

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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MONDOVI, WISCONSIN
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MONDOVI, WISCONSIN
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Mondovi
Mondovi, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Mondovi, Wisconsin (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Mondovi as of June 30, 2020, and the respective changes in the financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, pension schedules, and other postemployment benefit schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of 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.

The District has omitted a 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 the 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 the District's basic financial statements. The individual and combining fund statements and charter school authorizer annual report, as referenced in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the schedule of state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Supplementary Information (Continued)

The individual and combining fund statements, charter school authorizer annual report, the schedule of expenditures of federal awards, and the schedule of state financial assistance are 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 individual and combining schedules, charter school authorizer annual report (section VI only), schedule of expenditures of federal awards, and schedule of state financial assistance have 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.

The charter school authorizer annual report, sections I through V and VII, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020 on our consideration of District's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Mondovi's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 16, 2020

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 8,591,263
Taxes Receivable	1,501,853
Accounts Receivable	346
Due from Other Governments	376,386
Prepaid Expenditures	7,585
Wisconsin Retirement System Net Pension Asset	1,258,480
Capital Assets:	
Capital Assets Not Being Depreciated	14,662,298
Capital Assets Being Depreciated	19,987,094
Accumulated Depreciation	(12,078,110)
Total Assets	34,307,195
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related Items	2,708,251
District Pension Plan Related Items	25,469
District OPEB Plan Related Items	54,759
State Life Insurance OPEB Plan Related Items	161,732
Total Deferred Outflows of Resources	2,950,211
LIABILITIES	
Accounts Payable	1,586,015
Accrued Interest Payable	185,238
Accrued Salaries and Wages	548,111
Payroll Taxes and Withholdings	498,447
Due to Other Governments	1,302
Due to Agency Fund	3,936
Unearned Revenue	25,113
Long-Term Liabilities:	
Amounts Due Within One Year	836,155
Amounts Due In More than One Year	16,560,699
Vested Employee Benefits	120,064
Net OPEB Liability - District Plan	388,262
Total Pension Liability - District Plan	163,137
State Life Insurance Plan Net OPEB Liability	414,510
Total Liabilities	21,330,989
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related Items	3,768,700
District OPEB Plan Related Items	409,654
State Life Insurance OPEB Plan Related Items	86,322
Total Deferred Inflows of Resources	4,264,676
NET POSITION	
Net Investment in Capital Assets	8,606,097
Restricted for:	
Pension Plan	1,258,480
Debt Service	427,955
Gift Fund	50,258
Food Service	119,082
Capital Projects	1,500,245
Unrestricted	(300,376)
Total Net Position	\$ 11,661,741

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 4,324,988	\$ 588,929	\$ 680,005	\$ -	\$ (3,056,054)
Vocational Instruction	338,335	-	15,480	-	(322,855)
Special Instruction	1,354,921	132,648	606,016	-	(616,257)
Other Instruction	552,941	64,280	601	-	(488,060)
Total Instruction	6,571,185	785,857	1,302,102	-	(4,483,226)
Support Services:					
Pupil Services	520,044	14,814	-	-	(505,230)
Instructional Staff Services	749,783	-	45,709	-	(704,074)
General Administration Services	505,216	-	-	-	(505,216)
Building Administration Services	471,710	-	-	-	(471,710)
Fiscal	193,264	-	-	-	(193,264)
Operations and Maintenance of Plant	936,858	-	-	-	(936,858)
Facilities Acquisition/Remodeling	18,077	-	-	-	(18,077)
Pupil Transportation Services	514,151	2,185	139,564	-	(372,402)
Food Service	542,657	157,097	330,688	-	(54,872)
Central Services	236,213	-	-	63,215	(172,998)
Insurance and Judgments	134,976	-	-	-	(134,976)
Interest and Fiscal Fees	525,937	-	-	-	(525,937)
Other Support Services	1,014,706	-	-	-	(1,014,706)
Community Services	55,189	2	-	-	(55,187)
Depreciation - Unallocated *	314,493	-	-	-	(314,493)
Total Support Services	6,733,274	174,098	515,961	63,215	(5,980,000)
Total Primary Government	\$ 13,304,459	\$ 959,955	\$ 1,818,063	\$ 63,215	(10,463,226)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					2,738,813
Property Taxes, Levied for Debt Purposes					1,653,716
Property Taxes, Levied for Community Service Purposes					75,000
State and Federal Aids Not Restricted to Specific Functions:					
General					7,523,750
Interest and Investment Earnings					271,203
Miscellaneous					75,235
Total General Revenues					12,337,717
Change in Net Position					1,874,491
Net Position - Beginning of the Year					9,787,250
Net Position - End of Year					\$ 11,661,741

* This amount excludes depreciation included in the direct expense of the various functions - see Note 2.B.

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Nonmajor Governmental Funds	Totals
ASSETS					
Cash and Investments	\$ 1,704,889	\$ 613,193	\$ 5,344,270	\$ 928,911	\$ 8,591,263
Taxes Receivable	1,501,853	-	-	-	1,501,853
Accounts Receivable	272	-	-	74	346
Due from Other Governments	376,386	-	-	-	376,386
Due from Other Funds	-	-	-	400,000	400,000
Prepaid Expenditures	7,585	-	-	-	7,585
Total Assets	<u>\$ 3,590,985</u>	<u>\$ 613,193</u>	<u>\$ 5,344,270</u>	<u>\$ 1,328,985</u>	<u>\$ 10,877,433</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 71,611	\$ -	\$ 1,496,024	\$ 18,380	\$ 1,586,015
Accrued Salaries and Wages	548,111	-	-	-	548,111
Payroll Taxes and Withholdings	498,447	-	-	-	498,447
Due to Other Governments	-	-	-	1,302	1,302
Due to Other Funds	403,936	-	-	-	403,936
Unearned Revenues	-	-	-	25,113	25,113
Total Liabilities	<u>1,522,105</u>	<u>-</u>	<u>1,496,024</u>	<u>44,795</u>	<u>3,062,924</u>
Fund Balances:					
Nonspendable	7,585	-	-	-	7,585
Restricted	154	613,193	3,848,246	1,253,008	5,714,601
Assigned	-	-	-	31,182	31,182
Unassigned	2,061,141	-	-	-	2,061,141
Total Fund Balances	<u>2,068,880</u>	<u>613,193</u>	<u>3,848,246</u>	<u>1,284,190</u>	<u>7,814,509</u>
Total Liabilities and Fund Balances	<u>\$ 3,590,985</u>	<u>\$ 613,193</u>	<u>\$ 5,344,270</u>	<u>\$ 1,328,985</u>	<u>\$ 10,877,433</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Total Fund Balances - Governmental Funds \$ 7,814,509

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 163,314	
Land Improvements	1,400,761	
Buildings and Improvements	14,529,922	
Equipment, Furniture and Vehicles	4,056,411	
Construction in Progress	14,498,984	
Accumulated Depreciation	<u>(12,078,110)</u>	22,571,282

Net pension and OPEB asset (liability) and related deferred inflows and outflows are recorded only on the Statement of Net Position.

Balances at year-end are:

Net OPEB Liability - District Plan	(388,262)	
Deferred Outflows of Resources - District OPEB Plan	54,759	
Deferred Inflows of Resources - District OPEB Plan	(409,654)	
Net OPEB Liability - State Life Insurance OPEB Plan	(414,510)	
Deferred Outflows of Resources - State Life Insurance OPEB Plan	161,732	
Deferred Inflows of Resources - State Life Insurance OPEB Plan	(86,322)	
Total Pension Liability - District Plan	(163,137)	
Deferred Outflows of Resources - District Pension Plan	25,469	
Net Pension Asset - WRS	1,258,480	
Deferred Outflows of Resources - WRS Pension Plan	2,708,251	
Deferred Inflows of Resources - WRS Pension Plan	<u>(3,768,700)</u>	(1,021,894)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Bonds and Notes Payable	16,960,000	
Add Unamortized Premium	436,854	
Accrued Interest Payable on General Obligation Debt	185,238	
Vested Employee Benefits	<u>120,064</u>	<u>(17,702,156)</u>

Net Position of Governmental Activities \$ 11,661,741

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Nonmajor Governmental Funds	Totals
REVENUES					
Local Sources:					
Property Taxes	\$ 2,738,813	\$ 1,653,716	\$ -	\$ 75,000	\$ 4,467,529
Other Local Sources	85,509	-	185,963	177,604	449,076
Interdistrict Sources	644,501	-	-	-	644,501
Intermediate Sources	14,841	-	-	-	14,841
State Sources	8,510,813	-	-	11,381	8,522,194
Federal Sources	633,163	-	-	318,131	951,294
Other Sources	41,572	1,225	64,396	237	107,430
Total Revenues	<u>12,669,212</u>	<u>1,654,941</u>	<u>250,359</u>	<u>582,353</u>	<u>15,156,865</u>
EXPENDITURES					
Instruction:					
Undifferentiated Curriculum	2,057,855	-	-	-	2,057,855
Regular Instruction	2,282,666	-	-	1,723	2,284,389
Vocational Instruction	347,349	-	-	2,661	350,010
Special Instruction	1,352,444	-	-	-	1,352,444
Other Instruction	555,870	-	-	4,129	559,999
Support Services:					
Pupil Services	509,807	-	-	-	509,807
Instructional Staff Services	705,771	-	-	469	706,240
General Administration	492,248	-	-	-	492,248
School Building Administration	473,802	-	-	-	473,802
Fiscal	188,199	-	-	-	188,199
Operations and Maintenance of Plant	1,057,443	-	39,545	50,930	1,147,918
Facilities Acquisition/Remodeling	21,717	-	12,922,223	11,838	12,955,778
Pupil Transportation Services	484,101	-	-	52	484,153
Food Service	-	-	-	496,246	496,246
Internal Services	12,047	-	-	-	12,047
Central Services	223,229	-	-	524	223,753
Insurance and Judgments	134,885	-	-	-	134,885
Debt Service	534	1,367,549	-	-	1,368,083
Other Support Services	324,554	-	45,281	4,979	374,814
Nonprogram Transactions	650,086	-	-	-	650,086
Community Services	-	-	-	56,315	56,315
Total Expenditures	<u>11,874,607</u>	<u>1,367,549</u>	<u>13,007,049</u>	<u>629,866</u>	<u>26,879,071</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	794,605	287,392	(12,756,690)	(47,513)	(11,722,206)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	22,085	-	-	-	22,085
Transfers In	-	-	-	400,000	400,000
Transfers Out	(400,000)	-	-	-	(400,000)
Net Other Financing Sources (Uses)	<u>(377,915)</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>22,085</u>
NET CHANGE IN FUND BALANCES	416,690	287,392	(12,756,690)	352,487	(11,700,121)
Fund Balances, Beginning of Year	1,652,190	325,801	16,604,936	931,703	19,514,630
FUND BALANCES, END OF YEAR	<u>\$ 2,068,880</u>	<u>\$ 613,193</u>	<u>\$ 3,848,246</u>	<u>\$ 1,284,190</u>	<u>\$ 7,814,509</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (11,700,121)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 13,425,449	
Depreciation Expense Reported in the Statement of Activities	<u>(612,583)</u>	12,812,866

In the statement of activities, the gain or loss on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales. (13,973)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

Multiple-Employer Pension Plan (WRS)	(53,376)	
Single-Employer Pension Plan	<u>22,698</u>	(30,678)

OPEB expenditures in the governmental funds are measured by current year employee contributions. OPEB expenses on the statement of activities are measured by the change in net OPEB liability and the related deferred inflows and outflows of resources.

Single-Employer OPEB Plan	22,241	
Multiple-Employer OPEB Plan (State Life Insurance)	<u>(25,515)</u>	(3,274)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year consists of:

Bonds and Notes Payment	800,000	800,000
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Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Long Term Debt Premium	47,768	
Net Change in Accrued Interest at Year-End	(5,622)	
Net Change in Vested Employee Benefits	<u>(32,475)</u>	<u>9,671</u>

Change in Net Position of Governmental Activities \$ 1,874,491

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Employee Benefit Trust Fund	Private- Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Investments	\$ 165,792	\$ 71,828	\$ 159,050
Due From Other Funds	-	-	3,936
Total Assets	165,792	71,828	\$ 162,986
LIABILITIES			
Accounts Payable	-	-	\$ 7,658
Due to Student Organizations	-	-	155,328
Total Liabilities	-	-	\$ 162,986
NET POSITION			
Held in Trust	\$ 165,792	\$ 71,828	

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Employee Benefit Trust Fund	Private-Purpose Trust Funds
ADDITIONS		
Local Sources:		
Interest	\$ 3,523	\$ 368
Gifts	-	4,685
Contributions from District	26,135	-
Total Additions	29,658	5,053
DEDUCTIONS		
Scholarships Awarded	-	8,250
Benefit Payments	95,920	-
Total Deductions	95,920	8,250
CHANGE IN NET POSITION	(66,262)	(3,197)
Net Position, Beginning of Year	232,054	75,025
NET POSITION, END OF YEAR	\$ 165,792	\$ 71,828

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

The School District of Mondovi is organized as a common school district. The District, governed by a seven-member elected school board, operates grades pre-kindergarten through 12 and is comprised of all or parts of 10 taxing districts.

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

C. Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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 of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District has the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for the cost of building improvements and related financing.

The remaining governmental funds (the food service fund, gift fund, long-term capital improvements fund, and community service fund) are reported as nonmajor funds.

Additionally, the District reports the following fiduciary funds:

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for assets held by the District in a trustee capacity for individuals, private organizations and for other governmental units, including scholarship funds.

Agency Fund – The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and/or other governmental units, specifically, activities of student organizations are accounted for in the agency fund.

Employee Benefit Trust Fund – The Employee Benefit Trust Fund is used to account for resources held in trust for formally established employee benefit plans.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary funds do not have a measurement focus.

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

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. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent 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.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. treasury obligations, U.S. agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with the laws applicable to trust investments.

Funds held in the Employee Benefit Trust Fund to provide for postemployment health care benefits and other postemployment benefits may be invested in any kind of property or type of investment consistent with the prudent investor rule set forth in WI Stat. 881.01. This rule requires the trustee of an Employee Benefit Trust Fund to exercise reasonable care, skill, and caution when investing and managing the assets of the trust.

All investments are stated at fair market value, except the AUL annuity contract and Local Government Investment Pool (LGIP), which are valued at amortized cost.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

2. Receivables and Payables

Property Taxes. Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and District treasurer for those taxes collected on their behalf. The District treasurer who then makes settlement with the city, town, village, and school districts before retaining any for District purposes collects second installment real estate taxes and delinquent taxes.

The District's property taxes are levied on or before October 31 on the equalized property valuation certified by the Department of Revenue. 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 a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the District treasurer makes full settlement to the District for any remaining balance. The District assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which taxes are levied. The 2019 tax levy is used to finance operations of the District's fiscal year ended June 30, 2020. 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.

Accounts Receivable. Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances. The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds". The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds". Advances between funds are classified as nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

3. Prepaid Expenditures

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Prepaid supplies are valued at the lower of cost (first-in, first-out method) or market.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

4. Capital Assets

Capital assets are reported at actual cost or estimated historical cost, for assets where actual historical cost is not available. Donated assets are reported as capital assets at their estimated acquisition value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$1,000	N/A	N/A
Land Improvements	1,000	Straight-line	20 Years
Buildings	1,000	Straight-line	50 Years
Building Improvements	1,000	Straight-line	7-30 Years
Furniture and Equipment	1,000	Straight-line	5-20 Years
Vehicles	1,000	Straight-line	8 Years

5. Deferred Outflows of Resources

The District reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. The District reports deferred outflows of resources for pension and OPEB related items.

6. Deferred Inflows of Resources

The District's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District also reports deferred outflows of resources for pension and OPEB related items.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

7. Compensated Absences

The District's policy allows employees to earn varying amounts of sick pay for each year employed, accumulating to a maximum vested amount of 90 days for all employees. Upon termination of employment, other than retirement, teachers and administrators are entitled to payment of \$5 per day of unused sick leave. All other employees are entitled to payment of \$5.00 per hour of unused sick leave. In addition, the District's policy allows employees to earn varying amounts of vacation pay for each year employed, up to a maximum of five weeks.

Retirement Plans – District employees participate in the Wisconsin Retirement System. All contributions made by the District are reported as expenditures when paid. The District also offers a 403(b) plan to all employees of the District. Depending on employee classification, employees may be eligible for matching contributions from the District. See Note 3 for further information on the 403(b) pension plan.

Postemployment Benefits – As provided in applicable employee handbooks, full-time teachers retiring prior to June 30, 2013, and meeting a minimum age and length of service requirement may participate in the District's group health insurance program for up to 10 years upon retirement. The District bears the cost of the employee's participation up to the maximum amount it pays for single plan coverage (rate frozen after the first year of retirement) for active employees. Teachers retiring after July 1, 2013, may choose to remain on the District's group health coverage provided they self-pay the full (100%) amount of the premiums until Medicare eligibility or death.

8. Wisconsin Retirement System Pension Benefits

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

9. Other Postemployment Benefits (OPEB) – Multiple Employer Plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

10. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund.

11. Use of Restricted Resources

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

12. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources, is classified as follows in the District's financial statements:

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement for those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

12. Equity Classifications (Continued)

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets are legally or contractually required to be maintained. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District did adopt a fund balance policy; therefore, the board has retained the authority to assign fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's practice to use committed, assigned, and finally unassigned fund balance.

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, the trust and agency funds use separate and distinct accounts. All other funds share in common cash and investment accounts.

The District's cash and investments had a balance at June 30, 2020 as shown in the financial statements:

Governmental Funds	\$ 8,591,263
Fiduciary Funds:	
Employee Benefit Trust Fund	165,792
Private Purpose Trust Funds	71,828
Agency Funds	159,050
	<u>\$ 8,987,933</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

The above balances at June 30, 2020 consisted of the following:

Deposits at Financial Institutions	\$ 2,861,542
Investments with Fiscal Agent (Employee Benefit Trust)	165,792
Mutual Fund	1,610
Investment with State Local Government	
Pooled - Investment Fund (LGIP)	5,957,289
Petty Cash	1,700
	<u>\$ 8,987,933</u>

Deposits at Financial Institutions

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 (which were permitted after July 21, 2011). 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.

The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund. Custodial credit risk for deposits is the risk that, in the event of failure, the District's deposits may not be returned.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2020, District deposits in the amount of \$2,174,875 were uncollateralized.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits in State Local Government Investment Pool (LGIP)

The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for twelve-month period ended June 30, 2020 was approximately 22 days.

Investment with Fiscal Agent

Employee Benefit Trust Fund - The investments with fiscal agent consisted of an amount paid into the employee benefit trust fund. This amount is comprised of amounts invested in a fixed annuity account with American United Life Insurance Company. These funds are held at MidAmerica.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.E.1. The District does not have a concentration risk policy that would restrict the percentage of investment holdings that can be in one issuer or counterparty.

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	<u>\$ -</u>	<u>\$ 1,610</u>	<u>\$ -</u>	\$ 1,610
Investments Measured at Amortized Cost - LGIP				5,957,289
Investments Measured at Amortized Cost - Trust Annuity				165,792
Total Investments				<u>\$ 6,124,691</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets:					
Land	\$ 163,314	\$ -	\$ -	\$ -	\$ 163,314
Land Improvements	1,400,761	-	-	-	1,400,761
Buildings and Improvements	14,529,922	-	-	-	14,529,922
Equipment, Furniture and Vehicles	3,779,905	335,588	211,241	152,159	4,056,411
Construction Work in Progress	1,561,282	13,089,861		(152,159)	14,498,984
Total Capital Assets	<u>21,435,184</u>	<u>13,425,449</u>	<u>211,241</u>	<u>-</u>	<u>34,649,392</u>
Accumulated Depreciation:					
Land Improvements	1,049,096	29,855	-	-	1,078,951
Buildings and Improvements	8,041,918	291,779	-	-	8,333,697
Equipment, Furniture and Vehicles	2,571,781	290,949	197,268	-	2,665,462
Total Accumulated Depreciation	<u>11,662,795</u>	<u>612,583</u>	<u>197,268</u>	<u>-</u>	<u>12,078,110</u>
Governmental Activities Capital Assets					
Net of Accumulated Depreciation	<u>\$ 9,772,389</u>	<u>\$ 12,812,866</u>	<u>\$ 13,973</u>	<u>\$ -</u>	<u>\$ 22,571,282</u>

Depreciation was charged to governmental functions as follows:

Instruction:

Undifferentiated Curriculum	\$ 11,137
Regular Instruction	26,730
Vocational Instruction	6,247
Special Instruction	5,659
Co-Curricular Instruction	12,647

Support Services:

Pupil Services	1,271
Instructional Staff Services	41,588
General Administration Services	50
Building Administration Services	584
Operation and Maintenance of Plant	61,000
Pupil Transportation Services	85,862
Food Services	43,276
Central Services	1,728
Community Services	311

Unallocated Depreciation

Total Depreciation for Governmental Activities	<u>\$ 612,583</u>
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**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2020 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Long-Term Capital Improvements Fund	General Fund	\$ 400,000	Future capital projects
Agency Fund	General Fund	3,936	Settle year end payables
		<u>\$ 403,936</u>	

Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Long-Term Capital Improvements Fund	General Fund	<u>\$ 400,000</u>	Future capital projects

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2020 were as follows:

The District's other long-term obligations are generally liquidated from the general fund and special revenue funds.

	Balances <u>July 1, 2019</u>	Additions	Reductions	Balances <u>June 30, 2020</u>	Amounts Due Within <u>One Year</u>
General Obligation Debt:					
Notes Payable	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
G.O. School Improvement Bonds	17,360,000	-	400,000	16,960,000	790,000
Add: Premium	484,622	-	47,768	436,854	46,155
Subtotal	<u>18,244,622</u>	<u>-</u>	<u>847,768</u>	<u>17,396,854</u>	<u>836,155</u>
Other Long-Term Obligations:					
Vested Vacation	49,100	27,662	791	75,971	-
Accumulated Sick Leave	38,489	6,969	1,365	44,093	-
Subtotal	<u>87,589</u>	<u>34,631</u>	<u>2,156</u>	<u>120,064</u>	<u>-</u>
Total	<u>\$ 18,332,211</u>	<u>\$ 34,631</u>	<u>\$ 849,924</u>	<u>\$ 17,516,918</u>	<u>\$ 836,155</u>

The District's estimated liability for vested employee benefits is generally liquidated by the general fund.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt

The notes and bonds are general obligations of the District, and all the taxable property in the District is subject to the levy of a tax to pay the principal and interest on notes as they become due. The levy, under current tax law, may be levied without limitation to rate or amount. Principal, interest, and fiscal charges paid for the current year were \$1,367,549 and the related tax levy was \$1,653,716.

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 790,000	\$ 555,713	\$ 1,345,713
2022	815,000	528,313	1,343,313
2023	845,000	500,063	1,345,063
2024	875,000	470,813	1,345,813
2025	905,000	440,513	1,345,513
2026-2030	4,665,000	1,715,213	6,380,213
2031-2035	4,885,000	969,063	5,854,063
2036-2038	3,180,000	201,609	3,381,609
Total	<u>\$ 16,960,000</u>	<u>\$ 5,381,300</u>	<u>\$ 22,341,300</u>

The 2019 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$454,795,168. The legal debt limit and margin of indebtedness as of June 30, 2020 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Debt Limit (10% of \$454,795,168)	\$ 45,479,517
Deduct Long-Term Debt Application to Debt Margin	16,960,000
Margin of Indebtedness	<u>\$ 28,519,517</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Short-Term Notes Payable

Changes in temporary notes payable of the District for the year ended June 30, 2020 were as follows:

Balance 7/1/19	Additions	Reductions	Balances 6/30/20	Accrued Interest	Interest Rate	Interest Expense
\$ -	\$ 350,000	\$ 350,000	\$ -	\$ -	2.70%	\$ 534

The District's short-term note payable consists of a line of credit that has an outstanding maximum draw limit of \$1,400,000 and is used for cash flow purposes. The note was entered into on November 1, 2019. It accrues interest at 2.70% and matures November 1, 2020. On November 1, 2020, the District extended the line of credit with the same maximum draw limit and interest rate, maturing November 1, 2021.

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2020 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund:					
Prepaid Items	\$ 7,585	\$ 7,585	\$ -	\$ -	\$ -
Restricted Common School Fund	154	-	154	-	-
Unassigned	<u>2,061,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,061,141</u>
General Fund	2,068,880	7,585	154	-	2,061,141
Debt Service	613,193	-	613,193	-	-
Capital Projects	<u>3,848,246</u>	<u>-</u>	<u>3,848,246</u>	<u>-</u>	<u>-</u>
Subtotal Major Funds	<u>6,530,319</u>	<u>7,585</u>	<u>4,461,593</u>	<u>-</u>	<u>2,061,141</u>
Nonmajor Funds:					
Special Revenue Funds:					
Gift Fund Donations	50,258	-	50,258	-	-
Food Service Program	119,082	-	119,082	-	-
Community Services	31,182	-	-	31,182	-
Capital Improvements Fund	<u>1,083,668</u>	<u>-</u>	<u>1,083,668</u>	<u>-</u>	<u>-</u>
Subtotal Nonmajor Funds	<u>1,284,190</u>	<u>-</u>	<u>1,253,008</u>	<u>31,182</u>	<u>-</u>
Total Governmental Funds Balance at June 30, 2020	<u>\$ 7,814,509</u>	<u>\$ 7,585</u>	<u>\$ 5,714,601</u>	<u>\$ 31,182</u>	<u>\$ 2,061,141</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

During the fiscal reporting period of July 1, 2019 through June 30, 2020, the WRS recognized \$423,755 in contributions from the employer.

Contribution rates as of June 30, 2020 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.75%	6.75%

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:

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

At June 30, 2020, the District reported an asset of \$1,258,480 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 and rolled forward to December 31, 2019. 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 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, 2019, the District's proportion was 0.03902924%, which was a decrease of 0.00033501% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$477,983. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,388,884	\$ (1,195,476)
Changes of Assumptions	98,069	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(2,572,782)
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,403	(442)
District Contributions Subsequent to the Measurement Date	218,895	-
Total	<u>\$ 2,708,251</u>	<u>\$ (3,768,700)</u>

\$218,895 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2021	\$ (378,296)
2022	(283,745)
2023	44,486
2024	(661,789)

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	3.1% to 8.6% including inflation
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

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

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

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 Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	N/A	N/A	70%	4.6%
International Equities	N/A	N/A	30%	5.3%
Global Equities	49%	5.1%	N/A	N/A
Fixed Income	24.5%	2.1%	N/A	N/A
Inflation Sensitive Assets	15.5%	1.2%	N/A	N/A
Real Estate	9%	3.5%	N/A	N/A
Private Equity/Debt	8%	7.6%	N/A	N/A
Multi-Asset	4%	4.0%	N/A	N/A
Cash	-10%	0.9%	N/A	N/A
Totals	100%		100%	

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,240,813	\$ (1,258,480)	\$ (4,622,220)

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>.

B. Employee Retirement Plans – 403(b) Program

The District also sponsors a defined contribution retirement plan under Code Section 403(b) that allows all employees to make pretax (or post-tax) voluntary contributions. As provided in applicable employee handbooks, employees may be eligible for matching employer contributions up to \$1,200 per year.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Single Employer Plan

Plan Description

The District administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees through the District's group medical insurance plan, which covers both active and retired members. Benefit provisions are established in applicable employee handbooks. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive medical insurance benefits until they are eligible for Medicare.

The plan does not issue separate financial statements.

Benefits Provided

Administrators and Teachers: Eligible retirees who retired prior to July 1, 2013 receive medical benefits. Minimum eligibility age is 55 and minimum years of service is 15. Benefits are the same for all groups. The District shall contribute an amount equal to the cost of the medical in effect at the time of retirement. The District's contributions will remain frozen at these amounts for a period of 10 years but not to exceed Medicare-eligibility.

Employees Covered by Benefit Terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	14
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	121
	<hr/> <hr/> 135

Note: Administrators and teachers retiring on or after July 1, 2013 are not eligible for a District-provided post-employment benefit upon their retirement. Rather, eligible employees can participate in a 403(b) plan.

Contributions

The District's Trust Agreement states the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Single Employer Plan (Continued)

Investments

Investment policy. The School Board of the School District of Mondovi’s policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. The following was the School Board’s asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation
Fixed Annuity	100.00%

Rate of Return. For the year ended June 30, 2020, the annual money-weighted rate of return, net of investment expense, was 1.77%.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019 and rolled forward to June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined as of that date.

Total OPEB Liability - Ending (a)	\$ 554,054
Plan Fiduciary Net Position - Ending (b)	165,792
District's Net OPEB Liability - Ending (a) - (b)	\$ 388,262
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.92%

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Single Employer Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal (level percent of salary) 7.5% decreasing by 0.50% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter
Medical Care Trend	
Discount Rate	2.25%
Inflation	2.00%
	Based on 2018 experience study using Wisconsin Retirement System (WRS)
Actuarial Assumptions	experience from 2015-2017
Mortality Assumptions	Wisconsin 2018 Mortality Table

The long-term expected rate of return on OPEB plan investments was determined based on the District's investment in a fixed annuity account which has a guaranteed minimum rate of return of not less than 2.25%. Given this information and based upon the actuary's determination that the level of asset in the District's trust will remain sufficient to pay future retiree benefits, the District determined a 2.25% long-term expected rate of return to be reasonable for valuation purposes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Annuity	2.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Further, the discount rate was determined by looking at actual investment returns for the last three years and take the rounded average, therefore a discount rate of 2.25% was used in calculating the District's OPEB liabilities.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Single Employer Plan (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2019	\$ 687,735	\$ 232,054	\$ 455,681
Changes for the Year:			
Service Cost	28,916	-	28,916
Interest	22,898	-	22,898
Differences Between Expected and Actual Experience	(131,804)	-	(131,804)
Changes of Assumptions or Other Input	42,229	-	42,229
Contributions - Employer	-	26,135	(26,135)
Net Investment Income	-	3,523	(3,523)
Benefit Payments	(95,920)	(95,920)	-
Net Changes	<u>(133,681)</u>	<u>(66,262)</u>	<u>(67,419)</u>
Balances at June 30, 2020	<u>\$ 554,054</u>	<u>\$ 165,792</u>	<u>\$ 388,262</u>

Sensitivity of the net OPEB liability to changes in the discount rate

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

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$ 587,824	\$ 554,054	\$ 522,048
Fiduciary Net Position	165,792	165,792	165,792
Net OPEB Liability	<u>\$ 422,032</u>	<u>\$ 388,262</u>	<u>\$ 356,256</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.00%)	1% Increase (8.5% decreasing to 6.00%)
Total OPEB Liability	\$ 500,431	\$ 554,054	\$ 618,063
Fiduciary Net Position	165,792	165,792	165,792
Net OPEB Liability	<u>\$ 334,639</u>	<u>\$ 388,262</u>	<u>\$ 452,271</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Single Employer Plan (Continued)

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$3,894. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (122,131)
Changes of Assumptions or Other Input	45,165	(287,523)
Net Difference Between Projected and Actual Earnings on OPEB Investments	9,594	-
Total	<u>\$ 54,759</u>	<u>\$ (409,654)</u>

These amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	OPEB Expense Amount
2021	\$ (41,019)
2022	(41,021)
2023	(42,657)
2024	(43,865)
2025	(44,539)
Thereafter	(141,794)

D. Supplemental Pension Plan – Single Employer

Plan Description

Eligible administrators and teachers are covered by the School District of Mondovi Supplemental Pension Benefit Plan (the Plan), which is a single-employer defined benefit plan. The Plan's purpose is to provide retirement income to Plan members. The District is the administrator of the Plan. The School Board reserves the right to alter, amend, or terminate the Plan at any time for any reason, without consent.

The School District of Mondovi administers a single-employer defined benefit pension plan as well as a single-employer defined contribution pension plan.

For eligible teachers and administrators hired after July 1, 2008, the District will make an annual \$1,000 matching contribution to a 403(b) account starting in fiscal year 2015-2016.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Supplemental Pension Plan - Single Employer (Continued)

Plan Description (Continued)

Eligible teachers and administrators hired prior to July 1, 2008, with 6 to 16 years of service as of July 1, 2013, have the following options:

1. At retirement, the District will make a lump sum payment to a 403(b) account in an amount equal to \$1,450 per year of service.
2. Starting in fiscal year 2013-2014, the District will make an annual \$1,200 matching contribution to a 403(b) account.

Eligible teachers and administrators hired prior to July 1, 2008, with 17 or more years of service as of July 1, 2013, have the following options:

1. The District will contribute \$1,000 per year of service as of June 30, 2013, to a 403(b) account as a "catch up." These "catch up" contributions will be made over a 7-year period starting with the 2013-2014 fiscal year. The "catch up" contributions will cease should the employee pass prior to the full 7 years of payments. In addition, starting with the 2013-2014 fiscal year, the District will make an annual \$1,000 matching contribution to a 403(b) account.
2. The District will contribute an amount equal to \$1,450 per year of service into a 403(b) account. The contributions will be made over a 5-year period immediately following their retirement and the payments will cease upon death of the retiree.
3. Starting in fiscal year 2013-2014, the District will make an annual \$1,200 matching contribution to a 403(b) account.

For eligible exempt staff hired after July 1, 2013, the District will make an annual \$1,000 contribution into a 403(b) account.

Eligible exempt staff, hired prior to July 1, 2013, have the following options:

1. At retirement, the District will make a lump sum payment to a 403(b) account in the amount equal to \$300 per year of service.
2. Starting in fiscal year 2013-2014, the District will make an annual \$1,200 matching contribution into a 403(b) account.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Supplemental Pension Plan – Single Employer (Continued)

Plan Description (Continued)

Beginning with the 2013-2014 fiscal year, the District will make an annual matching contribution to a 403(b) account for eligible support staff as follows:

1. \$1,000 for 12-month full-time employees
2. \$625 for employees working 1,300-2,079 hours per year
3. \$480 for employees working 1,000-1,299 hours per year
4. \$345 for employees working 720-999 hours per year

As of June 30, 2020, employees covered by the Plan are as follows:

Inactive plan members or beneficiaries currently receiving benefit payments	5
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	6
	11
	11

The District paid \$46,110 for pension benefits under the Plan that came due during the year ended June 30, 2020.

Total Pension Liability

The District recognizes its total pension liability, rather than a net pension liability. In order for the District to recognize a net pension liability, assets must be accumulated in a trust that meets the following criteria:

- Contributions from the employer and nonemployer contributing entities, and the earnings thereon, must be irrevocable.
- Pension plan assets must be dedicated to providing pensions to Plan members in accordance with benefit terms.
- Pension plan assets must be legally protected from the creditors of employer, nonemployer contributing entities, the Plan administrator, and the Plan members.

No assets are accumulated in a trust that meets all of the above criteria. Accordingly, the District's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria, and the District must report its total pension liability.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Supplemental Pension Plan – Single Employer (Continued)

Total Pension Liability (Continued)

The District's total pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to a measurement date of June 30, 2020. At June 30, 2020, the District reported a total pension liability of \$163,137. Changes in the District's total pension liability were as follows:

Total Pension Liability - June 30, 2019	\$ 187,567
Changes for the Year:	
Service Cost	9,095
Interest	5,917
Benefit Payments	(46,110)
Differences Between Expected and Actual Experience	1,875
Changes of Assumptions of Other Input	4,793
Net Changes	<u>(24,430)</u>
Total Pension Liability - June 30, 2020	<u>\$ 163,137</u>

Pension Costs

For the year ended June 30, 2020, the District recognized pension expense of \$23,412. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 19,719	\$ -
Changes of Assumptions or Other Input	5,750	-
Total	<u>\$ 25,469</u>	<u>\$ -</u>

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

Year Ended June 30,	Pension Expense Amount
2021	\$ 8,400
2022	8,400
2023	8,399
2024	270

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Supplemental Pension Plan – Single Employer (Continued)

Actuarial Assumptions

The total supplemental pension plan benefit liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
	Entry Age Normal
Actuarial Cost Method	(Level Percent of Salary)
Discount Rate	2.25%
Municipal Bond Rate	Bond Buyer 20-Bond Go Index
Mortality Assumptions	Wisconsin 2018 Mortality Table
	Based on 2018 experience study using Wisconsin Retirement System (WRS)
Actuarial Assumptions	experience from 2015-2017.

Discount Rate

The discount rate used to measure the total pension liability was 2.25%. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 2.25%.

Total Pension Liability Sensitivity

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

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total Pension Liability	\$ 167,581	\$ 163,137	\$ 158,572

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits – Multiple Employer Plan

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees. ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits – Multiple Employer Plan (Continued)

Plan Description (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$1,973 in contributions from the employer.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$414,510 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to December 31, 2019. 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 OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion was 0.097344%, which was a decrease of 0.005429% from its proportion measured as of December 31, 2018.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

For the year ended June 30, 2020, the District recognized OPEB expense of \$39,922. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (18,570)
Changes of Assumptions	152,915	(45,593)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	7,819	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	(22,159)
District Contributions Subsequent to the Measurement Date	998	-
Total	<u>\$ 161,732</u>	<u>\$ (86,322)</u>

\$998 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30.</u>	<u>OPEB Expense Amount</u>
2021	\$ 12,539
2022	12,539
2023	11,696
2024	10,827
2025	8,555
Thereafter	18,256

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return	4.25%
Discount Rate	2.87%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Long-Term Expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Government Bonds	Barclays Government	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5%	2.90%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

Single Discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease (1.87%)	Current Discount Rate (2.87%)	1% Increase (3.87%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 572,368	\$ 414,510	\$ 294,410

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

F. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The state has also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The state further allows an exemption equal to 75% of the prior year unused allowable revenue.

This limitation does not apply to revenues needed for payment of any general obligation debt service (including refinancing debt) authorized by either of the following:

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

G. Risk Management

The District is exposed to various risks of loss 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 years.

H. Significant Event

During the year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown and cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 2,738,813	\$ 2,738,813	\$ 2,738,813	\$ -
Other Local Sources	68,255	68,255	85,509	17,254
Interdistrict Sources	614,668	656,729	644,501	(12,228)
Intermediate Sources	16,629	16,629	14,841	(1,788)
State Sources	8,569,564	8,442,316	8,510,813	68,497
Federal Sources	531,101	628,176	633,163	4,987
Other Sources	41,400	63,100	41,572	(21,528)
Total Revenues	<u>12,580,430</u>	<u>12,614,018</u>	<u>12,669,212</u>	<u>55,194</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	2,165,188	2,165,188	2,057,855	107,333
Regular Curriculum	2,350,305	2,350,305	2,282,666	67,639
Vocational Curriculum	359,092	359,092	347,349	11,743
Special Curriculum	1,376,027	1,376,027	1,352,444	23,583
Physical Curriculum	264,093	264,093	252,688	11,405
Co-Curricular Activities	301,802	301,802	283,814	17,988
Other Special Needs	17,235	17,235	19,368	(2,133)
Total Instruction	<u>6,833,742</u>	<u>6,833,742</u>	<u>6,596,184</u>	<u>237,558</u>
Support Services:				
Pupil Services	512,165	512,165	509,807	2,358
Instructional Staff Services	975,352	975,352	705,771	269,581
General Administration	421,966	421,966	492,248	(70,282)
Fiscal Services	177,377	177,377	188,199	(10,822)
School Building Administration	518,505	518,505	473,802	44,703
Operation	868,772	852,122	898,175	(46,053)
Maintenance	207,751	207,751	159,268	48,483
Facilities Acquisition/Remodeling	300	300	21,717	(21,417)
Pupil Transportation	510,017	510,017	484,101	25,916
Internal Services	14,500	14,500	12,047	2,453
Central Services	264,913	264,913	223,229	41,684
Insurance and Judgments	126,422	126,422	134,885	(8,463)
Debt Services	2,000	2,000	534	1,466
Other Support Services	412,856	212,856	324,554	(111,698)
Total Support Services	<u>5,012,896</u>	<u>4,796,246</u>	<u>4,628,337</u>	<u>167,909</u>
Nonprogram:				
Instructional Services	425,092	633,485	644,219	(10,734)
Other Nonprogram	9,000	9,000	5,867	3,133
Total Nonprogram	<u>434,092</u>	<u>642,485</u>	<u>650,086</u>	<u>(7,601)</u>
Total Expenditures	<u>12,280,730</u>	<u>12,272,473</u>	<u>11,874,607</u>	<u>397,866</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	299,700	341,545	794,605	453,060
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	300	300	22,085	21,785
Transfers Out	(300,000)	(100,000)	(400,000)	(300,000)
Total Other Financing Sources (Uses)	<u>(299,700)</u>	<u>(99,700)</u>	<u>(377,915)</u>	<u>(278,215)</u>
NET CHANGE IN FUND BALANCE	-	241,845	416,690	174,845
Fund Balance, Beginning of Year	<u>1,652,190</u>	<u>1,652,190</u>	<u>1,652,190</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,652,190</u>	<u>\$ 1,894,035</u>	<u>\$ 2,068,880</u>	<u>\$ 174,845</u>

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Measurement Date: December 31,	2014	2015	2016	2017	2018	2019
District's Proportion of the Net Pension Liability (Asset)	0.04043025%	0.04026506%	0.03988285%	0.03966988%	0.03936425%	0.03902924%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (993,078)	\$ 654,299	\$ 328,730	\$ (1,177,845)	\$ 1,400,456	\$ (1,258,480)
District's Covered Payroll	\$ 5,602,579	\$ 5,645,730	\$ 5,764,707	\$ 5,852,087	\$ 5,972,166	\$ 6,219,288
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	17.73%	11.59%	5.70%	20.13%	23.45%	20.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year Ended: June 30,	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 387,856	\$ 383,994	\$ 388,940	\$ 397,122	\$ 404,504	\$ 423,755
Contributions in Relation to the Contractually Required Contributions	(387,856)	(383,994)	(388,940)	(397,122)	(404,504)	(423,755)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 5,620,776	\$ 5,731,830	\$ 5,804,397	\$ 5,883,501	\$ 6,106,572	\$ 6,370,522
Contributions as a Percentage of Covered Payroll	6.90%	6.70%	6.70%	6.75%	6.62%	6.65%

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

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

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability				
Service Cost	\$ 45,851	\$ 45,851	\$ 27,738	\$ 28,916
Interest	44,144	40,230	26,073	22,898
Differences Between Expected and Actual Experience	-	(4,821)	-	(131,804)
Changes of Assumptions or Other Input	-	(395,343)	8,751	42,229
Benefit Payments	<u>(195,289)</u>	<u>(149,545)</u>	<u>(112,479)</u>	<u>(95,920)</u>
Net Change in Total OPEB Liability	(105,294)	(463,628)	(49,917)	(133,681)
Total OPEB Liability - Beginning	1,306,574	1,201,280	737,652	687,735
Total OPEB Liability - Ending (a)	<u>\$ 1,201,280</u>	<u>\$ 737,652</u>	<u>\$ 687,735</u>	<u>\$ 554,054</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 58,815	\$ 45,057	\$ 29,566	\$ 26,135
Net Investment Income	7,851	5,228	4,078	3,523
Benefit Payments	<u>(195,289)</u>	<u>(149,545)</u>	<u>(112,479)</u>	<u>(95,920)</u>
Net Change in Plan Fiduciary Net Position	(128,623)	(99,260)	(78,835)	(66,262)
Plan Fiduciary Net Position - Beginning	538,772	410,149	310,889	232,054
Plan Fiduciary Net Position - Ending (b)	<u>\$ 410,149</u>	<u>\$ 310,889</u>	<u>\$ 232,054</u>	<u>\$ 165,792</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 791,131</u>	<u>\$ 426,763</u>	<u>\$ 455,681</u>	<u>\$ 388,262</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	34.14%	42.15%	33.74%	29.92%
Covered Employee Payroll	\$ 3,465,066	\$ 3,411,293	\$ 3,411,293	\$ 5,939,883
District's Net OPEB Liability as a Percentage of Covered Employee Payroll	22.83%	12.51%	13.36%	6.54%

Changes of Benefit Terms. There were no changes of benefit terms.

Changes of Assumptions: The discount rate changed from 3.50% to 2.25%.

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO THE OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2017	2018	2019	2020
Actuarially Determined Contribution (ADC)	\$ 114,210	\$ 73,151	\$ 73,151	\$ 54,085
Contributions in Relation to the Actuarially Determined Contribution	58,815	45,057	29,566	26,135
Contribution Deficiency (Excess)	<u>\$ 55,395</u>	<u>\$ 28,094</u>	<u>\$ 43,585</u>	<u>\$ 27,950</u>
Covered Employee Payroll	\$ 3,465,066	\$ 3,411,293	\$ 3,411,293	\$ 5,939,883
Contributions as a Percentage of Covered Employee Payroll	1.70%	1.32%	0.87%	0.44%

Methods and assumptions used to determine contribution rates:

Actuary Cost Method:	Entry Age Normal
Amortization Method:	Level- Dollar
Amortization Period:	30 Years
Asset Valuation Method:	Market Value
Inflation:	2.00%
Discount rate	2.25%

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF DISTRICT'S INVESTMENT RETURNS ON OPEB PLAN ASSETS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Year	
2017	1.83%
2018	1.45%
2019	1.50%
2020	1.77%

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF CHANGES IN THE DISTRICT'S SINGLE EMPLOYER PENSION
LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Measurement Date June 30,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Pension Liability				
Service Cost	\$ 15,950	\$ 15,950	\$ 8,811	\$ 9,095
Interest	9,607	7,671	7,945	5,917
Differences Between Expected and Actual Experience	-	36,628	-	1,875
Changes of Assumptions or Other Input	-	2,137	1,630	4,793
Benefit Payments	<u>(106,046)</u>	<u>(55,680)</u>	<u>(76,560)</u>	<u>(46,110)</u>
Net Changes	(80,489)	6,706	(58,174)	(24,430)
Total Pension Liability - Beginning	319,524	239,035	245,741	187,567
Total Pension Liability - Ending	<u>\$ 239,035</u>	<u>\$ 245,741</u>	<u>\$ 187,567</u>	<u>\$ 163,137</u>
Covered Employee Payroll	\$ 1,263,006	\$ 1,389,281	\$ 1,389,281	\$ 397,700
Total Pension Liability as a Percentage of Covered Employee Payroll	18.93%	17.69%	13.50%	41.02%

Changes of Benefit Terms. There were no changes of benefit terms.

Changes of Assumptions: The discount rate changed from 3.50% to 2.25%.

Note:

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 73, paragraph 4:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Measurement Date: December 31,

	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net OPEB liability (asset)	0.10531900%	0.10277300%	0.09734400%
District's proportionate share of the net OPEB liability (asset)	\$ 316,861	\$ 265,189	\$ 414,510
District's covered payroll	\$ 4,428,965	\$ 5,120,000	\$ 5,349,000
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%	5.18%	7.75%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%	37.58%

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year Ended: June 30,	2018	2019	2020
Contractually Required Contribution	\$ 1,976	\$ 1,930	\$ 1,973
Contributions in Relation to the Contractually Required Contributions	(1,976)	(1,930)	(1,973)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 District's Covered Payroll	 \$ 4,428,965	 \$ 5,120,000	 \$ 5,349,000
 Contributions as a Percentage of Covered Payroll	 0.04%	 0.04%	 0.04%

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

See accompanying Notes to Required Supplementary Information.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

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. The District's legally adopted budget and budgetary expenditure control is exercised at the function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where the public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the 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. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.

Budget amounts in the financial statements include both the original adopted budget and the final budget.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Special Revenue Funds			Long-Term Capital Improvements Fund	Total Nonmajor Governmental Funds
	Gift Fund	Food Service	Community Service Fund		
ASSETS					
Cash and Investments	\$ 50,258	\$ 163,770	\$ 31,215	\$ 683,668	\$ 928,911
Accounts Receivable	-	74	-	-	74
Due from Other Funds	-	-	-	400,000	400,000
Total Assets	<u>\$ 50,258</u>	<u>\$ 163,844</u>	<u>\$ 31,215</u>	<u>\$ 1,083,668</u>	<u>\$ 1,328,985</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ 18,347	\$ 33	\$ -	\$ 18,380
Due to Other Governments	-	1,302	-	-	1,302
Unearned Revenue	-	25,113	-	-	25,113
Total Liabilities	<u>-</u>	<u>44,762</u>	<u>33</u>	<u>-</u>	<u>44,795</u>
Fund Balances:					
Restricted	50,258	119,082	-	1,083,668	1,253,008
Assigned	-	-	31,182	-	31,182
Total Fund Balance	<u>50,258</u>	<u>119,082</u>	<u>31,182</u>	<u>1,083,668</u>	<u>1,284,190</u>
Total Liabilities and Fund Balances	<u>\$ 50,258</u>	<u>\$ 163,844</u>	<u>\$ 31,215</u>	<u>\$ 1,083,668</u>	<u>\$ 1,328,985</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			Long-Term	Total
	Gift Fund	Food Service	Community Service Fund	Capital Improvements Fund	Nonmajor Governmental Funds
REVENUES					
Local Sources:					
Property Taxes	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Other Local Sources	11,181	158,272	212	7,939	177,604
State Sources	-	11,381	-	-	11,381
Federal Sources	-	318,131	-	-	318,131
Other Sources	-	237	-	-	237
Total Revenues	11,181	488,021	75,212	7,939	582,353
EXPENDITURES					
Instruction:					
Regular Instruction	1,723	-	-	-	1,723
Vocational Instruction	2,661	-	-	-	2,661
Other Instruction	4,129	-	-	-	4,129
Support Services:					
Instructional Staff Services	469	-	-	-	469
Operation and Maintenance of Plant	50,339	-	591	-	50,930
Facilities Acquisition/Remodeling	11,838	-	-	-	11,838
Pupil Transportation	52	-	-	-	52
Food Service	-	496,246	-	-	496,246
Central Services	-	524	-	-	524
Other Support Services	-	4,979	-	-	4,979
Community Services	-	-	56,315	-	56,315
Total Expenditures	71,211	501,749	56,906	-	629,866
EXCESS OF REVENUES OVER EXPENDITURES	(60,030)	(13,728)	18,306	7,939	(47,513)
Other Financing Sources:					
Transfers In	-	-	-	400,000	400,000
NET CHANGE IN FUND BALANCES	(60,030)	(13,728)	18,306	407,939	352,487
Fund Balances, Beginning of Year	110,288	132,810	12,876	675,729	931,703
FUND BALANCES, END OF YEAR	\$ 50,258	\$ 119,082	\$ 31,182	\$ 1,083,668	\$ 1,284,190

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2020**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General	Fund 27 Special Education	Elimination	Combined	Fund 10 General	Fund 27 Special Education	Elimination	Combined	Fund 10 General	Fund 27 Special Education	Elimination	Combined
	Fund	Fund			Fund	Fund			Fund	Fund		
REVENUES												
Local Sources:												
Property Taxes	\$ 2,738,813	\$ -	\$ -	\$ 2,738,813	\$ 2,738,813	\$ -	\$ -	\$ 2,738,813	\$ 2,738,813	\$ -	\$ -	\$ 2,738,813
Other Local Sources	68,255	-	-	68,255	68,255	-	-	68,255	85,509	-	-	85,509
Interdistrict Sources	540,251	74,417	-	614,668	582,312	74,417	-	656,729	588,571	55,930	-	644,501
Intermediate Sources	16,629	-	-	16,629	16,629	-	-	16,629	14,841	-	-	14,841
State Sources	8,193,493	376,071	-	8,569,564	8,066,245	376,071	-	8,442,316	8,109,119	401,694	-	8,510,813
Federal Sources	245,859	285,242	-	531,101	342,934	285,242	-	628,176	354,856	278,307	-	633,163
Other Sources	41,400	-	-	41,400	63,100	-	-	63,100	41,572	-	-	41,572
Total Revenues	11,844,700	735,730	-	12,580,430	11,878,288	735,730	-	12,614,018	11,933,281	735,931	-	12,669,212
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	2,165,188	-	-	2,165,188	2,165,188	-	-	2,165,188	2,057,855	-	-	2,057,855
Regular Curriculum	2,350,305	-	-	2,350,305	2,350,305	-	-	2,350,305	2,282,666	-	-	2,282,666
Vocational Curriculum	359,092	-	-	359,092	359,092	-	-	359,092	347,349	-	-	347,349
Special Curriculum	-	1,376,027	-	1,376,027	-	1,376,027	-	1,376,027	-	1,352,444	-	1,352,444
Physical Curriculum	264,093	-	-	264,093	264,093	-	-	264,093	252,688	-	-	252,688
Co-Curricular Activities	301,802	-	-	301,802	301,802	-	-	301,802	283,814	-	-	283,814
Other Special Needs	17,235	-	-	17,235	17,235	-	-	17,235	19,368	-	-	19,368
Total Instruction	5,457,715	1,376,027	-	6,833,742	5,457,715	1,376,027	-	6,833,742	5,243,740	1,352,444	-	6,596,184
Support Services:												
Pupil Services	301,096	211,069	-	512,165	301,096	211,069	-	512,165	302,499	207,308	-	509,807
Instructional Staff Services	913,314	62,038	-	975,352	913,314	62,038	-	975,352	650,438	55,333	-	705,771
General Administration	421,966	-	-	421,966	421,966	-	-	421,966	492,248	-	-	492,248
School Building Administration	518,505	-	-	518,505	518,505	-	-	518,505	473,802	-	-	473,802
Fiscal Services	177,377	-	-	177,377	177,377	-	-	177,377	188,199	-	-	188,199
Operation	868,772	-	-	868,772	852,122	-	-	852,122	898,175	-	-	898,175
Maintenance	207,751	-	-	207,751	207,751	-	-	207,751	159,268	-	-	159,268
Facilities Acquisition/Remodeling	300	-	-	300	300	-	-	300	21,717	-	-	21,717
Pupil Transportation	465,401	44,616	-	510,017	465,401	44,616	-	510,017	438,201	45,900	-	484,101
Internal Services	14,500	-	-	14,500	14,500	-	-	14,500	12,047	-	-	12,047
Central Services	264,913	-	-	264,913	264,913	-	-	264,913	223,029	200	-	223,229
Insurance and Judgments	126,422	-	-	126,422	126,422	-	-	126,422	134,885	-	-	134,885
Debt Services	2,000	-	-	2,000	2,000	-	-	2,000	534	-	-	534
Other Support Services	411,956	900	-	412,856	211,956	900	-	212,856	321,170	3,384	-	324,554
Total Support Services	4,694,273	318,623	-	5,012,896	4,477,623	318,623	-	4,796,246	4,316,212	312,125	-	4,628,337
Nonprogram:												
Instructional Services	381,242	43,850	-	425,092	601,405	32,080	-	633,485	587,557	56,662	-	644,219
Other Nonprogram	-	9,000	-	9,000	-	9,000	-	9,000	2,288	3,579	-	5,867
Total Nonprogram	381,242	52,850	-	434,092	601,405	41,080	-	642,485	589,845	60,241	-	650,086
Total Expenditures	10,533,230	1,747,500	-	12,280,730	10,536,743	1,735,730	-	12,272,473	10,149,797	1,724,810	-	11,874,607
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	1,311,470	(1,011,770)	-	299,700	1,341,545	(1,000,000)	-	341,545	1,783,484	(988,879)	-	794,605
OTHER FINANCING SOURCES (USES)												
Proceeds from Sale of Capital Assets	300	-	-	300	300	-	-	300	22,085	-	-	22,085
Transfers In	-	1,011,770	(1,011,770)	-	-	1,000,000	(1,000,000)	-	-	988,879	(988,879)	-
Transfers Out	(1,311,770)	-	1,011,770	(300,000)	(1,100,000)	-	1,000,000	(100,000)	(1,388,879)	-	988,879	(400,000)
Total Other Financing Sources (Uses)	(1,311,470)	1,011,770	-	(299,700)	(1,099,700)	1,000,000	-	(99,700)	(1,366,794)	988,879	-	(377,915)
NET CHANGE IN FUND BALANCE	-	-	-	-	241,845	-	-	241,845	416,690	-	-	416,690
Fund Balance, Beginning of Year	1,652,190	-	-	1,652,190	1,652,190	-	-	1,652,190	1,652,190	-	-	1,652,190
FUND BALANCE, END OF YEAR	\$ 1,652,190	\$ -	\$ -	\$ 1,652,190	\$ 1,894,035	\$ -	\$ -	\$ 1,894,035	\$ 2,068,880	\$ -	\$ -	\$ 2,068,880

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Property Taxes	\$ 2,738,813	\$ 2,738,813	\$ 2,738,813	\$ -
Other Local Sources	68,255	68,255	85,509	17,254
Interdistrict Sources	540,251	582,312	588,571	6,259
Intermediate Sources	16,629	16,629	14,841	(1,788)
State Sources	8,193,493	8,066,245	8,109,119	42,874
Federal Sources	245,859	342,934	354,856	11,922
Other Revenues	41,400	63,100	41,572	(21,528)
Total Revenues	<u>11,844,700</u>	<u>11,878,288</u>	<u>11,933,281</u>	<u>54,993</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	2,165,188	2,165,188	2,057,855	107,333
Regular Curriculum	2,350,305	2,350,305	2,282,666	67,639
Vocational Curriculum	359,092	359,092	347,349	11,743
Physical Curriculum	264,093	264,093	252,688	11,405
Co-Curricular Activities	301,802	301,802	283,814	17,988
Other Special Needs	17,235	17,235	19,368	(2,133)
Total Instruction	<u>5,457,715</u>	<u>5,457,715</u>	<u>5,243,740</u>	<u>213,975</u>
Support Services:				
Pupil Services	301,096	301,096	302,499	(1,403)
Instructional Staff Services	913,314	913,314	650,438	262,876
General Administration	421,966	421,966	492,248	(70,282)
School Building Administration	518,505	518,505	473,802	44,703
Fiscal	177,377	177,377	188,199	(10,822)
Operation	868,772	852,122	898,175	(46,053)
Maintenance	207,751	207,751	159,268	48,483
Facilities Acquisition/Remodeling	300	300	21,717	(21,417)
Pupil Transportation	465,401	465,401	438,201	27,200
Internal Services	14,500	14,500	12,047	2,453
Central Services	264,913	264,913	223,029	41,884
Insurance and Judgments	126,422	126,422	134,885	(8,463)
Debt Services	2,000	2,000	534	1,466
Other Support Services	411,956	211,956	321,170	(109,214)
Total Support Services	<u>4,694,273</u>	<u>4,477,623</u>	<u>4,316,212</u>	<u>161,411</u>
Nonprogram:				
Instructional Services	381,242	601,405	587,557	13,848
Other Nonprogram	-	-	2,288	(2,288)
Total Nonprogram	<u>381,242</u>	<u>601,405</u>	<u>589,845</u>	<u>11,560</u>
Total Expenditures	<u>10,533,230</u>	<u>10,536,743</u>	<u>10,149,797</u>	<u>386,946</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,311,470	1,341,545	1,783,484	441,939
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	300	300	22,085	21,785
Transfers Out	(1,311,770)	(1,100,000)	(1,388,879)	(288,879)
Total Other Financing Sources (Uses)	<u>(1,311,470)</u>	<u>(1,099,700)</u>	<u>(1,366,794)</u>	<u>(267,094)</u>
NET CHANGE IN FUND BALANCE	-	241,845	416,690	174,845
Fund Balance, Beginning of Year	1,652,190	1,652,190	1,652,190	-
FUND BALANCE, END OF YEAR	<u>\$ 1,652,190</u>	<u>\$ 1,894,035</u>	<u>\$ 2,068,880</u>	<u>\$ 174,845</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict Sources	\$ 74,417	\$ 74,417	\$ 55,930	\$ (18,487)
State Sources	376,071	376,071	401,694	25,623
Federal Sources	285,242	285,242	278,307	(6,935)
Total Revenues	<u>735,730</u>	<u>735,730</u>	<u>735,931</u>	<u>201</u>
EXPENDITURES				
Instruction:				
Special Curriculum	1,376,027	1,376,027	1,352,444	23,583
Support Services:				
Pupil Services	211,069	211,069	207,308	3,761
Instructional Staff Services	62,038	62,038	55,333	6,705
Pupil Transportation	44,616	44,616	45,900	(1,284)
Central Services	-	-	200	(200)
Other Support Services	900	900	3,384	(2,484)
Total Support Services	<u>318,623</u>	<u>318,623</u>	<u>312,125</u>	<u>6,498</u>
Nonprogram:				
Instructional Services	43,850	32,080	56,662	(24,582)
Other Nonprogram	9,000	9,000	3,579	5,421
Total Nonprogram	<u>52,850</u>	<u>41,080</u>	<u>60,241</u>	<u>(19,161)</u>
Total Expenditures	<u>1,747,500</u>	<u>1,735,730</u>	<u>1,724,810</u>	<u>10,920</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,011,770)	(1,000,000)	(988,879)	11,121
OTHER FINANCING SOURCES				
Transfers In	<u>1,011,770</u>	<u>1,000,000</u>	<u>988,879</u>	<u>(11,121)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN BALANCES
YEAR ENDED JUNE 30, 2020**

<u>Organization</u>	<u>Balance July 1, 2019</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Balance June 30, 2020</u>
Art Club	\$ 242	\$ 710	\$ 673	\$ 279
Science Club	375	468	507	336
Elementary Collections/Fees	422	11,256	9,791	1,887
FFA	11,608	52,804	50,643	13,769
FBLA	3,083	335	97	3,321
FCCLA	22	-	-	22
Regional FFA	1,509	17,664	19,173	-
History Club	3,424	9,291	2,480	10,235
Honor Society	546	-	-	546
Ski Club	244	-	-	244
Middle/High School Collections/Fees	90	30,452	29,942	600
Middle School Student Council	2,996	3,046	4,382	1,660
Middle School Yearbook	768	465	1,281	(48)
M-Club	3,313	1,659	45	4,927
Elementary Student Council	1,242	703	291	1,654
Equestrian Club	1,274	2,361	1,878	1,757
Yearbook	(393)	6,299	5,906	-
Gaming Club	818	-	-	818
High School Music	50,868	29,019	19,929	59,958
Pep Club	22	-	-	22
Popcorn Fund	2,755	-	-	2,755
Skills USA	544	330	-	874
Spanish Club	1,103	376	411	1,068
High School Student Council	2,417	2,026	2,146	2,297
Work Permits	14	110	106	18
Volleyball	7,814	17,297	13,663	11,448
Wrestling	2,524	5,139	3,868	3,795
Boys Basketball	399	1,847	2,231	15
Girls Basketball	(236)	2,500	1,450	814
Baseball	5,668	500	360	5,808
Softball	6,642	656	886	6,412
Track	3,268	-	1,088	2,180
Cross Country	1,185	932	1,070	1,047
Dance	3,650	5,044	2,712	5,982
Football	1,389	300	1,474	215
Tennis	513	119	395	237
Golf	(151)	400	142	107
Class of 2018	669	-	669	-
Class of 2019	2,192	110	2,302	-
Class of 2020	3,770	500	2,264	2,006
Class of 2021	1,285	3,405	541	4,149
Class of 2022	460	2,825	1,621	1,664
Class of 2023	-	450	-	450
	<u>\$ 130,347</u>	<u>\$ 211,398</u>	<u>\$ 186,417</u>	<u>\$ 155,328</u>

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2020**

SECTION I: AUTHORIZER INFORMATION

Authorizing Entity: School District of Mondovi
 Authorizer Address: 337 N Jackson Street, Mondovi, WI 54755
 Authorizer Contact Person: Mr. Greg Corning
 Contact Person Title: Superintendent
 Contact Person Phone: 715-926-3684
 Contact Person Email: gcorning@mondovi.k12.wi.us

SECTION II: CHARTER SCHOOL INFORMATION

Charter Schools Currently Under Contract:

School Name	Contract Start Date	Contract Expiration Date	Grades Served
Anthony Acres	7/1/2019	6/30/2022	6-12

Charter Schools Whose Contract was Non-renewed or Revoked:

None

Charter Schools Currently Under Contract that have not Opened:

Anthony Acres

Charter Schools that Closed:

None

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOLS

N/A – The school was not opened to students in 2019-20.

SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS

N/A – The school was not opened to students in 2019-20.

SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS – N/A

SECTION VI: AUTHORIZER OPERATING COSTS

N/A – The school was not opened to students in 2019-20.

SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS

SERVICES PROVIDED	FUNCTION CODE	COST
GENERAL ADMINISTRATION	230000	\$ 270
GENERAL OPERATIONS	253000	22,752
BUILDING MAINTENANCE	254000	1,194
OTHER SERVICES	290000	3,707
TOTAL		\$ 27,923

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable July 1, 2019	Expenditures	Grant Reimburse- ments	Accrued Receivable June 30, 2020
<u>U.S. Department of Agriculture</u>								
Child Nutrition Cluster:								
School Breakfast Program: 10.553								
COVID-19 School Breakfast Program		WI DPI	2020-063668-DPI-SB-546	\$ -	\$ -	\$ 3,763	\$ 3,763	\$ -
School Breakfast Program		WI DPI	2020-063668-DPI-SB-546	-	1,241	36,426	37,667	-
Total School Breakfast Program (CFDA #10.553)				-	1,241	40,189	41,430	-
National School Lunch Program: 10.555								
COVID-19 School Lunch Program		WI DPI	2020-063668-DPI-NSL-547	-	-	11,302	11,302	-
School Lunch Program		WI DPI	2020-063668-DPI-NSL-547	-	4,486	110,881	115,367	-
Food Donation		WI DPI	A001-00000-063668	-	-	31,778	31,778	-
Total National School Lunch Program (CFDA #10.555)				-	4,486	153,961	158,447	-
Special Milk Program for Children: 10.556								
COVID-19 Special Milk Program for Children		WI DPI	2020-063668-DPI-SMP-548	-	-	53	53	-
Special Milk Program for Children		WI DPI	2020-063668-DPI-SMP-548	-	10	509	519	-
Total Special Milk Program (CFDA #10.556)				-	10	562	572	-
Summer Food Service Program for Children: 10.559								
COVID-19 Summer Food Service Program for Children		WI DPI	2020-063668-DPI-SFSP-566	-	-	120,831	120,831	-
Summer Food Service Program for Children		WI DPI	2020-063668-DPI-SFSP-566	-	15,874	2,590	18,464	-
Total Summer Food Service Program (CFDA #10.559)				-	15,874	123,421	139,295	-
Total Child Nutrition Cluster				-	21,611	318,133	339,744	-
<u>U.S. Department of Education</u>								
Title I-A Basic Grant	84.010	WI DPI	2020-063668-TIA-141	-	69,229	173,384	179,329	63,284
Special Education Cluster:								
Special Education Grants to States	84.027	WI DPI	2020-063668-DPI-IDEA-F-341	-	96,613	197,601	224,518	69,696
IDEA Preschool Entitlement	84.173	WI DPI	2020-063668-DPI-IDEA-P-347	-	1,924	6,721	3,644	5,001
Total Special Education Cluster				-	98,537	204,322	228,162	74,697
Wisconsin Charter Schools Program	84.282	WI DPI	2020-063668-DPI-WCSP1-360	-	-	124,068	73,044	51,024
Title III-A English Language Acquisition State Grants	84.365	CESA #10	2020-063668-DPI-T3-391	-	-	929	929	-
Title II-A Supporting Effective Instruction	84.367	WI DPI	2020-063668-TIIA-365	-	1,399	37,181	16,525	22,055
Student Support and Academic Enrichment Program	84.424	WI DPI	2020-063668-TIVA-DPI-381	-	6,792	2,673	8,584	881
Total Department of Education				-	175,957	542,557	506,573	211,941
<u>U.S. Department of Health and Family Services</u>								
Medical Assistance Program (Medicaid SBS)	93.778	WI DHS	Provider #44233200	-	19,418	91,535	110,685	268
Total Federal Program Awards				\$ -	\$ 216,986	\$ 952,225	\$ 957,002	\$ 212,209

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020**

State Agency/ Pass-Through Agency/ Program Title	State I.D. Number		State Grant Number	Accrued Receivable July 1, 2019	Expenditures	Cash Received	Accrued Receivable June 30, 2020
WI DEPARTMENT OF PUBLIC INSTRUCTION							
Special Education and School Age Parents	255.101	(A)	063668-100	\$ -	\$ 348,831	\$ 348,831	\$ -
State Lunch	255.102		063668-107	-	4,909	4,909	-
Common School Fund Library Aid	255.103		063668-104	-	39,949	39,949	-
Pupil Transportation	255.107		063668-102	-	38,233	38,233	-
Morning Milk Program	255.115		063668-109	-	3,822	3,822	-
General Equalization	255.201	**	063668-116	107,445	6,779,488	6,775,897	111,036
High Cost Special Education Aid	255.210		063668-119	-	13,363	13,363	-
Supplemental Per Pupil Aid	255.245		063668-181	-	3,139	3,139	-
Special Education Transition Readiness	255.257		063668-174	-	34,500	34,500	-
			Osseo-Fairchild				
Peer Review and Mentoring	255.301		School District	-	6,871	-	6,871
School Breakfast Program	255.344		063668-108	-	2,650	2,650	-
Gifted and Talented	255.350		CESA #10	-	601	601	-
Early College Credit	255.445		063668-178	-	743	743	-
Achievement Gap Reduction (AGR)	255.504		063668-160	-	319,998	319,998	-
Educator Effectiveness Grants	255.940		063668-154	-	5,760	5,760	-
Per Pupil Aid	255.945		063668-113	-	693,770	693,770	-
High Cost Transportation Aid	255.947		063668-114	-	101,331	101,331	-
Career and Technical Grants	255.950		063668-152	-	14,229	14,229	-
Robotics Lead Participation Grant	255.959		063668-167	-	1,252	1,252	-
Aid for Special Education Transition Grant BBL	255.960		063668-168	-	5,000	5,000	-
Total WI Department of Public Instruction				107,445	8,418,439	8,407,977	117,907
WI DEPARTMENT OF WORKFORCE DEVELOPMENT							
Youth Apprenticeship	445.107		CESA #10	-	3,200	3,200	-
WI DEPARTMENT OF JUSTICE							
School Safety Grant	455.206		12970, 14686	3,223	36,483	39,706	-
TOTAL STATE AWARDS				<u>\$ 110,668</u>	<u>\$ 8,458,122</u>	<u>\$ 8,450,883</u>	<u>\$ 117,907</u>

**State Major Program

(A) District's 2019-20 aidable costs reported to DPI totaled \$1,418,243.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Wisconsin Single Audit Guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

NOTE 4 INDIRECT COSTS

The District has not elected to use the 10% de minimis indirect cost rate.

NOTE 5 MEDICAL ASSISTANCE

Expenditures presented for the Medicaid School Based Services (SBS) Benefit represent only the federal funds for the program that the District receives from the Department of Health Services (DHS). District records should be consulted to determine the total amount expended for this program.

NOTE 6 SUBRECIPIENTS

The district did not pass-through any funds to subrecipients.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
School District of Mondovi
Mondovi, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Mondovi, Wisconsin (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 16, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District of Mondovi's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 16, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY *THE UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES*

Board of Education
School District of Mondovi
Mondovi, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the School District of Mondovi, Wisconsin's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. We have also audited the District's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The District's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion on Federal Major Program – Child Nutrition Cluster (CFDA #10.553, 10.555, 10.556, 10.559)

As described in the accompanying schedule of findings, the District did not comply with requirements regarding Federal Major Program – Child Nutrition Cluster as described in finding 2020-002. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

Qualified Opinion on Federal Major Program – Child Nutrition Cluster (CFDA #10.553, 10.555, 10.556, 10.559)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Federal Major Program – Child Nutrition Cluster for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be a material weakness.

Board of Education
School District of Mondovi

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 16, 2020

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

PART I: SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness(es) identified X yes no
 • Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
 • Material weakness(es) identified? X yes no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal control over major programs:
 • Material weakness(es) identified? yes X no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? yes X no

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

PART I: SUMMARY OF AUDITORS' RESULTS (CONTINUED):

Identification of major State program:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.201	General Equalization Aids

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


Auditee qualified as low-risk auditee? yes X no

OTHER ISSUES

1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
 Department of Public Instruction No
 Department of Health Services No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal 
April L. Anderson, CPA

5. Date of Report November 16, 2020

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2020-001 Limited Segregation of Duties

Type of Finding: Material Weakness

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition: The auditors noted during the audit that the available staff may preclude a proper separation of duties to assure adequate internal control.

Context: The limited size of the District's staff responsible for accounting and financial duties may preclude a complete segregation of incompatible duties. The District has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.

Cause: The condition is due to limited staff available.

Effect: Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud that would not be detected or prevented by District staff.

Repeat Finding: See 2019-001

Recommendation: The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Views of Responsible Officials: The District continues to work to achieve segregation of duties whenever cost effective. The District Superintendent is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF MONDOVI
MONDOVI, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

**FINDING: 2020-002 Child Nutrition Cluster (CFDA #10.553, 10.555, 10.556, 10.559)
Eligibility Determination Error**

Type of Finding: Material Weakness, non-compliance

Criteria: Families within the District are required to complete an eligibility application. During the preparation of the annual application, families must include all family income and family size. Based on this information, the determination for free or reduced meal prices must meet the nationwide income eligibility requirements.

Condition: Based on testing performed, the District did not make the correct determination for one application in the auditor sample.

Context: Auditor tested a sample of 40 applications for the Child Nutrition Cluster to verify that family served met the nationwide income eligibility guidelines.

Cause: The District does not have proper controls in place to identify the error made when a meal application determination made incorrectly.

Effect: The District approved one application as reduced price when the applicant was eligible for free meals resulting in the District not receiving the correct amount of program funding.

Repeat Finding: No

Recommendation: The District should implement a review process to verify that meal application determinations are properly made.

Views of Responsible Officials: The District will review the eligibility determination process to make modifications where needed. The District Superintendent is the official responsible for ensuring corrective action of the deficiency.

PART IV: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS:

None

PART V: FINDINGS RELATED TO STATE GENERAL AND PROGRAM REQUIREMENTS:

None.