



MINERAL POINT UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended June 30, 2023

Johnson Block & Company, Inc.
Certified Public Accountants
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Mineral Point Unified School District
June 30, 2023
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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, 2023, 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, 2023, 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.

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; and for 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 generally accepted auditing standards (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 financial statements that collectively comprise of the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 30, 2023

BASIC FINANCIAL STATEMENTS

Exhibit A-1
Mineral Point Unified School District
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,359,171
Cash and cash equivalents - restricted	852,156
Accounts receivable	4,020
Taxes receivable	1,132,174
Inventory	2,088
Due from other governmental units	86,170
Prepays	18,545
Total current assets	<u>5,454,324</u>
Noncurrent assets:	
Capital assets	
Property, plant and equipment	30,612,280
Less: accumulated depreciation	<u>(11,170,728)</u>
Net book value of capital assets	<u>19,441,552</u>
Right to use leased assets	
Net accumulated amortization of \$70,353	<u>14,070</u>
Total noncurrent assets	<u>19,455,622</u>
Total assets	<u>24,909,946</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	<u>5,430,073</u>
Total assets and deferred outflows of resources	<u><u>\$ 30,340,019</u></u>

Exhibit A-1 (Continued)
Community services
Statement of Net Position
June 30, 2023

	Governmental Activities
LIABILITIES	
Current liabilities:	
Accrued salaries and wages	\$ 61,412
Accounts payable	99,780
Customer deposits	16,663
Accrued interest payable	80,650
Current portion of long-term obligations	579,743
Total current liabilities	<u>838,248</u>
Noncurrent liabilities:	
Notes and bonds payable, plus	
unamortized debt premiums of \$203,940	10,920,799
Net pension liability	1,506,059
Lease liability	21,590
Vested employee sick leave	583,188
Less: current portion	(579,743)
Total noncurrent liabilities	<u>12,451,893</u>
Total liabilities	<u>13,290,141</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	<u>3,153,289</u>
NET POSITION	
Net investment in capital assets	8,513,233
Restricted	
Capital projects	1,052,156
Special revenue	417,663
Community service	114,575
Debt service	437,329
Food service	152,438
Unspent Common School Fund	1,112
Get Kids Ahead Initiative	19,373
Back to School Grant	31,152
Unrestricted	<u>3,157,558</u>
Total net position	<u>13,896,589</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 30,340,019</u></u>

Exhibit A-2
Mineral Point Unified School District
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction:					
Regular instruction	\$ 4,848,315	\$ 23,455	\$ 2,112,410	\$	\$ (2,712,450)
Vocational education	432,368		21,140		(411,228)
Special education	1,655,872		1,038,578		(617,294)
Other instruction	1,044,592	28,766	281,392		(734,434)
Total instruction	7,981,147	52,221	3,453,520		(4,475,406)
Support services:					
Pupil services	604,324		194,426		(409,898)
Instructional staff services	692,538		194,625		(497,913)
General administration services	269,227				(269,227)
Building administration services	590,439		46,009		(544,430)
Business administration	2,993,181	275,472	584,303	39,442	(2,093,964)
Central services	36,417		500		(35,917)
Insurance	118,881				(118,881)
Other support services	404,899		106		(404,793)
Interest expense and fiscal charges	315,251			27,521	(287,730)
Depreciation - unallocated	200,465				(200,465)
Community services	5,065				(5,065)
Total support services	6,230,687	275,472	1,019,969	66,963	(4,868,283)
Non-program transactions:					
Purchased instructional services	535,065		32,063		(503,002)
Post-secondary scholarships	17,992		2,612		(15,380)
Total non-program transactions:	553,057		34,675		(518,382)
Total governmental activities	\$ 14,764,891	\$ 327,693	\$ 4,508,164	\$ 66,963	\$ (9,862,071)
General revenues:					
Property taxes					
General purposes					3,279,536
Debt services					1,034,019
Other taxes					94,042
Federal and State aid not restricted for specific purposes					
General					5,754,155
Gain(loss) on sale of asset					6,894
Interest and investment earnings					69,795
Miscellaneous					27,123
Total general revenues					10,265,564
Changes in net position					403,493
Net position - beginning of year					13,493,096
Net position - end of year					\$ 13,896,589

Exhibit A-3
Mineral Point Unified School District
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 2,124,130	\$	\$ 1,235,041	\$ 3,359,171
Cash and investments - restricted		852,156		852,156
Accounts receivable			4,020	4,020
Taxes receivable	1,132,174			1,132,174
Inventory			2,088	2,088
Due from other funds		200,000		200,000
Due from other governments	86,170			86,170
Prepays	18,545			18,545
Total assets	3,361,019	1,052,156	1,241,149	5,654,324
LIABILITIES				
Accrued wages and payroll taxes	\$ 61,412	\$	\$	\$ 61,412
Accounts payable	80,037		19,743	99,780
Customer deposits			16,663	16,663
Due to other funds	200,000			200,000
Total liabilities	341,449		36,406	377,855
FUND BALANCES				
Non-spendable	18,545		2,088	20,633
Restricted	51,637	1,052,156	1,202,655	2,306,448
Assigned	270,000			270,000
Unassigned	2,679,388			2,679,388
Total fund balances	3,019,570	1,052,156	1,204,743	5,276,469
Total liabilities and fund balances	\$ 3,361,019	\$ 1,052,156	\$ 1,241,149	\$ 5,654,324

Exhibit A-4
Mineral Point Unified School District
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
June 30, 2023

	<u>June 30, 2023</u>
Total fund balances - governmental funds:	\$ 5,276,469
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and right-to-use leased assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statements of net position	
Governmental capital assets	30,612,280
Governmental accumulated depreciation	(11,170,728)
Right-to-use leased assets, net of accumulated amortization of \$70,353	<u>14,070</u>
	19,455,622
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	5,430,073
Deferred inflows of resources	(3,153,289)
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	10,716,859
Debt premiums	203,940
Net pension liability	1,506,059
Lease liability	21,590
Accrued interest on long-term debt	80,650
Vested employee sick leave	<u>583,188</u>
	(13,112,286)
Total net position - governmental activities	<u>\$ 13,896,589</u>

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, 2023

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES				
Property taxes	\$ 3,282,578	\$	\$ 1,125,019	\$ 4,407,597
Other local sources	91,972	15,386	817,679	925,037
Interdistrict sources	905,298			905,298
Intermediate sources	21,805			21,805
State sources	7,352,486		7,683	7,360,169
Federal sources	1,264,672		236,842	1,501,514
Other sources	31,910			31,910
Total revenues	12,950,721	15,386	2,187,223	15,153,330
EXPENDITURES				
Instruction:				
Regular instruction	4,459,456		124,288	4,583,744
Vocational instruction	398,543		10,309	408,852
Special instruction	1,579,480			1,579,480
Other instruction	760,546		256,981	1,017,527
Total instruction	7,198,025		391,578	7,589,603
Support services:				
Pupil services	578,331			578,331
Instructional staff services	659,806		10,469	670,275
General administration services	254,439			254,439
Building administration services	549,851		41,539	591,390
Business administration	1,900,632	151,500	629,706	2,681,838
Central services	27,505			27,505
Insurance	118,881			118,881
Principal and interest	23,877		861,650	885,527
Other support services	412,296			412,296
Community services			4,539	4,539
Total support services	4,525,618	151,500	1,547,903	6,225,021
Non-program transactions:				
Purchased instructional services	535,065			535,065
Post-Secondary scholarships			17,992	17,992
Total non-program transactions:	535,065		17,992	553,057
Total expenditures	12,258,708	151,500	1,957,473	14,367,681
Excess (deficiency) of revenues over expenditures	692,013	(136,114)	229,750	785,649
OTHER FINANCING SOURCES (USES)				
Transfer to other funds	(240,179)			(240,179)
Transfer from other funds		200,000	40,179	240,179
Total other financing sources (uses)	(240,179)	200,000	40,179	
Net change in fund balances	451,834	63,886	269,929	785,649
Fund balance - beginning	2,567,736	988,270	934,814	4,490,820
Fund balance - ending	\$ 3,019,570	\$ 1,052,156	\$ 1,204,743	\$ 5,276,469

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, 2023

Net change in fund balances-total governmental funds \$ 785,649

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

The acquisition of capital assets and right-to-use lease 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 or the applicable lease term as annual depreciation or amortization expenses in the statement of activities

Capital/lease outlay reported in governmental fund statements	326,902	
Depreciation expense reported in the statement of activities	(835,929)	
Amortization expense reported in the statement of activities	<u>(16,885)</u>	
Amount by which capital/lease outlays are greater (less) than depreciation in the current period.		(525,912)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/(decrease) net position:	(7,895)
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Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Change in compensated absences	(18,759)
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Long-term proceeds provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the statement of net position. Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

Principal payments on long-term loans	547,917
Principal payments on lease liabilities	18,246

Debt premiums are reported in the governmental funds as revenue when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt as interest income in the statement of activities.

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

The amount of interest paid during the current period	315,943	
The amount of interest accrued during the current period	<u>(311,831)</u>	
Interest paid is greater (less) than interest accrued by		4,112

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

Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.	<u>(412,813)</u>
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Change in net position-governmental activities	<u><u>\$ 403,493</u></u>
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NOTES TO THE BASIC FINANCIAL STATEMENTS

Mineral Point Unified School District
June 30, 2023
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Mineral Point Unified School District
June 30, 2023
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, 2023
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, 2023
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Major Funds

The District reports the following major governmental funds:

General Fund

Capital Projects Fund

Non-Major Funds

The District reports the following non-major funds:

Special Revenue Funds:

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

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

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

Debt Service Fund

C. Measurement Focus and Basis of Accounting

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

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

Mineral Point Unified School District
June 30, 2023
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, 2023
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 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, 2023
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, 2023
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, lease liabilities 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 #6.

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, 2023
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, 2023
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 goals 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, 2023 the general fund balance was 21.9% of current year general fund expenditures.

K. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Pensions (Continued)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 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 deferred inflows of resources are related to the WRS pension system.

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

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

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

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

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

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS

At June 30, 2023, the cash and investments included the following:

Account Balances	
Petty cash/cash on hand	\$ 300
Deposits with financial institutions	3,931,097
Mutual funds	26,911
Certificates of deposit	240,000
WI local government investment pool	13,019
	<u>\$ 4,211,327</u>

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Per Statement of Net Assets - Exhibit A-1

Cash and cash equivalents	\$ 3,359,171
Cash and cash equivalents - restricted	852,156
Total	<u>\$ 4,211,327</u>

Investments Authorized by Wisconsin State Statutes

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

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- 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, 2023, the District's pooled investment balances were as follows:

Investment Type	Fair Value
WI local government investment pool (LGIP)	<u>\$ 13,019</u>

Mineral Point Unified School District
June 30, 2023
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	<u>Remaining Maturity (in months)</u>	
	Amount	12 months or less
WI local government investment pool (LGIP)	\$ 13,019	\$ 13,019
Certificates of Deposit	240,000	240,000
	<u>\$ 253,019</u>	<u>\$ 253,019</u>

Credit Risk

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

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. As of June 30, 2023, 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, 2023 the District had \$4,298,788 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, 2023
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.

Assets at Fair Value as of June 30, 2023		
	Fair Value	Level 1
Mutual funds	\$ 26,911	\$ 26,911

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, 2023
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, 2023, \$592,670 of the District's deposits with financial institutions was insured by FDIC coverage. \$3,706,117 of the District's deposits above FDIC thresholds at June 30, 2023 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, 2023
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, 2023, 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, 2023 was 98% in U.S. Government Securities, and 2% in commercial paper, CD's, and time deposits.

NOTE 4

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 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	46,424		(46,424)	
Total capital assets not being depreciated	343,282		(46,424)	296,858
<i>Capital assets, being depreciated:</i>				
Buildings	25,416,793	161,520		25,578,313
Land improvements	809,053	34,570		843,623
Furniture and equipment	3,645,952	153,786	(146,044)	3,653,694
Vehicles	216,342	23,450		239,792
Total capital assets, being depreciated	30,088,140	373,326	(146,044)	30,315,422
Total capital assets	30,431,422	373,326	(192,468)	30,612,280
Less accumulated depreciation:				
Buildings	7,113,038	547,211		7,660,249
Land improvements	228,147	54,611		282,758
Furniture and equipment	2,983,725	212,279	(138,148)	3,057,856
Vehicles	148,037	21,828		169,865
Total accumulated depreciation	10,472,947	835,929	(138,148)	11,170,728
Net capital assets being depreciated	19,958,475	(462,603)	(54,320)	19,441,552
Right-to-use leased assets being amortized:				
Copy machine	84,423			84,423
Less accumulated amortization:				
Copy machine	53,468	16,885		70,353
Net right-to-use leased assets being amortized	30,955	16,885		14,070
Total net capital assets	\$ 19,989,430	\$ (479,488)	\$ (54,320)	\$ 19,455,622

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Regular instruction	\$ 40,501
Vocational instruction	12,484
Special education	19,686
Other instruction	7,577
Instructional staff services	2,573
Building administration	360
Business administration	495,185
Central services	8,912
Other support services	48,186
Depreciation not charged to a specific function	200,465
Total depreciation for governmental activities	<u><u>\$ 835,929</u></u>

Amortization expense was charged to functions as follows:

Other support services	<u><u>\$ 16,885</u></u>
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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 2022/23. Interest was 2.00% and the note expires on July 31, 2023.

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

	Balance			Balance
	7/1/22	Additions	Removals	6/30/23
Line of credit	\$	\$ 642,000	\$ (642,000)	\$

The note was issued for cash flow purposes. Total interest paid on this note for the year was \$2,947.

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 5

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

B. Long-term Liabilities

Long-term liability balances and activity for the year ended June 30, 2023 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	1,654,776		(547,917)	1,106,859	559,885
Debt premium	216,888		(12,948)	203,940	
Lease liability	39,836		(18,246)	21,590	19,858
Sub-total	11,521,500		(579,111)	10,942,389	579,743
Vested employee sick leave	564,429	92,092	(73,333)	583,188	
Total	<u>\$12,085,929</u>	<u>\$ 92,092</u>	<u>\$ (652,444)</u>	<u>\$11,525,577</u>	<u>\$ 579,743</u>

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	\$ 309,146	\$ 313,258
Lease liability	2,685	2,685
Total	<u>\$ 311,831</u>	<u>\$ 315,943</u>

General obligation debt at June 30, 2023 is comprised of the following individual issues:

Description	Issue Date	Interest Rates	Date of Maturity	Balance 6/30/23
Notes payable - Stadium	01/05/18	2.45%	01/25/28	\$ 98,724
Notes payable - Energy Efficiency Loan	01/05/18	2.45%	08/01/27	288,135
GO refunding bonds	07/09/19	1.85%-3.00%	04/01/39	9,610,000
General obligation promissory note	01/07/20	2.30%	04/01/25	720,000
Total				<u>\$ 10,716,859</u>

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.

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 5

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

B. Long-term Liabilities

The 2022 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$489,191,278. The legal debt limit and margin of indebtedness as of June 30, 2023 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$489,191,278)	\$ 48,919,128
Deduct long-term debt applicable to debt margin	<u>(10,716,859)</u>
Margin of indebtedness	<u><u>\$ 38,202,269</u></u>

Aggregate cash flow requirements for the retirement of long-term principal and interest at June 30, 2023 follows:

Years Ended June 30,	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			Bonds - Non-direct		
	Principal	Interest	Total	Principal	Interest	Total
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	80,875	3,573	84,448	515,000	260,453	775,453
2028	60,348	1,503	61,851	585,000	250,050	835,050
2029-2033				3,205,000	975,900	4,180,900
2034-2038				3,730,000	464,700	4,194,700
2039				815,000	24,450	839,450
Totals	<u>\$ 1,106,859</u>	<u>\$ 50,185</u>	<u>\$ 1,157,044</u>	<u>\$ 9,610,000</u>	<u>\$ 2,795,133</u>	<u>\$12,405,133</u>

C. Vested Employee Benefits

Vested employee sick leave at June 30, 2023 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, 2023 is \$583,188 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.

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 5

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

D. Lease Liability

The District has entered into lease agreements that allows the right to use copy machines over the terms of the leases.

Aggregate cash flow requirements for the retirement of the lease liability and interest at June 30, 2023 were as follows:

Years Ended			
June 30,	Principal	Interest	Total
2024	\$ 19,858	\$ 1,073	\$ 20,931
2025	1,732	12	1,744
Totals	<u>\$ 21,590</u>	<u>\$ 1,085</u>	<u>\$ 22,675</u>

NOTE 6

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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

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, 2023
Notes to the Basic Financial Statements

NOTE 6

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 (%)
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
2022	7.4	15.0

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, 2023
Notes to the Basic Financial Statements

NOTE 6

DEFINED BENEFIT PENSION PLAN (CONTINUED)

During the reporting period, the WRS recognized \$336,328 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At June 30, 2023, the Mineral Point Unified School District reported a liability (asset) of \$1,506,059 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Mineral Point Unified School District's proportion was 0.02842854%, which was an increase of 0.00012727% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense (revenue) of \$764,131.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,398,686	\$ (3,151,335)
Net differences between projected and actual earnings on pension plan investments	2,558,448	
Changes in assumptions	296,153	
Changes in proportion and differences between employer contributions and proportionate share of contributions	494	(1,954)
Employer contributions subsequent to the measurement date	176,292	
Total	<u>\$ 5,430,073</u>	<u>\$ (3,153,289)</u>

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 6

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$176,292 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, 2024. 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>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 86,548
2025	434,798
2026	445,975
2027	1,133,171
Total	<u>\$ 2,100,492</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
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. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 6

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 Returns¹			
As of December 31, 2022			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.10
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³ 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, as asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 6

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (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, 2022. 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.

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 District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (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)	\$ 4,998,563	\$ 1,506,059	\$ (896,483)

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>

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 7

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at June 30, 2023 include the following:

Non-spendable:	
Major Funds:	
General - prepaids	\$ 18,545
Non-major Funds:	
Food service - inventory	2,088
Total non-spendable	<u>20,633</u>
Restricted:	
Major Funds:	
Capital projects	1,052,156
General fund - getting kids ahead initiative	19,373
General fund - back to school grant	31,152
General fund - unspent common school fund	1,112
Non-major Funds:	
Food service	152,438
Special revenue	417,663
Debt service	517,979
Community service	114,575
Total restricted	<u>2,306,448</u>
Assigned:	
Major Funds:	
General - budget shortfall	<u>270,000</u>
Unassigned:	
Major Funds:	
General	2,679,388
Total governmental fund balances	<u><u>\$ 5,276,469</u></u>

NOTE 8

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.

NOTE 9

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for periods beginning after June 15, 2023 and GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023. When these become effective, application of these standards may restate portions of these financial statements.

Mineral Point Unified School District
June 30, 2023
Notes to the Basic Financial Statements

NOTE 10

INTERFUND BALANCES AND ACTIVITY

Individual fund interfund receivable and payable balances on June 30, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital projects	General	<u>\$ 200,000</u>	Long term capital improvements

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

The following is a schedule of interfund transfers:

<u>Fund Transfer to</u>	<u>Fund Transfer from</u>	<u>Amount</u>	<u>Reason</u>
Capital projects	General	\$ 200,000	Long term capital improvements
Debt service	General	40,179	Debt service
	Total	<u>\$ 240,179</u>	

\$1,125,833 was transferred to the special education fund from the general fund during the fiscal year ended June 30, 2023. 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 11

COMMITMENTS/SUBSEQUENT EVENTS

Prior to June 30, 2023, the District approved a \$1,500,000 line of credit at 3.95% interest with a local financial institution. As of October 30, 2023, the District had not drawn on this line of credit.

Subsequent to June 30, 2023, the District approved the following projects totaling approximately \$165,000:

- Address rain run off at the High School
- Replace dead trees at the High School
- Replace the Access Controls in both buildings
- Resurface the elementary track
- Door locks for Middle School/High School interior doors
- Computer software update for access panels
- Faucets in elementary bathrooms

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
Required Supplementary Information
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Original Budget Favorable (Unfavorable)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			
REVENUES					
Property taxes	\$ 3,132,636	\$ 3,280,536	\$ 3,282,578	\$ 149,942	\$ 2,042
Other local sources	48,250	48,250	91,972	43,722	43,722
Interdistrict sources	791,600	791,600	883,945	92,345	92,345
Intermediate sources	4,676	4,676	17,621	12,945	12,945
State sources	6,694,518	6,664,674	6,723,135	28,617	58,461
Federal sources	528,087	592,299	983,093	455,006	390,794
Other sources			31,910	31,910	31,910
Total revenues	11,199,767	11,382,035	12,014,254	814,487	632,219
EXPENDITURES					
Instruction:					
Undifferentiated instruction	2,154,667	2,171,754	2,238,372	(83,705)	(66,618)
Regular instruction	2,184,090	2,287,982	2,221,084	(36,994)	66,898
Vocational instruction	363,799	363,799	398,093	(34,294)	(34,294)
Physical instruction	275,644	275,644	283,679	(8,035)	(8,035)
Co-curricular activities	494,481	494,481	476,867	17,614	17,614
Total instruction	5,472,681	5,593,660	5,618,095	(145,414)	(24,435)
Support services:					
Pupil services	367,936	367,936	367,464	472	472
Instructional staff services	459,810	472,952	495,297	(35,487)	(22,345)
General administration services	262,456	262,456	254,439	8,017	8,017
Building administration services	554,811	554,811	549,851	4,960	4,960
Business administration	1,810,528	1,858,675	1,854,054	(43,526)	4,621
Central services	44,000	44,000	27,505	16,495	16,495
Insurance	1,500	1,500	118,881	(117,381)	(117,381)
Principal and interest	3,500	3,500	23,877	(20,377)	(20,377)
Other support services	630,220	630,220	412,296	217,924	217,924
Total support services	4,134,761	4,196,050	4,103,664	31,097	92,386
Non-program transactions:					
Purchased instructional services	425,190	425,190	474,649	(49,459)	(49,459)
Total expenditures	10,032,632	10,214,900	10,196,408	(163,776)	18,492
Excess (deficiency) of revenues over expenditures	1,167,135	1,167,135	1,817,846	650,711	650,711
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,167,135)	(1,167,135)	(1,366,012)	(198,877)	(198,877)
Total other financing sources (uses)	(1,167,135)	(1,167,135)	(1,366,012)	(198,877)	(198,877)
Net change in fund balance			451,834	451,834	451,834
Fund balance - beginning	2,567,736	2,567,736	2,567,736		
Fund balance - ending	\$ 2,567,736	\$ 2,567,736	\$ 3,019,570	\$ 451,834	\$ 451,834

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, 2023

	Budgeted Amounts		Actual	Variances Positive (Negative)	
	Original	Final		Original	Final
REVENUES					
Interdistrict sources	\$ 16,960	\$ 16,960	\$ 21,353	\$ 4,393	\$ 4,393
Intermediate sources			4,184	4,184	4,184
State sources	605,322	605,322	629,351	24,029	24,029
Federal sources	247,000	247,000	281,579	34,579	34,579
Total revenues	869,282	869,282	936,467	67,185	67,185
EXPENDITURES					
Instruction:					
Vocational instruction	2,700	2,700	450	2,250	2,250
Special instruction	1,544,171	1,544,171	1,579,480	(35,309)	(35,309)
Total instruction	1,546,871	1,546,871	1,579,930	(33,059)	(33,059)
Support services:					
Pupil services	187,800	187,800	210,867	(23,067)	(23,067)
Instructional staff services	156,287	156,287	164,509	(8,222)	(8,222)
Building administration services	3,200	3,200		3,200	3,200
Business administration	38,250	38,250	46,578	(8,328)	(8,328)
Total support services	385,537	385,537	421,954	(36,417)	(36,417)
Non-program transactions:					
Purchased instructional services	63,830	63,830	60,416	3,414	3,414
Total expenditures	1,996,238	1,996,238	2,062,300	(66,062)	(66,062)
Excess of revenues over (under) expenditures	(1,126,956)	(1,126,956)	(1,125,833)	1,123	1,123
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,126,956	1,126,956	1,125,833	(1,123)	(1,123)
Total other financing sources (uses)	1,126,956	1,126,956	1,125,833	(1,123)	(1,123)
Net change in fund balances					
Fund balance - beginning					
Fund balance - ending	\$	\$	\$	\$	\$

Exhibit B-3
Required Supplementary Information
Mineral Point Unified School District
June 30, 2023
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)
2022	0.02842854%	\$ 1,506,059	\$ 5,174,301	29.11%	95.72%
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
2023	\$ 350,972	\$ (350,972)	\$	\$ 5,279,899	6.65%
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, 2023
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, 2023:

Fund	Excess Expenditures
<u>General Fund:</u>	
Instruction	\$ 24,435
Non-program transactions	49,459
Transfers out	198,877
<u>Special Education Fund:</u>	
Instruction	33,008
Support services	36,468

Mineral Point Unified School District
June 30, 2023
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	\$ 12,014,254	\$ 936,467
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>936,467</u>	<u>(936,467)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 12,950,721</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	\$ 10,196,408	\$ 2,062,300
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>2,062,300</u>	<u>(2,062,300)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 12,258,708</u>	<u>\$</u>

Mineral Point Unified School District
June 30, 2023
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, 2023
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:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
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	Amortization Period	Amortization Period	Amortization Period	Amortization Period
	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	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%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	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%	1.9%	2.1%	2.1%
	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 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.
Retirement Age:					
	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 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%).
Mortality:					

*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, 2023
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:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	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	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	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:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	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%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	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 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 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 2009 valuation pursuant to an experience study of the period 2006 - 2008.
	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 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.

Mortality:

*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, 2023

	Special Revenue Fund			Debt	Total
	Special	Food	Community	Service	Non-Major
	Revenue	Service	Service	Service	Governmental
	Fund	Fund	Fund	Fund	Funds
ASSETS					
Cash and investments	\$ 417,663	\$ 184,824	\$ 114,575	\$ 517,979	\$ 1,235,041
Accounts receivable		4,020			4,020
Inventory		2,088			2,088
Total assets	\$ 417,663	\$ 190,932	\$ 114,575	\$ 517,979	\$ 1,241,149
LIABILITIES					
Accounts payable	\$	\$ 19,743	\$	\$	\$ 19,743
Customer deposits		16,663			16,663
Total liabilities		36,406			36,406
FUND BALANCES					
Non-spendable		2,088			2,088
Restricted	417,663	152,438	114,575	517,979	1,202,655
Total fund balances	417,663	154,526	114,575	517,979	1,204,743
Total liabilities and fund balances	\$ 417,663	\$ 190,932	\$ 114,575	\$ 517,979	\$ 1,241,149

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, 2023

	Special Revenue Fund			Debt Service Fund	Total Non-major Governmental Funds
	Special Revenue Fund	Food Service Fund	Community Service Fund		
REVENUES					
Property taxes	\$	\$	\$ 91,000	\$ 1,034,019	\$ 1,125,019
Local sources	503,071	275,472		39,136	817,679
State sources		7,683			7,683
Federal sources		236,842			236,842
Total revenues	503,071	519,997	91,000	1,073,155	2,187,223
EXPENDITURES					
Instruction:					
Regular instruction	124,288				124,288
Vocational instruction	10,309				10,309
Other instruction	256,981				256,981
Total instruction	391,578				391,578
Support services:					
Instructional staff services	10,469				10,469
Building administrative services	41,539				41,539
Business administration	77,083	487,830	64,793		629,706
Principal and interest				861,650	861,650
Community service			4,539		4,539
Total support services	129,091	487,830	69,332	861,650	1,547,903
Non-program transactions:					
Post-secondary scholarships	17,992				17,992
Total non-program transactions	17,992				17,992
Total expenditures	538,661	487,830	69,332	861,650	1,957,473
Excess (deficiency) of revenues over expenditures	(35,590)	32,167	21,668	211,505	229,750
OTHER FINANCING SOURCES (USES)					
Transfers from other funds				40,179	40,179
Total other financing sources (uses)				40,179	40,179
Net change in fund balances	(35,590)	32,167	21,668	251,684	269,929
Fund balances - beginning	453,253	122,359	92,907	266,295	934,814
Fund balances - ending	\$ 417,663	\$ 154,526	\$ 114,575	\$ 517,979	\$ 1,204,743