	(2,706)
Principal and interest	3,500	3,500	22,558	(19,058)	(19,058)
Other support services	442,328	442,328	256,421	185,907	185,907
Total support services	3,812,306	4,068,006	3,874,824	(62,518)	193,182
Non-Program Transactions:					
Purchased instructional services	372,562	397,562	516,466	(143,904)	(118,904)
Total expenditures	9,785,216	9,867,327	9,739,006	46,210	128,321
Excess (deficiency) of revenues over expenditures	1,191,025	1,191,025	1,523,888	332,863	332,863
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,191,025)	(1,191,025)	(1,312,554)	(121,529)	(121,529)
Total other financing sources (uses)	(1,191,025)	(1,191,025)	(1,312,554)	(121,529)	(121,529)
Net change in fund balance			211,334	211,334	211,334
Fund balance - beginning	2,356,402	2,356,402	2,356,402		
Fund balance - ending	\$ 2,356,402	\$ 2,356,402	\$ 2,567,736	\$ 211,334	\$ 211,334

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, 2022

	Budgeted Amounts		Actual	Variances	
	Original	Final		Positive	(Negative)
REVENUES					
Interdistrict sources	\$ 6,000	\$ 6,000	\$ 36,518	\$ 30,518	\$ 30,518
Intermediate sources			573	573	573
State sources	449,654	449,654	524,670	75,016	75,016
Federal sources	207,000	207,000	207,261	261	261
Total revenues	<u>662,654</u>	<u>662,654</u>	<u>769,022</u>	<u>106,368</u>	<u>106,368</u>
EXPENDITURES					
Instruction:					
Special instruction	1,399,199	1,399,199	1,466,046	(66,847)	(66,847)
Total instruction	<u>1,399,199</u>	<u>1,399,199</u>	<u>1,466,046</u>	<u>(66,847)</u>	<u>(66,847)</u>
Support Services:					
Pupil services	184,954	184,954	205,225	(20,271)	(20,271)
Instructional staff services	173,999	173,999	150,582	23,417	23,417
Building administration services	3,200	3,200	3,200	3,200	3,200
Total support services	<u>362,153</u>	<u>362,153</u>	<u>355,807</u>	<u>6,346</u>	<u>6,346</u>
Non-Program Transactions:					
Purchased instructional services	53,245	53,245	45,641	7,604	7,604
Total non-program transactions	<u>53,245</u>	<u>53,245</u>	<u>45,641</u>	<u>7,604</u>	<u>7,604</u>
Total expenditures	<u>1,814,597</u>	<u>1,814,597</u>	<u>1,867,494</u>	<u>(52,897)</u>	<u>(52,897)</u>
Excess of revenues over (under) expenditures	<u>(1,151,943)</u>	<u>(1,151,943)</u>	<u>(1,098,472)</u>	<u>53,471</u>	<u>53,471</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,151,943	1,151,943	1,098,472	(53,471)	(53,471)
Total other financing sources (uses)	<u>1,151,943</u>	<u>1,151,943</u>	<u>1,098,472</u>	<u>(53,471)</u>	<u>(53,471)</u>
Net change in fund balances					
Fund balance - beginning	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Fund balance - ending	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Exhibit B-3
 Required Supplementary Information
 Mineral Point Unified School District
 Budgetary Comparison Schedule for the Food Service Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances	
	Original	Final		Positive (Negative)	Final
REVENUES					
Other local sources	\$ 71,491	\$ 71,491	\$ 88,261	\$ 16,770	\$ 16,770
State sources			15,330	15,330	15,330
Federal sources	<u>329,056</u>	<u>329,056</u>	<u>495,010</u>	<u>165,954</u>	<u>165,954</u>
Total revenues	<u>400,547</u>	<u>400,547</u>	<u>598,601</u>	<u>198,054</u>	<u>198,054</u>
EXPENDITURES					
Support Services:					
Business administration	<u>400,547</u>	<u>400,547</u>	<u>476,242</u>	<u>(75,695)</u>	<u>(75,695)</u>
Total support services	<u>400,547</u>	<u>400,547</u>	<u>476,242</u>	<u>(75,695)</u>	<u>(75,695)</u>
Total expenditures	<u>400,547</u>	<u>400,547</u>	<u>476,242</u>	<u>(75,695)</u>	<u>(75,695)</u>
Excess of revenues over (under) expenditures			<u>122,359</u>	<u>122,359</u>	<u>122,359</u>
Net change in fund balances			122,359	122,359	122,359
Fund balance - beginning					
Fund balance - ending	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 122,359</u>	<u>\$ 122,359</u>	<u>\$ 122,359</u>

Exhibit B-4
Required Supplementary Information
Mineral Point Unified School District
June 30, 2022
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)
2021	(0.02830127%)	\$ (2,281,134)	\$ 4,888,330	(46.66%)	106.02%
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
2022	\$ 329,958	\$ (329,958)		\$ 4,980,429	6.63%
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, 2022
 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, 2022:

Fund	Excess Expenditures
General Fund:	
Non-program transactions	\$ 118,904
Transfers out	121,529
Special Education Fund:	
Instruction	66,847
Food Service Fund:	
Business administration	75,695

Mineral Point Unified School District
 June 30, 2022
 Notes to the Required Supplementary Information

NOTE 3

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

	<u>General Fund</u>	<u>Special Education Fund</u>
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 11,262,894	\$ 769,022
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>769,022</u>	<u>(769,022)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 12,031,916</u>	<u>\$</u>
	<u>General Fund</u>	<u>Special Education Fund</u>
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 9,739,006	\$ 1,867,494
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,867,494</u>	<u>(1,867,494)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 11,606,500</u>	<u>\$</u>

Mineral Point Unified School District
June 30, 2022
Notes to the Required Supplementary Information

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

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

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Mineral Point Unified School District
June 30, 2022
Notes to the Required Supplementary Information

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

Mineral Point Unified School District
June 30, 2022
Notes to the Required Supplementary Information

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

SUPPLEMENTARY INFORMATION

Exhibit C-1
 Mineral Point Unified School District
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2022

	Special Revenue Fund			Total
	Special Revenue Fund	Community Service Fund	Debt Service Fund	Non-Major Governmental Funds
ASSETS				
Cash and investments	\$ 453,253	\$ 92,907	\$ 266,295	\$ 812,455
Accounts receivable				
Inventory				
Total assets	\$ 453,253	\$ 92,907	\$ 266,295	\$ 812,455
FUND BALANCES				
Restricted	\$ 453,253	\$ 92,907	\$ 266,295	\$ 812,455
Total fund balances	453,253	92,907	266,295	812,455
Total liabilities and fund balances	\$ 453,253	\$ 92,907	\$ 266,295	\$ 812,455

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, 2022

	Special Revenue		Debt Service Fund	Total Non-major Governmental Funds
	Special Revenue Fund	Community Service Fund		
REVENUES				
Property taxes	\$	\$ 91,000	\$ 795,054	\$ 886,054
Local sources	484,933		30,462	515,395
State sources				
Federal sources				
Total revenues	484,933	91,000	825,516	1,401,449
EXPENDITURES				
Instruction:				
Regular instruction	155,159			155,159
Vocational instruction	12,016			12,016
Other instruction	266,974			266,974
Total instruction	434,149			434,149
Support services:				
Pupil services	1,077			1,077
Instructional staff services	20,689			20,689
Building administrative services	4,716			4,716
Central services	4,073			4,073
Business administration	4,273	58,163		62,436
Principal and interest			864,107	864,107
Community service		14,807		14,807
Total support services	34,828	72,970	864,107	971,905
Non-program transactions:				
Other non-program transactions	226			226
Post-Secondary scholarships	14,508			14,508
Total non-program transactions	14,734			14,734
Total expenditures	483,711	72,970	864,107	1,420,788
Excess (deficiency) of revenues over expenditures	1,222	18,030	(38,591)	(19,339)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			39,082	39,082
Net change in fund balances	1,222	18,030	491	19,743
Fund balances - beginning	452,031	74,877	265,804	792,712
Fund balances - ending	\$ 453,253	\$ 92,907	\$ 266,295	\$ 812,455

Exhibit C-3
Mineral Point Unified School District
Schedule of Federal Financial Assistance
For the Year Ended June 30, 2022

Awarding Agency/ Pass-Through Agency Award Description	Assistance Listing	Pass Through ID Number	(Accrued) Receivable Deferred Revenue 7/1/2021	Receipts Grantor Reimbursement	Expenditures	Accrued Receivable (Deferred) Revenue 6/30/2022
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<u>Passed Through</u>						
<u>Wisconsin Department of Public Instruction</u>						
Child Nutrition Cluster						
School Breakfast Program	10.553	2022-253633-DPI-SB-546	\$	\$ 92,411	\$ 92,411	\$
National School Lunch Program	10.555	2022-253633-DPI-NSL-547		366,253	366,253	
Donated Food Commodities	10.555	Not Available		36,346	36,346	
Total Child Nutrition Cluster				495,010	495,010	
TOTAL U.S. DEPARTMENT OF AGRICULTURE				495,010	495,010	
<u>FEDERAL COMMUNICATIONS COMMISSION</u>						
<u>Direct program:</u>						
Emergency Connectivity Fund Program	32.009	N/A - Direct		37,000	37,000	
TOTAL FEDERAL COMMUNICATIONS COMMISSION				37,000	37,000	
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<u>Passed Through</u>						
<u>Wisconsin Department of Public Instruction</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	84.027A	2022-253633-DPI-FLOW-341		95,885	134,982	39,097
Special Education Grants to States	84.027A	2022-253633-DPI-FLOW-341	(3,831)	3,831		
Special Education Preschool Grants	84.173A	2022-253633-DPI-PRESCH-347		6,269	11,051	4,782
Total Special Education Cluster			(3,831)	105,985	146,033	43,879
Title I Grants to Local Educational Agencies	84.010A	2022-253633-DPI-TIA-141		73,935	73,935	
Improving Teacher Quality State Grants	84.367A	2022-253633-DPI-TIIA-365		11,055	14,749	3,694
Student Support and Academic Enrichment Program	84.424A	2022-253633-DPI-TIVA-381			11,008	11,008
Education Stabilization Fund						
COVID-19 Elem and Secondary School Emergency Relief II	84.425D	2022-253633-DPI-ESSERFII-163		193,793	250,945	57,152
Total Education Stabilization Fund				193,793	250,945	57,152
<u>Passed Through CESA #3</u>						
Career and Technical Education - Basic Grants to States	84.048	2022-253633-DPI-CTE-400	(4,177)	7,914	3,737	
TOTAL U.S. DEPARTMENT OF EDUCATION			(8,008)	392,682	500,407	115,733
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Passed Through</u>						
<u>Wisconsin Department of Health Services</u>						
Medicaid Cluster						
Medical Assistance Program - School Based Services	93.778	Not Available	(1,904)	115,939	131,365	17,330
Total Medicaid Cluster			(1,904)	115,939	131,365	17,330
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			(1,904)	115,939	131,365	17,330
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
<u>Passed Through</u>						
<u>Wisconsin Department of Military Affairs</u>						
COVID-19 Disaster Grants - Public Assistance	97.036	Not Available	(5,036)	11,568	6,532	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			(5,036)	11,568	6,532	
TOTAL FEDERAL ASSISTANCE			\$ (14,948)	\$ 1,052,199	\$ 1,170,314	\$ 133,063

Exhibit C-4
Mineral Point Unified School District
Schedule of State Awards
For the Year Ended June 30, 2022

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass Through ID Number	(Accrued) Deferred Receivable July 1, 2021	Receipts Grantor Reimbursement	Expenditures	Accrued (Deferred) Receivable June 30, 2022
<u>Wisconsin Department of Public Instruction</u>						
<u>Entitlement Programs</u>						
General Equalization	255.201	253633-116	\$ (77,274)	\$ 5,386,303	\$ 5,309,029	
Handicapped Pupils and Schools Age Parents Internal District Programs	255.101	253633-100		458,307	458,307	
Passed through Iowa-Grant School District	255.101	253633-100	(4,732)	4,732	7,957	7,957
Passed through CESA #3	255.101	253633-100		573	573	
Total Special Education			<u>(4,732)</u>	<u>463,612</u>	<u>466,837</u>	<u>7,957</u>
State Lunch	255.102	253633-107		9,037	9,037	
Common School Fund	255.103	253633-104		32,065	32,065	
Pupil Transportation	255.107	253633-102		21,453	21,453	
WI Morning Milk	255.115	253633-109		1,313	1,313	
High Cost Sp. Ed. Aid	255.210	253633-119		62,537	62,537	
Sparsity Aid	255.212	253633-162		269,771	269,771	
School Based Mental Health Services Grant	255.297	253633-177		66,374	73,462	7,088
Early College Credit Program	255.445	253633-178		563	563	
School Breakfast	255.344	253633-108		4,979	4,979	
Per Pupil Aid	255.945	253633-113		523,110	523,110	
High Cost Transportation Aid	255.947	253633-114		20,327	20,327	
Career & Technical Educ Incentive Grants	255.950	253633-171			6,751	6,751
Assessment of Reading Readiness	255.956	253633-166		725	725	
Transition Incentive	255.960	253633-168		3,826	3,826	
Total Wisconsin Department of Public Instruction - Entitlement			<u>(82,006)</u>	<u>6,865,995</u>	<u>6,805,785</u>	<u>21,796</u>
<u>Wisconsin Department of Military Affairs</u>						
COVID 19 Federal Disaster Assistance - State Match	465.305	Not Applicable	(719)	719		
Total State Awards			<u>\$ (82,725)</u>	<u>\$ 6,866,714</u>	<u>\$ 6,805,785</u>	<u>\$ 21,796</u>

Mineral Point Unified School District
For the Year Ended June 30, 2022
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.

NOTE 4

SPECIAL EDUCATION AND SCHOOL AGE PARENTS

2021-2022 eligible costs under the Special Education and School Age Parents Program are \$1,623,857. The 2022-2023 aid estimate is \$402,716.

NOTE 5

MEDICAL ASSISTANCE PROGRAM

Expenditures presented for the Medical Assistance Program – School Based Services represent only the federal funds received from the Wisconsin Department of Health Services. District records should be consulted to determine the total amount expended for this program.

Medical Assistance Program – School Based Services is listed as a federal award, but was considered a major state program.



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

To the 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, 2022, 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 November 11, 2022.

Report on 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 #2022-001 that we consider to be a material weakness.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on the Mineral Point Unified School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Mineral Point Unified School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.
November 11, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Mineral Point Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and State Single Audit Guidelines that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Our responsibilities under those standards, the Uniform Guidance, and State Single Audit Guidelines are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Guidelines we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Mineral Point Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weakness.

Report on Internal Control over Compliance (Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2022-01 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Mineral Point Unified School District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Mineral Point Unified School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance and the State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 11, 2022

Mineral Point Unified School District
 For the Year Ended June 30, 2022
 Schedule of Findings and Questioned Costs

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

Federal Awards

Internal Control over major programs:

- Material Weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X 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 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

State Awards

Internal Control over major programs:

- Material Weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X 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 State Single Audit Guidelines? Yes X 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
255.212	Sparsity Aid
255.945	Per Pupil Aid
93.778	Medical Assistance

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, 2022
Schedule of Findings and Questioned Costs (Continued)

Section II – Financial Statement Findings

Finding #2022-001 – Lack of Segregation of Duties (Prior year finding #2021-001)

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 Federal Program Findings and Responses

Finding #2022-001 noted in Section II also applies to internal control procedures over state awards.


Section IV – Major State Program Findings and Responses

Finding #2022-001 noted in Section II also applies to internal control procedures over state awards.

Mineral Point Unified School District
For the Year Ended June 30, 2022
Schedule of Findings and Questioned Costs (Continued)

Section V – Other Issues

- | | |
|--|--|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:

Department of Public Instruction | Yes |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes
An Audit
Communication
Letter was submitted to
the oversight body |
| 4. Name and signature of partner | 

Jay Bennett, CPA |
| 5. Date of report: | November 11, 2022 |

Mineral Point Unified School District
For the Year Ended June 30, 2022
Schedule of Prior Year Findings and Questioned Costs

A single audit in accordance with the Uniform Guidance and the State Single Audit Guidelines was not required to be performed in the prior years. The findings below were from the June 30, 2021 audit that was performed in accordance with *Government Auditing Standards* and the Wisconsin Public School District Audit Manual.

Prior Year Findings

#2021-001 – Lack of Segregation of duties

This is still a finding. See finding #2022-001