

Monona Grove  
School District  
Monona, Wisconsin

Financial Report  
Year Ended 6/30/2021

# Monona Grove School District

## Financial Statements and Supplementary Financial Information

Year Ended June 30, 2021

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### Table of Contents

Independent Auditor's Report.....	1
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis.....	4
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position.....	12
Statement of Activities.....	13
<b>Fund Financial Statements</b>	
Balance Sheet - Governmental Funds.....	14
Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities.....	17
Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position.....	19
Notes to Financial Statements.....	20
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund.....	52
Notes to Budgetary Comparison Schedule.....	53
Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.....	55
Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - LRLIF.....	56
Schedules of Changes in Net OPEB Liability and Related Ratios.....	57
Schedule of Employer Contributions - OPEB.....	58
Schedule of Changes in the Total Pension Liability and Related Ratios - Single Employer Defined Benefit Pension Plan.....	59
<b>Supplementary Financial Information</b>	
Combining Balance Sheet - General Fund.....	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund.....	61
Combining Balance Sheet - Nonmajor Governmental Funds.....	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	63
Schedule of Charter School Authorizer Operating Costs.....	64

**Monona Grove School District**  
**Financial Statements and Supplementary Financial Information**  
Year Ended June 30, 2021

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**Table of Contents (Continued)**

**Other Reports**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	65
Independent Auditor’s Report on Compliance for Each Major Federal and State Program and Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines.....	67
Schedule of Expenditures of Federal Awards.....	69
Schedule of State Financial Assistance.....	71
Notes to the Schedules of Federal Awards and State Financial Assistance.....	72
Schedule of Findings and Questioned Costs.....	73
Summary Schedule of Prior Year Findings and Questioned Costs.....	77

## **Independent Auditor's Report**

Board of Education  
Monona Grove School District  
Monona, 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 Monona Grove School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to on the previous page 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 Monona Grove School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that management's discussion and analysis and the budgetary comparison schedule - general fund, the schedules of the employer's proportionate share of the net pension and OPEB liability (asset) and employer contributions – Wisconsin Retirement System and LRLIF, the schedule of changes in the employer's net OPEB liability and related ratios and employer contributions - District OPEB plan, and the schedule of changes in the employer's total pension liability and related ratios - Single Employer Defined Benefit Pension plan on pages 52 through 59 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Financial 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 combining statements and schedule of charter school authorizer operating costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. The combining statements, schedule of charter school authorizer operating costs and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of the Monona Grove School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
Madison, Wisconsin

December 13, 2021

# Monona Grove School District

## Management's Discussion and Analysis

Year Ended June 30, 2021

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This section of the Monona Grove School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

### Financial Highlights

- The District's overall financial position, as reflected in total net position is \$30,906,188.
- Net position increased \$9,120,634 during the year.
- In the governmental funds, the District's total fund balance decreased \$30,400,809 during the year. The General Fund balance increased by \$1,384,813.

### Overview of the Financial Statements

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

### Government-Wide Financial Statements

- The government-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. As of June 30, 2021, the District had no business-type activities.
- The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

# Monona Grove School District

## Management's Discussion and Analysis

Year Ended June 30, 2021

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### Fund Financial Statements

- The District also produces *fund financial statements*. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a district's near-term financing requirements.
- There are two fund financial statements, the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*. Generally, fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.
- Because the focus of fund financial statements is narrower than that of the government-wide statements, it is useful to make comparisons between the information presented. By doing so, readers may better understand the long-term implications of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The District has two kinds of funds: *governmental* and *fiduciary*. The District maintains individual governmental funds (general, special revenue, debt service, and capital projects) as needed. The District has one *fiduciary fund*.
- Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* for the general fund, capital projects fund, and debt service funds since these funds are considered to be major funds. Data for the remaining governmental funds are combined into a single, aggregated column.
- The District serves as a trustee, or fiduciary, for various scholarship programs. The assets of these organizations and programs do not directly benefit nor are they under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.
- The District adopts an annual budget for all governmental funds. For financial statement reporting purposes, the general fund and special education fund are combined and reported as the general fund. A budgetary comparison statement for the general fund has been provided to demonstrate budget compliance.



# Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2021

## Notes to the Financial Statements

- The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.
- The major features of the District's financial statements, including the portion of the activities reported and the type of information contained, are shown in the table below.

	<b>Fund Financial Statement</b>		
	<b>Government-Wide</b>	<b>Governmental</b>	<b>Fiduciary</b>
<i>Scope</i>	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, and community services.	Assets held by the District on behalf of someone else. Student and other organizations that have funds on deposit with the District are reported here.
<i>Required financial statements</i>	Statement of net position.  Statement of activities.	Balance sheet.  Statement of revenues, expenditures, and changes in fund balance.	Statement of fiduciary net position.  Statement of changes in fiduciary net position.
<i>Basis of accounting and measurement of focus</i>	Accrual accounting.  Economic resources focus.	Modified accrual accounting.  Current financial resources focus.	Accrual accounting.  Economic resources focus.
<i>Type of asset and liability information</i>	All assets and liabilities, both financial and capital, short-term, and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term, and long-term. These funds do not currently contain any capital assets, although they can.
<i>Type of inflow and outflow information</i>	All revenues and expenses during the year, regardless of when cash or is paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions or deductions during the year, regardless of when cash is received or paid.

# Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2021

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## Financial Analysis

### The District as a Whole

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,906,188 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (\$27,701,362 or 90 percent) reflects its net investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Monona Grove School District *Net Position*

<b>Governmental Activities</b>	<b>2021</b>	<b>2020 Restated</b>
Current and other assets	\$ 46,824,608	\$ 74,144,520
Capital assets	103,041,898	71,209,432
Total assets	149,866,506	145,353,952
Deferred outflows of resources	18,919,770	13,218,475
Long-term liabilities	103,019,640	106,723,293
Other liabilities	14,232,304	15,615,425
Total liabilities	117,251,944	122,338,718
Deferred inflows of resources	20,628,144	14,448,155
Net position:		
Net investment in capital assets	27,701,362	22,867,011
Restricted	11,698,235	7,202,219
Unrestricted	(8,493,409)	(8,283,676)
Total net position	\$ 30,906,188	\$ 21,785,554

# Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2021

**The District as a Whole** (Continued)

**Monona Grove School District**  
*Change in Net Position*

<b>Governmental Activities</b>	<b>2021</b>	<b>Restated 2020</b>
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$ 3,650,786	\$ 4,307,663
Operating grants and contributions	5,915,415	5,534,830
<b>General revenues:</b>		
Property taxes	30,322,170	30,386,454
State aid-formula grants	17,239,060	16,260,358
Other	998,074	1,343,497
<b>Total revenues</b>	<b>58,125,505</b>	<b>57,832,802</b>
<b>Expenses:</b>		
Instruction	26,189,110	28,420,162
Pupil services	2,172,653	2,304,278
Instructional staff services	1,952,694	2,060,443
General administration	1,145,578	1,237,879
Building administration	2,964,070	3,148,387
Business services	8,976,666	9,273,273
Central services	1,303,200	1,427,573
Insurance	303,204	274,341
Other support services	1,285,705	1,202,936
Interest	2,711,991	2,904,123
<b>Total expenses</b>	<b>49,004,871</b>	<b>52,253,395</b>
Change in position	9,120,634	5,579,407
Net position - Beginning of year	21,785,554	16,206,147
<b>Net position - End of year</b>	<b>\$ 30,906,188</b>	<b>\$ 27,785,554</b>

# Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2021

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## The District as a Whole (Continued)

The District's total revenues were \$58,125,505 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 82 percent of total revenue for the year. The remaining 18 percent came from operating grants and contributions, charges for services, and other general revenues.

The total cost of all programs and services was \$49,004,871. The District's expenses are predominantly related to instruction (53 percent). The purely administrative activities of the District accounted for just 8 percent of total costs.

## Governmental Funds

The District completed the year with a total governmental fund balance of \$23,857,155, which is \$30,400,809 less than last year's ending fund balance of \$54,257,964.

The capital projects fund had a decrease in fund balance of \$31,708,156. This was primarily due to the district's capital expenditures funded by a prior year bond issuance.

The debt services fund had a decrease in fund balance of \$79,364.

The general fund had an increase in fund balance of \$1,384,813. This was primarily due to the district expenditures being under the budget amounts as well as revenue exceeded budget.

Revenues exceeded expenditures by \$1,898 for the other nonmajor governmental funds. These funds included the Special Revenue Gift Fund, the School Nutrition Services Fund, the Community Services Fund, and the Cooperative Program Fund.

## General Fund Budgetary Highlights

The District's original budget for the general fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$285,937. The actual results for the year show a \$1,384,813 surplus.

Actual revenues were \$437,534 more than expected.

The actual expenditures were \$758,456 less than budget.

# Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2021

## Capital Assets and Debt Administration

### Capital Assets

At the end of the 2021 fiscal year, the District had invested approximately \$133 million in a broad range of capital assets, including land, buildings, and equipment. Additional information about capital assets can be found in Note 5. Total accumulated depreciation on these assets exceeded \$29 million for governmental activities.

Asset acquisitions for governmental activities totaled \$33,105,302.

The District recognized depreciation expense of \$2,272,836 for governmental activities.

### Monona Grove School District *Capital Assets*

<u>Governmental Activities</u>	<u>2021</u>	<u>2020</u>
Land	\$ 4,294,187	\$ 4,294,187
Construction in process	46,543,800	14,405,649
Buildings and improvements	74,790,613	73,887,137
Equipment	7,276,320	7,212,645
Accumulated depreciation	(29,863,022)	(28,590,186)
<b>Total</b>	<b>\$ 103,041,898</b>	<b>\$ 71,209,432</b>

### Long-Term Liabilities

At year-end, the District had \$103,019,640 in bonds and other long-term debt outstanding. Additional information about the District's long-term obligations is presented in Note 7 to the financial statements.

### Monona Grove School District *Outstanding Long-Term Liabilities*

<u>Governmental Activities</u>	<u>2021</u>	<u>2020</u>
Bonds payable	\$ 80,530,000	\$ 85,895,000
Notes payable	1,615,000	1,615,000
Unamortized premiums	3,804,558	3,232,107
Supplemental pension liability	7,242,797	6,360,541
Other post-employment benefits-health	7,365,849	7,599,298
Other post-employment benefits-life	1,557,981	1,191,554
Compensated absences	903,455	829,793
<b>Total</b>	<b>\$ 103,019,640</b>	<b>\$ 106,723,293</b>

The District retired \$24,510,000 of outstanding debt.

# Monona Grove School District Management's Discussion and Analysis

Year Ended June 30, 2021

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## Factors Bearing on the District's Future

The District continues to see and project overall growth in enrollment both in residential students as well as through the school choice program. Enrollment will continue to be monitored closely.

The District passed a \$57 million referendum to issue debt to build a new elementary school in Cottage Grove among other facility upgrades and maintenance during the 2018-2019 fiscal. The District issued this debt during the 2018-2019 fiscal year and construction will continue during the upcoming fiscal year with the expectation to close out funds from the referendum after the 2021-2022 fiscal year.

The District revenue limit will reflect the operational referendum that was renewed by voters in November 2020 for \$3.7 million and increase of \$1.1 million over the previous operational revenue by \$1.1 million, this increase in revenue limits will expire after the 2024-2025 fiscal year.

Property valuation continues to increase for the District due to development.

## Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Jerrud Rossing, Director of Business Services, at (608) 316-1916 or [jerrud.rossing@mgschools.net](mailto:jerrud.rossing@mgschools.net).

Additional information about the District and its services can also be found on the District's website at [www.mononagrove.org](http://www.mononagrove.org).

**Government-Wide Financial Statements**

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# Monona Grove School District

## Statement of Net Position

June 30, 2021

	Governmental
<i>Assets and Deferred Outflows of Resources</i>	Activities
Current assets:	
Cash and investments	\$ 27,209,902
Accounts receivable	8,265,087
Due from fiduciary fund	5,040
Prepaid items	311,064
Due from other governments	1,854,371
<b>Total current assets</b>	<b>37,645,464</b>
Noncurrent assets:	
Restricted net pension asset	9,179,144
Capital assets not being depreciated	50,837,987
Capital assets being depreciated, net	52,203,911
<b>Total noncurrent assets</b>	<b>112,221,042</b>
<b>Total assets</b>	<b>149,866,506</b>
Deferred outflows of resources	
Unamortized loss on refinancing	82,508
Related to pensions/OPEB	18,837,262
<b>Total deferred outflows of resources</b>	<b>18,919,770</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 168,786,276</b>
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Short-term notes payable	\$ 7,525,000
Accounts payable	2,473,733
Accrued payroll	3,070,348
Accrued interest	607,980
Unearned revenue	555,243
Current portion of long-term obligations	4,075,000
<b>Total current liabilities</b>	<b>18,307,304</b>
Noncurrent liabilities:	
Due in more than one year	98,944,640
<b>Total liabilities</b>	<b>117,251,944</b>
Deferred inflows of resources - Related to pensions/OPEB	20,628,144
Net position:	
Net investment in capital assets	27,701,362
Restricted	11,698,235
Unrestricted	(8,493,409)
<b>Total net position</b>	<b>30,906,188</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 168,786,276</b>

See accompanying notes to the financial statements.



# Monona Grove School District

## Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in
				Net Position
				Total Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular instruction	\$ 17,998,626	\$ 3,604,832	\$ 1,667,147	\$ (12,726,647)
Vocational instruction	1,279,678	-	-	(1,279,678)
Special education instruction	4,188,531	-	2,336,827	(1,851,704)
Other instruction	2,722,275	13,890	161,931	(2,546,454)
<b>Total instruction</b>	<b>26,189,110</b>	<b>3,618,722</b>	<b>4,165,905</b>	<b>(18,404,483)</b>
Support services:				
Pupil services	2,172,653	-	-	(2,172,653)
Instructional staff services	1,952,694	-	702,575	(1,250,119)
General administration	1,145,578	-	-	(1,145,578)
Building administration	2,964,070	-	-	(2,964,070)
Business services	8,976,666	590	1,046,935	(7,929,141)
Central services	1,303,200	-	-	(1,303,200)
Insurance	303,204	-	-	(303,204)
Other support services	1,285,705	31,474	-	(1,254,231)
Interest	2,711,991	-	-	(2,711,991)
<b>Total support services</b>	<b>22,815,761</b>	<b>32,064</b>	<b>1,749,510</b>	<b>(21,034,187)</b>
<b>Total school district</b>	<b>\$ 49,004,871</b>	<b>\$ 3,650,786</b>	<b>\$ 5,915,415</b>	<b>(39,438,670)</b>
<b>General revenues:</b>				
Property taxes:				
General purposes				22,377,969
Debt service				7,294,201
Community service				650,000
State and federal aids not restricted to specific functions				17,239,060
Interest and investment earnings				747,239
Gain on sale of assets				65,108
Miscellaneous				185,727
<b>Total general revenues</b>				<b>48,559,304</b>
Change in net position				9,120,634
Net position - Beginning of year				21,785,554
<b>Net position - End of year</b>				<b>\$ 30,906,188</b>

See accompanying notes to the financial statements.

# **Fund Financial Statements**

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**Monona Grove School District**  
**Balance Sheet - Governmental Funds**  
**June 30, 2021**

	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 10,964,684	\$ 12,653,175	\$ 2,112,897	\$ 1,479,146	\$ 27,209,902
Receivables:					
Accounts	-	-	-	702	702
Taxes	8,264,385	-	-	-	8,264,385
Prepaid items	301,317	-	-	9,747	311,064
Due from other governments	1,779,821	-	-	74,550	1,854,371
Due from other funds	72,338	-	-	-	72,338
<b>Total assets</b>	<b>\$ 21,382,545</b>	<b>\$ 12,653,175</b>	<b>\$ 2,112,897</b>	<b>\$ 1,564,145</b>	<b>\$ 37,712,762</b>
<b>Liabilities:</b>					
Short-term notes payable	\$ 7,525,000	\$ -	\$ -	\$ -	\$ 7,525,000
Accounts payable	333,659	2,126,661	-	13,413	2,473,733
Accrued payroll	2,991,811	-	-	78,537	3,070,348
Accrued interest	163,985	-	-	-	163,985
Due to other funds	-	-	67,298	-	67,298
Unearned revenue	535	-	-	554,708	555,243
<b>Total liabilities</b>	<b>11,014,990</b>	<b>2,126,661</b>	<b>67,298</b>	<b>646,658</b>	<b>13,855,607</b>
<b>Fund balances:</b>					
Nonspendable	301,317	-	-	9,747	311,064
Restricted	-	10,526,514	2,045,599	908,412	13,480,525
Unassigned	10,066,238	-	-	(672)	10,065,566
<b>Total fund balances</b>	<b>10,367,555</b>	<b>10,526,514</b>	<b>2,045,599</b>	<b>917,487</b>	<b>23,857,155</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,382,545</b>	<b>\$ 12,653,175</b>	<b>\$ 2,112,897</b>	<b>\$ 1,564,145</b>	<b>\$ 37,712,762</b>

See accompanying notes to the financial statements.

**Monona Grove School District**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2021**

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

Total fund balances - Governmental funds		\$ 23,857,155
------------------------------------------	--	---------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	\$ 132,904,920	
Governmental accumulated depreciation	(29,863,022)	103,041,898

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The supplemental pension, net pension and OPEB liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position:

Net pension asset	9,179,144	
Supplemental pension liability	(7,242,797)	
Net OPEB liability	(8,923,830)	
Deferred outflows of resources related to pensions/OPEB	18,837,262	
Deferred inflows of resources related to pensions/OPEB	(20,628,144)	(8,778,365)

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Long-term liabilities and the related interest payable, including bonds and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the fund's balance sheet are:

Bonds and notes payable	(82,145,000)	
Unamortized loss on refunding	82,508	
Unamortized premiums	(3,804,558)	
Accrued interest	(443,995)	
Compensated absences	(903,455)	(87,214,500)

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Total net position - Governmental activities		\$ 30,906,188
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See accompanying notes to the financial statements.

**Monona Grove School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended June 30, 2021**

	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 22,377,969	\$ -	\$ 7,294,201	\$ 650,000	\$ 30,322,170
Other local sources	191,661	740,979	1,274	193,866	1,127,780
Interdistrict sources	3,448,911	-	-	231,829	3,680,740
Intermediate sources	-	-	-	329,973	329,973
State sources	20,680,868	-	-	22,390	20,703,258
Federal sources	682,091	-	-	937,445	1,619,536
Other sources	333,461	-	-	8,587	342,048
<b>Total revenues</b>	<b>47,714,961</b>	<b>740,979</b>	<b>7,295,475</b>	<b>2,374,090</b>	<b>58,125,505</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	19,268,750	42,707	-	35,419	19,346,876
Vocational instruction	1,154,962	-	-	178,492	1,333,454
Special instruction	4,520,161	-	-	-	4,520,161
Other instruction	2,816,443	-	-	139,383	2,955,826
<b>Total instruction</b>	<b>27,760,316</b>	<b>42,707</b>	<b>-</b>	<b>353,294</b>	<b>28,156,317</b>
<b>Support services:</b>					
Pupil services	2,356,470	-	-	-	2,356,470
Instructional staff services	1,703,877	-	-	380,072	2,083,949
General administration	911,945	-	-	139,456	1,051,401
Building administration	3,099,241	-	-	98,798	3,198,039
Business services	7,833,155	32,377,387	-	1,176,668	41,387,210
Central services	1,264,116	-	-	29,087	1,293,203
Insurance	302,741	-	-	463	303,204
Other support services	1,062,310	29,041	-	194,354	1,285,705
<b>Total support services</b>	<b>18,533,855</b>	<b>32,406,428</b>	<b>-</b>	<b>2,018,898</b>	<b>52,959,181</b>
<b>Debt service:</b>					
Principal	-	-	4,225,000	-	4,225,000
Interest	35,977	-	2,804,043	-	2,840,020
<b>Total debt service</b>	<b>35,977</b>	<b>-</b>	<b>7,029,043</b>	<b>-</b>	<b>7,065,020</b>
<b>Total expenditures</b>	<b>46,330,148</b>	<b>32,449,135</b>	<b>7,029,043</b>	<b>2,372,192</b>	<b>88,180,518</b>
Excess of revenues over (under) expenditures	1,384,813	(31,708,156)	266,432	1,898	(30,055,013)
<b>Other financing sources:</b>					
Bond proceeds	-	-	19,145,000	-	19,145,000
Bond premium	-	-	794,204	-	794,204
Payments to escrow agent	-	-	(20,285,000)	-	(20,285,000)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>(345,796)</b>	<b>-</b>	<b>(345,796)</b>
<b>Net change in fund balances</b>	<b>1,384,813</b>	<b>(31,708,156)</b>	<b>(79,364)</b>	<b>1,898</b>	<b>(30,400,809)</b>
Fund balances - Beginning of year, as restated	8,982,742	42,234,670	2,124,963	915,589	54,257,964
<b>Fund balances - End of year</b>	<b>\$ 10,367,555</b>	<b>\$ 10,526,514</b>	<b>\$ 2,045,599</b>	<b>\$ 917,487</b>	<b>\$ 23,857,155</b>

See accompanying notes to the financial statements.

**Monona Grove School District**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2021**

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Net change in fund balances - Governmental funds (from previous page) \$ (30,400,809)

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

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

Capital outlays reported in governmental fund statements	\$ 33,105,302
Depreciation expense reported in the statement of activities	(1,272,836)

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Amount by which capital outlays are more than depreciation in the current year 31,832,466

Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This amount is the net effect of the changes in employee benefit accounts 2,990,152

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources, in the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it due. (11,216)

The issuance of long-term debt provides current financial resources to governmental funds but increase long-term liabilities in the statement of net position

Bond proceeds	(19,145,000)
Premium on issuance of bonds	(794,204)

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	24,510,000
Amortization of discounts and premiums	139,245

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**Change in net position - Governmental activities \$ 9,120,634**

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See accompanying notes to the financial statements.

**Monona Grove School District**  
**Statement of Fiduciary Net Position**  
**June 30, 2021**

		Employee Benefit Trust
<hr/>		
Assets:		
Cash and investments	\$	2,871,881
<hr/>		
Total assets	\$	2,871,881
<hr/>		
Liabilities:		
Due to other funds	\$	5,040
<hr/>		
Net position:		
Restricted for OPEB		414,495
Restricted for pension		2,452,346
<hr/>		
Total net position		2,866,841
<hr/>		
Total liabilities and net position	\$	2,871,881
<hr/>		

See accompanying notes to the financial statements.

**Monona Grove School District**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2021**

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	Employee Benefit Trust
<hr/>	
Additions:	
Employer contributions	\$ 1,276,261
Interest and dividend income	370,926
<hr/>	
Total additions	1,647,187
<hr/>	
Deductions:	
Retiree benefit payments	942,661
<hr/>	
Total deductions	942,661
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Change in net position	704,526
Net position - Beginning of year	2,162,315
<hr/>	
Net position - End of year	\$ 2,866,841
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See accompanying notes to the financial statements.



# Monona Grove School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Introduction

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

#### Reporting Entity

The Monona Grove School District 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 part of 6 taxing districts.

This report includes all of the funds of the District. The reporting entity for the District consists 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

#### New Accounting Pronouncement

GASB Statement No. 84, Fiduciary Activities establishes standards of accounting and financial reporting for fiduciary activities. It was determined that the District's Private-Purpose Trust and Agency Fund did not meet the criteria to be reported as a fiduciary activity. Therefore, the District reclassified Private-Purpose Trust funds totaling \$759 and Agency Funds totaling \$143,922 previously reported in a Fiduciary fund and increased the beginning assets and fund balance in the District's Special Revenue Gift Fund and the beginning assets and net position in governmental activities by the above amount as a result of implementing GASB Statement No. 84.

# Monona Grove School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation

##### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position at the fund financial statement level.

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except 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 for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

##### *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 other governmental funds.

The District reports the following major governmental funds:

- General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund, including educational programs for students with disabilities.
- Debt Service Fund – This fund accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental activities, including amounts accumulated for principal and interest maturing in future years.

# Monona Grove School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (Continued)

- Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District accounts for assets accumulated from employer contributions used to pay for postemployment benefits in the Employee Benefit Trust Funds.

#### Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund 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.

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 they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized 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.

#### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool. The Debt Service Fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the Trust Fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

# Monona Grove School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Deposits and Investments** (Continued)

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, 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 obligations of the United States and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

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 laws applicable to trust investments.

All investments are stated at fair market value, except for the investment in the Wisconsin Investment Series Cooperative, which are reported on the amortized cost basis.

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

#### **Receivables and Payables**

All accounts receivable are shown at gross amounts and, where appropriate, are reduced by an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

#### **Prepaid Items**

Prepaid items represent payments made by the District for which benefits extend beyond June 30.

# Monona Grove School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Capital Assets**

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 50 years for land improvements and buildings and 5 to 30 years for equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

#### **Unearned Revenue**

Unearned revenue consists of money received related to food deposits that have not been earned.

#### **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# Monona Grove School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

District employees are granted vacation, compensatory time, and sick leave benefits in varying amounts in accordance with District policies. In the event of retirement, death or resignation of an employee, the District is obligated to pay for unused vacation and sick leave benefits not to exceed a maximum amount. All compensated absences are accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Pensions - 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 Systems (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.

Postemployment Benefits Other than Pensions (OPEB) 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 Postemployment Benefits, OPEB Expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs 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.

The District also offers an OPEB plan for health insurance. The net other postemployment liability for this plan 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 and OPEB expense. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows related to pension, other postemployment benefit activity, and unamortized loss on refinancing.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pension and other postemployment benefit activity.

# Monona Grove School District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

#### Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education - the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance:* This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The Board of Education has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

# Monona Grove School District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Property Tax Levy**

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 county treasurer for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes.

The aggregate district tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2020 tax levy is used to finance operations of the District's fiscal year ended June 30, 2021. All property taxes are considered due on January 1 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 30 and are available to pay current liabilities.

### **Note 2: Stewardship and Accountability**

#### **Limitation on School District Revenues**

Wisconsin Statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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



# Monona Grove School District

## Notes to Financial Statements

### Note 3: Cash and Investments

The District's cash and investment balances at June 30, 2021 were as follows:

	Amount	Fair Value Level	Average Maturity
Deposits with financial institutions	\$ 544,158	N/A	N/A
Cash on hand	3,167	N/A	N/A
Investments:			
Wisconsin Investment Series Cooperative	26,662,577	N/A	<30 days average
Money market funds	49,969	Level 2	<30 days average
Mutual funds - equity	1,712,024	Level 1	N/A
Mutual funds - fixed income	1,109,888	Level 1	11.59 years
<b>Total</b>	<b>\$ 30,081,783</b>		

The District's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments	\$ 27,209,902
Fiduciary fund statement of net position	
Cash and investments	2,871,881
<b>Total</b>	<b>\$ 30,081,783</b>

### Deposits

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2021, the District's bank balance of \$544,158 was not exposed to custodial credit risk.

### Investments

The District is a participant in the Wisconsin Investment Series Cooperative (WISC) funds, which is authorized in Wisconsin Statute 66.0301 and are governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the Securities Exchange Commission (SEC) as an investment company. The WISC reports to participants on the amortized cost basis. WISC shares are bought and redeemed at \$1 based on the amortized cost of the investments in the pool. Participants in WISC have the right to withdraw their funds in total on one day's notice. The investments in WISC are not subject to the fair value hierarchy disclosures.

*Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of fixed income securities to not more than seven years.

# Monona Grove School District

## Notes to Financial Statements

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### Note 3: Cash and Investments (Continued)

*Credit Risk:* State Statute limits investments in fixed income securities to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the money market funds, mutual funds - equity, and mutual funds - fixed income. The Wisconsin Investment Series Cooperative has a credit rating of AAAM. The District has no investment policy that would further limit its investment choices.

### Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2021, are as follows:

<b>Due From:</b>	<b>Due To: General Fund</b>
Employee Benefit Trust	\$ 5,040
Debt Service Fund	67,298
<b>Totals</b>	<b>\$ 72,338</b>

The purpose for interfund balances between the General Fund and Employee Benefit Trust is to account for reimbursement of benefits paid. The purpose for the interfund balances between the General Fund and Debt Service Fund is to account for a prior year transfer not made between accounts. The amounts will be reimbursed in the subsequent fiscal year.

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

# Monona Grove School District

## Notes to Financial Statements

### Note 5: Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,294,187	\$ -	\$ -	\$ 4,294,187
Construction in progress	14,405,649	32,449,135	(310,984)	46,543,800
<b>Total capital assets not being depreciated</b>	<b>18,699,836</b>	<b>32,449,135</b>	<b>(310,984)</b>	<b>50,837,987</b>
Capital assets being depreciated:				
Buildings and improvements	73,887,137	903,476	-	74,790,613
Equipment	7,212,645	63,675	-	7,276,320
<b>Total capital assets being depreciated</b>	<b>81,099,782</b>	<b>967,151</b>	<b>-</b>	<b>82,066,933</b>
Less accumulated depreciation for:				
Buildings and improvements	(23,031,716)	(1,022,126)	-	(24,053,842)
Equipment	(5,558,470)	(250,710)	-	(5,809,180)
<b>Total accumulated depreciation</b>	<b>(28,590,186)</b>	<b>(1,272,836)</b>	<b>-</b>	<b>(29,863,022)</b>
<b>Total capital assets, being depreciated - Net of accumulated depreciation</b>	<b>52,509,596</b>	<b>(305,685)</b>	<b>-</b>	<b>52,203,911</b>
<b>Governmental activities capital assets - Net</b>	<b>\$ 71,209,432</b>	<b>\$32,143,450</b>	<b>\$ (310,984)</b>	<b>\$103,041,898</b>

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$ 115,970
Vocational instruction	40,095
Special education instruction	886
Other instruction	3,171
Pupil services	292
Instructional staff services	907
General administration	158,794
Building Administrative Services	16,874
Business services	924,568
Central services	11,279
<b>Total depreciation for governmental activities</b>	<b>\$1,272,836</b>

# Monona Grove School District

## Notes to Financial Statements

### Note 6: Short-Term Notes Payable

The District issued tax and revenue anticipation promissory notes for working capital and operational cash flow needs pending receipt of the District's taxes and equalization aid allocations from the state government. The District issued a \$6,025,000 note dated October 8, 2019 with a maturity date of October 23, 2020 and an interest rate of 3.0%. The District issued a \$7,525,000 note dated October 8, 2020 with a maturity date of October 22, 2021 and an interest rate of 3.00%. Interest expended on short-term notes for the year ended June 30, 2021 was \$220,965.

Short-term notes payable activity for the year ended June 30, 2021, was as follows:

Description	Balance 07/01/20	Additions	Payments	Balance 06/30/21
Promissory note dated October 8, 2019	\$ 6,025,000	\$ -	\$ 6,025,000	\$ -
Promissory note dated October 18, 2020	-	7,525,000	-	7,525,000
<b>Total</b>	<b>\$ 6,025,000</b>	<b>\$ 7,525,000</b>	<b>\$ 6,025,000</b>	<b>\$ 7,525,000</b>

### Note 7: Long-Term Obligations

Long-term obligations of the District are as follows:

	Balance 07/01/20	Additions	Reductions	Balance 06/30/21	Amounts Due Within One Year
Bonds	\$ 85,895,000	\$ 19,145,000	\$ 24,510,000	\$ 80,530,000	\$ 4,075,000
Notes	1,615,000	-	-	1,615,000	-
Deferred amounts:					
Premium	3,232,107	794,204	221,753	3,804,558	-
<b>Subtotals</b>	<b>90,742,107</b>	<b>19,939,204</b>	<b>24,731,753</b>	<b>85,949,558</b>	<b>4,075,000</b>
Net OPEB Liability-Health	7,599,298	1,107,945	1,341,394	7,365,849	-
Net OPEB Liability-Life	1,191,554	366,427	-	1,557,981	-
Net Pension Liability- Supplemental	6,360,541	1,440,459	558,203	7,242,797	-
Compensated Absences	829,793	73,662	-	903,455	-
<b>Totals</b>	<b>\$ 106,723,293</b>	<b>\$ 22,927,697</b>	<b>\$ 26,631,350</b>	<b>\$ 103,019,640</b>	<b>\$ 4,075,000</b>

# Monona Grove School District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

#### General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. Long-term debt will be retired by future property tax levies and resources accumulated in the debt service fund.

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

	Governmental Activities			Balance 06/30/21
	Issue Dates	Interest Rates %	Dates of Maturity	
GO Refunding Bonds	04/01/13	2.25-3.50%	05/01/22	\$ 555,000
GO School Improvement Bonds	05/14/14	3.00%	05/01/34	5,090,000
GO Refunding Bonds	05/01/15	3.00-4.00%	05/01/35	1,840,000
GO Refunding Bonds	03/29/16	2.00%	05/01/22	525,000
GO School Improvement Bonds	05/06/19	3.00-1.00%	05/01/39	53,375,000
GO Promissory Notes	04/23/20	2.00%	04/01/25	1,615,000
GO Refunding Bonds	05/01/21	1.00%-2.00%	05/01/28	19,145,000
<b>Total general obligation debt</b>				<b>\$ 82,145,000</b>

The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,678,145,191. The legal debt limit and margin of indebtedness as of June 30, 2021, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (10% of \$2,678,145,191)	\$ 267,814,519
Deduct:	
Long-term debt applicable to debt margin	(82,145,000)
Add:	
Debt service fund assets available	2,045,599
<b>Margin of indebtedness</b>	<b>\$ 187,715,118</b>

# Monona Grove School District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

Debt service requirements to maturity on general obligation debt are as follows:

<i>Governmental Activities</i> <i>Year Ended June 30:</i>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2022	\$ 4,075,000	\$ 2,490,879	\$ 6,565,879
2023	4,160,000	2,347,093	6,507,093
2024	4,230,000	2,259,293	6,489,293
2025	5,905,000	2,207,093	8,112,093
2026	4,355,000	2,223,953	6,578,953
2027-2031	20,085,000	8,247,570	28,332,570
2032-2036	23,775,000	4,860,059	28,635,059
2037-2041	15,560,000	1,068,388	16,628,388
<b>Totals</b>	<b>\$ 82,145,000</b>	<b>\$ 25,704,328</b>	<b>\$ 107,849,328</b>

The District issued \$19,145,000 in general obligation refunding bonds with interest rates ranging from 1.50% to 2.00%. The proceeds were used for a current refunding of \$4,665,000 of the 2013A GO Refunding Bonds, \$3,920,000 of the 2014B GO Refunding Bonds, \$2,820,000 of the 2013B GO Refunding Bonds and \$8,880,000 of the 2012 GO Refunding Bonds for a total amount refunded of \$20,285,000 which had interest rates of 1.00 - 2.50%. The government did the current refunding of the bonds to reduce its total debt service payment over 7 years by \$1,492,348 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$1,475,778.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new debt in an irrevocable trust to provide for the future debt service payments in the old debt. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2021 \$15,350,000 of debt outstanding is considered defeased.

Subsequent to year end on August 25, 2021 the district issued \$1,085,000 in General Obligation School Facility Improvements Bonds, Series 2021B for the purpose of paying the cost of energy efficiency improvements at the High School., including the acquisition of solar panels.

### Note 8: Net Position

Net position reported on the government wide statement of net position at June 30, 2021:

<b>Governmental Activities:</b>	
Net investment in capital assets:	
Land and other nondepreciable assets	\$ 50,837,987
Other capital assets, net of accumulated depreciation	52,203,911
Less: related long-term debt outstanding	(75,340,536)
<b>Total net investment in capital assets</b>	<b>\$ 27,701,362</b>

# Monona Grove School District

## Notes to Financial Statements

### Note 8: Net Position (Continued)

Restricted:

Net pension asset	9,179,144
Debt service	1,601,604
Special revenue gifts	323,544
School nutrition services	145,601
Community services	448,342

Total restricted	11,698,235
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Unrestricted	\$ (8,493,409)
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Governmental activities net position	\$ 30,906,188
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### Note 9: Fund Balance

Fund balance reported on the balance sheet - governmental funds at June 30, 2021:

#### Nonspendable Fund Balance

General fund - prepaid items	\$ 301,317
Non-major governmental funds - prepaid items	9,747

Total nonspendable fund balance	\$ 311,064
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#### Restricted Fund Balance

Debt service	\$ 2,045,599
Capital projects	10,526,514
Special revenue gifts	323,544
School nutrition services	140,592
Community services	444,276

Total restricted fund balance	\$ 13,480,525
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#### Unassigned Fund Balance

General fund	\$ 10,066,238
Cooperative program fund	(672)

Total unassigned fund balance	\$ 10,065,566
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# Monona Grove School District

## Notes to Financial Statements

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### Note 10: Employee Retirement Plans - Wisconsin Retirement System

#### 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 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

#### Vesting

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

#### Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive 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.



# Monona Grove School District

## Notes to Financial Statements

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### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2)%	11.0 %
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	- %	(10.0)%
2020	1.7 %	21.0 %

#### Contributions

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

During the reporting period, the WRS recognized \$1,627,467 in contributions from the employer.

# Monona Grove School District

## Notes to Financial Statements

### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contribution rates as of June 30, 2021, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At June 30, 2021, the District reported an asset of \$9,179,144 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2020, the District's proportion was 0.14702772%, which was an increase of 0.00114546% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(1,013,665).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,285,040	\$ 2,861,573
Net differences between projected and actual earnings on pension plan investments	-	17,233,095
Change in assumptions	208,200	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,315	24,437
Employer contributions subsequent to the measurement date	945,829	-
<b>Total</b>	<b>\$ 14,446,384</b>	<b>\$ 20,119,105</b>

# Monona Grove School District

## Notes to Financial Statements

### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

\$945,829 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other 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	Net Deferred Outflows (Inflows) of Resources
2022	\$ (1,709,917)
2023	(467,860)
2024	(3,120,500)
2025	(1,320,273)

### Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry age
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement adjustments*	1.9%

*\*No postretirement 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 postretirement discount rate.*

Actuarial assumptions are based on an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020, is based on a rollforward of the liability calculated from the December 31, 2019, actuarial valuation.

# Monona Grove School District

## Notes to Financial Statements

### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns  
As of December 31, 2020

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	(0.4)%
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
<b>Total core fund</b>	<b>115.0%</b>	<b>6.6%</b>	<b>4.1%</b>
Variable fund:			
U.S. equities	70.0%	6.6%	4.1%
International equities	30.0%	7.4%	4.9%
<b>Total variable fund</b>	<b>100.0%</b>	<b>7.1%</b>	<b>4.6%</b>

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.40%

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

# Monona Grove School District

## Notes to Financial Statements

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### Note 10: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

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

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
District's proportionate share of the net pension liability (asset)	\$ 8,737,273	\$ (9,179,144)	\$(22,338,619)

### 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>.

### Payables to the Pension Plan

At June 30, 2021, the District reported a payable of \$18,808 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

# Monona Grove School District

## Notes to Financial Statements

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### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund

#### Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a cost-sharing 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 postemployment life insurance benefits for all eligible employees.

#### OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Annual Financial Report (ACFR), which can be found online 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 postretirement 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, 2021, are as follows:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% postretirement coverage	40% of employee contribution

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, 2020, are as follows:

# Monona Grove School District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$5,647 in contributions from the employer.

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the District reported a liability of \$1,557,981 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2020, the District's proportion was 0.28323200%, which was an increase of 0.00340600% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$211,645.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 74,342
Net differences between projected and actual earnings on pension plan investments	22,682	-
Change in assumptions	606,076	106,889
Changes in proportion and differences between employer contributions and proportionate share of contributions	87,198	-
<b>Total</b>	<b>\$ 715,956</b>	<b>\$ 181,231</b>

# Monona Grove School District

## Notes to Financial Statements

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### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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	Net Deferred Outflows (Inflows) of Resources
2022	\$ 104,779
2023	102,317
2024	99,790
2025	88,682
2026	95,853
Thereafter	43,304

The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2020
Measurement date of net OPEB liability (asset)	December 31, 2020
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	2.12%
Long-term expected rate of return	4.25%
Discount rate	2.25%
Salary Increases:	
Inflation	3.00
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

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 OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

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 carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investment). 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.



# Monona Grove School District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

**Local OPEB Life Insurance**  
**Asset Allocation Targets and Expected Returns**  
 As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Government bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-term expected rate of return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. 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.

Single Discount Rate: A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

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 calculated using the discount rate of 2.25%, as well as what the District's proportionate share of the 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 rate:

# Monona Grove School District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
District's proportionate share of the net OPEB liability	\$ 2,119,299	\$ 1,557,981	\$ 1,133,472

### Note 12: Single-Employer Defined Benefit Pension Plan

Plan description - Qualifying Administrators and Teachers are provided with a stipend/supplemental pension. This stipend is a single employer defined benefit pension plan administered by the District. Supplemental pension benefits are funded on a pay as you go basis. There are no assets accumulated in a trust.

Benefits Provided - The District provided eligible Tier 1 Teachers retiring by the end of 2015-2016 with 403(b) contributions upon their retirement. These contributions were based upon the retiree's highest annual salary amount less their monthly/annual expected Social Security benefit at age 62. The 403(b) contributions are paid out monthly over a number of years based on the retiree's retirement age. A Teacher who retired at age 62 or older did not receive any 403(b) payment/contribution.

Teachers in Tier 2 who are eligible to retire between the 2016-2017 and 2026-2027 school years will receive monthly 403(b) contributions from the District upon retirement in an amount and duration based upon the year they first become eligible to retire. Teachers in Tier 1 who did not retire by the end of the 2015-2016 year will automatically become eligible for the Tier 2 benefit and are guaranteed the maximum benefit amount. Teachers in Tier 2 who do not retire by 2027 are guaranteed the amount for which they were eligible had they retired in Tier 2.

Teachers in Tier 3 who are eligible to retire after the 2026-2027 school year receive a \$1,500 per year contribution to an irrevocable account after the completion of one year of service. The contributions are transferred into a 403(b) account after completion of the 10th year of service.

Employees covered by benefit terms - At June 30, 2020, the date of the last actuarial valuation, there were 60 active plan members and 14 inactive plan members currently receiving benefits.

Contributions - Contributions are determined by an annual actuarial valuation. The actuarially determined contribution is comprised of the service cost plus the portion of the net pension liability to be amortized in the valuation year. The District is not contractually required to make a contribution to the Trust. During the reporting period, the District did not make any contributions.

# Monona Grove School District

## Notes to Financial Statements

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### Note 12: Single-Employer Defined Benefit Pension Plan (Continued)

Actuarial assumptions - The total pension liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2020
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.00%
Discount Rate	2.25%
Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17.
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

Discount rate - The discount rate used to measure the total pension liability was 2.25%. This rate is equivalent to the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis.

	<b>Increase (Decrease)</b>
<b><i>Changes in Total Pension Liability</i></b>	<b>Total Pension Liability (a)</b>
Balances at June 30, 2019	\$ 6,360,541
Changes for the year:	
Service cost	260,522
Interest	217,410
Differences between expected and actual experience	648,856
Changes of assumptions or other input	313,671
Benefit payments	(558,203)
Net changes	882,256
Balances at June 30, 2020	\$ 7,242,797

# Monona Grove School District

## Notes to Financial Statements

### Note 12: Single-Employer Defined Benefit Pension Plan (Continued)

At June 30, 2021, the district reported deferred outflows of resources and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 611,348	\$ -
Changes of assumption or other inputs	292,406	76,306
Net difference between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	757,947	-
<b>Total</b>	<b>\$ 1,661,701</b>	<b>\$ 76,306</b>

\$757,947 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2022	\$ 200,230
2023	200,231
2024	224,112
2025	202,875

Sensitivity of the total pension liability to changes in the discount rate. The table below presents the total pension liability of the District as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	<b>1% Decrease (1.25%)</b>	<b>Current Discount Rate (2.25%)</b>	<b>1% Increase (3.25%)</b>
Total pension liability	\$ 7,505,647	\$ 7,242,797	\$ 6,980,737

Pension expense. For the year ended June 30, 2021, the District recognized pension expense of \$678,162.

# Monona Grove School District

## Notes to Financial Statements

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### Note 13: Other Postemployment Benefits

Plan description - The District provides other post-employment benefits (OPEB) for its employees through a single-employer retiree plan that provides postemployment health and dental insurance benefits to retiree’s at least age 55 with a minimum of 10 years of service and subject to the rule of 70 (Upon retirement, the District will contribute the same benefit level and premium percentages of the medical and dental premiums at the time of the retiree’s last semester of teaching in the District until age 70). Benefits and eligibility are established and amended by the Board of Education.

Employees covered by benefit terms - At June 30, 2020, the date of the latest actuarial valuation, there were 399 active plan members and 99 inactive plan members receiving OPEB benefits. The Plan is closed to new entrants.

Contributions -There is no requirement for any employee or employer contributions for funding of the plan. During the reporting period, the District made \$934,869 in contributions to the Trust.

Actuarial assumptions - The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2020
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.00%
Discount Rate	2.25%
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

Discount rate - The discount rate of 2.25% was used in calculating the District’s OPEB liabilities (based upon all projected payments discounted at a long-term expected rate of return of 5.00%). This rate was based upon the District's asset allocation and expected nominal return as of June 30, 2021.

# Monona Grove School District

## Notes to Financial Statements

### Note 13: Other Postemployment Benefits (Continued)

Changes in the Net OPEB Liability (Asset)

<b><i>Changes in Net OPEB Liability</i></b>	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2020	\$ 7,935,125	\$ 335,827	\$ 7,599,298
Changes for the year:		-	-
Service cost	151,004	-	151,004
Interest	262,715	-	262,715
Differences between expected and actual experience	(253,742)	-	(253,742)
Changes of assumptions or other input	694,226	-	694,226
Contributions - Employer	-	1,055,988	(1,055,988)
Net investment income	-	31,664	(31,664)
Benefit payments	(1,008,984)	(1,008,984)	-
<b>Net changes</b>	<b>(154,781)</b>	<b>78,668</b>	<b>(233,449)</b>
Balances at June 30, 2021	\$ 7,780,344	\$ 414,495	\$ 7,365,849

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 rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Net OPEB liability	\$ 7,708,785	\$ 7,365,849	\$ 7,042,670

The following presents the District's net OPEB liability calculated using the health care cost trend rate of 6.5% decreasing to 5.0%, as well as what the District's total OPEB liability would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (5.5% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current rate:

	1% Decrease (5.5% decreasing to 4.0%)	Health Care Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Net OPEB liability	\$ 7,005,991	\$ 7,365,849	\$ 7,769,957

# Monona Grove School District

## Notes to Financial Statements

### Note 13: Other Postemployment Benefits (Continued)

For the year ended June 30, 2021, the District recognized OPEB expense of \$518,255.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 251,502
Changes in assumptions	1,060,949	-
Net difference between projected and actual earnings on OPEB plan investments	17,403	-
District contributions subsequent to the measurement date	934,869	-
<b>Total</b>	<b>\$ 2,013,221</b>	<b>\$ 251,502</b>

\$934,869 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

	<b>Deferred Inflows of Resources</b>
2022	\$ 117,113
2023	112,171
2024	97,578
2025	98,061
2026	101,880
Thereafter	300,047

### Note 14: 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; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2021.

# Monona Grove School District

## Notes to Financial Statements

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### Note 15: Construction Commitments

The District has commitments related to a referendum as approximately \$57 million is which approximately \$47 million has been incurred through June 30, 2021, leaving approximately \$10 million unspent under the contracts at June 30, 2021.

### Note 16: Prior Year Restatement

The District implemented GASB Statement No. 84 during the current year. As a result of this change, the District has restated beginning net position and fund balances as follows:

	<b>Governmental Activities</b>	<b>Non-Major Governmental Funds</b>
Balance at July 1, 2020, as previously reported	\$ 21,640,873	\$ 770,908
Adoption of GASB Statement No. 84 adjustment	144,681	144,681
Balance at July 1, 2020, as restated	\$ 21,785,554	\$ 915,589



## **Required Supplementary Information**

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**Monona Grove School District**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Variance With Final Budget Positive (Negative)
	Original and Final	Actual	
<b>Revenues:</b>			
Property taxes	\$ 22,377,969	\$ 22,377,969	\$ -
Other local sources	338,500	191,661	(146,839)
Interdistrict sources	3,106,000	3,446,575	340,575
State sources	18,658,131	18,831,425	173,294
Federal sources	395,000	197,043	(197,957)
Other sources	65,000	333,461	268,461
<b>Total revenues</b>	<b>44,940,600</b>	<b>45,378,134</b>	<b>437,534</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Regular instruction	19,973,302	19,183,309	789,993
Vocational instruction	1,162,681	1,154,962	7,719
Other instruction	2,955,340	2,816,443	138,897
<b>Total instruction</b>	<b>24,091,323</b>	<b>23,154,714</b>	<b>936,609</b>
<b>Support services:</b>			
Pupil services	1,304,514	1,258,317	46,197
Instructional staff services	1,304,189	1,242,197	61,992
General administration	1,038,530	911,945	126,585
Building administration	3,114,198	3,099,241	14,957
Business services	6,788,633	7,383,952	(595,319)
Central services	1,340,024	1,254,671	85,353
Insurance	285,500	302,741	(17,241)
Other support services	1,017,610	1,062,310	(44,700)
<b>Total support services</b>	<b>16,193,198</b>	<b>16,515,374</b>	<b>(322,176)</b>
<b>Debt service</b>			
Interest	180,000	35,977	144,023
<b>Total expenditures</b>	<b>40,464,521</b>	<b>39,706,065</b>	<b>758,456</b>
Excess of revenues over (under) expenditures	4,476,079	5,672,069	1,195,990
<b>Other financing sources:</b>			
Transfers out	(4,762,016)	(4,287,256)	474,760
<b>Net change in fund balance</b>	<b>(285,937)</b>	<b>1,384,813</b>	<b>1,670,750</b>
Fund balance - Beginning of year	8,982,742	8,982,742	-
<b>Fund balance - End of year</b>	<b>\$ 8,696,805</b>	<b>\$ 10,367,555</b>	<b>\$ 1,670,750</b>

See accompanying notes to budgetary comparison schedule.

# Monona Grove School District

## Notes to Budgetary Comparison Schedule - General Fund

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### **Note 1: Budgetary Information**

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 (DPI). The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the General Fund and at the function 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 a 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 tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.

Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

# Monona Grove School District

## Notes to the Budgetary Comparison Schedule - General Fund (Continued)

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### Note 2: Budgetary Comparisons

GAAP requires a budgetary comparison for the General Fund and each major special revenue fund.

Required comparisons are between the final budget and actual on a budgetary basis. The "original budget" represents the budget as approved by the school board after it sets the tax to be levied for the fiscal year. The "final budget" is the "original budget" adjusted for any budget amendments approved by the school board during the fiscal year and up to the time the financial statements are ready to be issued. The "actual on a budgetary basis" excludes the revenues, expenditures, and other financing sources/(uses) of the special education fund, which is treated as a special revenue fund for budgetary purposes. The following schedule reconciles the "budgetary basis" revenues and expenditures of the *budgetary comparison schedule - general fund* to the *governmental funds - statement of revenues, expenditures, and changes in fund balances*:

	<b>General Fund Actual on Budgetary Basis</b>	<b>Special Education Fund</b>	<b>General Fund Actual on GAAP Basis</b>
Revenues	\$ 45,378,134	\$ 2,336,827	\$ 47,714,961
Expenditures	(39,706,065)	(6,624,083)	(46,330,148)
Other financing sources (uses)	(4,287,256)	4,287,256	-
<b>Net change in fund balance</b>	<b>\$ 1,384,813</b>	<b>\$ -</b>	<b>\$ 1,384,813</b>

### Note 3: Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, the General Fund had expenditures in excess of appropriations for the following two-digit subfunction categories:

	<b>Budget</b>	<b>Actual</b>	<b>Actual Over Budget</b>
Business services	\$ 6,788,633	\$ 7,383,952	\$ 595,319
Insurance	285,500	302,741	17,241
Other support services	1,017,610	1,062,310	44,700

# Monona Grove School District

## Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years\*

### Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years\*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.14702772 %	\$ (9,179,144)	\$ 24,779,283	(37.04)%	105.26 %
2019	0.14588226 %	(4,703,910)	23,223,049	(20.26)	102.96
2018	0.14355700	5,107,303	22,682,029	22.52	96.45
2017	0.13787600	(4,093,712)	21,537,571	(19.01)	102.93
2016	0.13303030	1,096,488	19,901,262	5.51	99.12
2015	0.13093500	2,127,664	18,533,379	11.48	98.20
2014	0.13106500	(3,219,319)	18,318,844	(17.57)	102.74

### Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years\*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2021	\$ 1,627,467	\$ 1,627,467	\$ -	\$ 24,110,590	6.75 %
2020	\$ 1,549,599	\$ 1,549,599	\$ -	\$ 23,282,993	6.66 %
2019	1,519,988	1,519,988	-	21,253,121	7.15
2018	1,464,556	1,464,556	-	20,168,909	7.26
2017	1,313,488	1,313,488	-	18,805,070	6.98
2016	1,261,720	1,261,720	-	17,262,429	7.31
2015	1,282,542	1,282,542	-	17,003,562	7.54

**Notes to the Schedules:**

*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.

\*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

# Monona Grove School District

## Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years\*

### Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund (LRLIF)

Measurement Date December 31,	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.28323200 %	\$ 1,557,981	\$ 16,343,000	9.53 %	31.36 %
2019	0.27982600	1,191,554	16,310,000	7.31	37.58
2018	0.27154000	700,665	15,706,000	4.46	48.69
2017	0.25011000	752,476	10,517,841	7.15	44.81

### Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years\*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2021	\$ 5,647	\$ 5,647	\$ -	\$ 18,216,129	0.0310 %
2020	5,058	5,058	-	16,326,500	0.0310
2019	6,241	6,241	-	13,111,921	0.0476
2018	5,773	5,773	-	12,128,151	0.0476

**Notes to the Schedules:**

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

*Changes of assumptions:* The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional detail.

\*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Monona Grove School District**  
**Schedule of Changes in Net OPEB Liability and**  
**Related Ratios**  
**Last 10 Fiscal Years**

Fiscal Year Ending - June 30, Measurement Date - June 30,	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016
<b>Total OPEB Liability</b>					
Service cost	\$ 151,004	\$ 140,765	\$ -	\$ -	\$ -
Interest	262,715	301,523	291,609	292,111	328,838
Differences between expected and actual experience	(253,742)	-	(33,049)	-	-
Changes in assumptions or other input	694,226	81,955	529,403	(191,245)	-
Benefit payments	(1,008,984)	(1,118,675)	(1,180,170)	(1,832,278)	(1,273,853)
<b>Net Change in OPEB Liability</b>	<b>(154,781)</b>	<b>(594,432)</b>	<b>(392,207)</b>	<b>(1,731,412)</b>	<b>(945,015)</b>
<b>Total OPEB liability - beginning</b>	<b>7,935,125</b>	<b>8,529,557</b>	<b>8,921,764</b>	<b>10,653,176</b>	<b>11,598,191</b>
<b>Total OPEB liability - ending</b>	<b>\$ 7,780,344</b>	<b>\$ 7,935,125</b>	<b>\$ 8,529,557</b>	<b>\$ 8,921,764</b>	<b>\$ 10,653,176</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 1,055,988	\$ 1,153,451	\$ -	\$ 1,421,352	\$ 1,311,256
Net investment income	31,664	13,843	21,265	87,998	25,179
Benefit payments	(1,008,984)	(1,118,675)	(1,180,170)	(1,832,278)	(1,273,853)
Adjustment - Note 1	-	-	(1,656,639)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>78,668</b>	<b>48,619</b>	<b>(2,815,544)</b>	<b>(322,928)</b>	<b>62,582</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>335,827</b>	<b>287,208</b>	<b>3,102,752</b>	<b>3,425,680</b>	<b>3,363,098</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 414,495</b>	<b>\$ 335,827</b>	<b>\$ 287,208</b>	<b>\$ 3,102,752</b>	<b>\$ 3,425,680</b>
<b>Net OPEB Liability</b>	<b>\$ 7,365,849</b>	<b>\$ 7,599,298</b>	<b>\$ 8,242,349</b>	<b>\$ 5,819,012</b>	<b>\$ 7,227,496</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>					
	5.33%	4.23%	3.37%	34.78%	32.16%
<b>Covered employee payroll</b>	<b>\$23,021,517</b>	<b>\$22,006,622</b>	<b>\$22,006,622</b>	<b>\$22,006,622</b>	<b>\$22,006,622</b>
<b>Net OPEB liability as a percentage of covered employee payroll</b>	<b>32.00%</b>	<b>34.53%</b>	<b>37.45%</b>	<b>26.44%</b>	<b>32.84%</b>

Note 1 - It was discovered that the District's Fund 73 is not funded solely for the OPEB plan. Rather, the District has also been using the trust for their actively-funded benefit plan. This adjustment helps align the end of year balance with the monies specifically earmarked for the OPEB plan as of June 30, 2018.

\* These schedules are intended to present information for the last 10 years.  
Additional information will be presented as it becomes available.

See Independent Auditor's Report.

**Monona Grove School District**  
**Schedule of Employer Contributions - OPEB**  
**Last 10 Fiscal Years**

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Employee Payroll
6/30/2021	\$ 1,149,643	\$ 934,869	\$ 214,774	\$ 23,021,517	4.06%
6/30/2020	1,149,643	1,088,063	61,580	23,021,517	4.73%
6/30/2019	1,149,643	1,153,451	(3,808)	22,006,622	5.24%
6/30/2018	1,578,157	-	1,578,157	22,006,622	0.00%
6/30/2017	1,578,157	1,421,352	156,805	22,006,622	6.46%

**Notes to Schedule:**

Valuation date: 6/30/2020

Method and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	10 year Level %
Asset valuation method	Market value
Inflation	2.0 percent
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter.
Discount rate	2.25 percent
Actuarial assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement (WRS) experience from 2015-17
Mortality assumptions	Mortality rates were based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

\* These schedules are intended to present information for the last 10 years.

Additional information will be presented as it becomes available.

See Independent Auditor's Report.



**Monona Grove School District**  
**Schedule of Changes in Total Pension Liability and Related**  
**Ratios - Single Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years**

Fiscal Year Ending - June 30,	2021	2020	2019	2018	2017
Measurement Date - June 30,	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>					
Service cost	\$ 260,522	\$ 242,629	\$ 299,309	\$ 320,865	\$ 320,865
Interest	217,410	232,972	213,283	186,167	183,495
Differences between expected and actual experience	648,856	-	184,525	-	-
Changes in assumptions or other input	313,671	62,203	(57,085)	(143,291)	-
Benefit payments	(558,203)	(537,095)	(448,680)	(480,765)	(349,878)
<b>Net Change in Pension Liability</b>	<b>882,256</b>	<b>709</b>	<b>191,352</b>	<b>(117,024)</b>	<b>154,482</b>
<b>Total Pension liability - beginning</b>	<b>6,360,541</b>	<b>6,359,832</b>	<b>6,168,480</b>	<b>6,285,504</b>	<b>6,131,022</b>
<b>Total Pension liability - ending</b>	<b>\$ 7,242,797</b>	<b>\$ 6,360,541</b>	<b>\$ 6,359,832</b>	<b>\$ 6,168,480</b>	<b>\$ 6,285,504</b>
Covered employee payroll	\$ 3,890,060	\$ 3,910,064	\$ 3,910,064	\$ 4,586,763	\$ 4,586,763
Net pension liability as a percentage of covered payroll	186.19%	162.67%	162.65%	134.48%	137.04%

\* These schedules are intended to present information for the last 10 years.  
Additional information will be presented as it becomes available.

See Independent Auditor's Report.

## **Supplementary Financial Information**

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**Monona Grove School District**  
**Combining Balance Sheet - General Fund**  
**June 30, 2021**

	General Operating Fund	Special Education Fund	Total General Fund
<b>Assets:</b>			
Cash and investments	\$ 10,809,972	\$ 154,712	\$ 10,964,684
Receivables:			
Taxes	8,264,385	-	8,264,385
Prepaid items	272,925	28,392	301,317
Due from other governments	1,360,451	419,370	1,779,821
Due from other funds	72,338	-	72,338
<b>Total assets</b>	<b>\$ 20,780,071</b>	<b>\$ 602,474</b>	<b>\$ 21,382,545</b>
<b>Liabilities:</b>			
Short-term notes payable	\$ 7,525,000	\$ -	\$ 7,525,000
Accounts payable	323,490	10,169	333,659
Accrued payroll	2,399,506	592,305	2,991,811
Accrued interest	163,985	-	163,985
Unearned revenue	535	-	535
<b>Total liabilities</b>	<b>10,412,516</b>	<b>602,474</b>	<b>11,014,990</b>
<b>Fund balances:</b>			
Nonspendable	272,925	28,392	301,317
Unassigned	10,094,630	(28,392)	10,066,238
<b>Total fund balances</b>	<b>10,367,555</b>	<b>-</b>	<b>10,367,555</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,780,071</b>	<b>\$ 602,474</b>	<b>\$ 21,382,545</b>

See Independent Auditor's Report.

**Monona Grove School District**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - General Fund**  
**Year Ended June 30, 2021**

	General Operating Fund	Special Education Fund	Total General Fund
<b>Revenues:</b>			
Property taxes	\$ 22,377,969	\$ -	\$ 22,377,969
Other local sources	191,661	-	191,661
Interdistrict sources	3,446,575	2,336	3,448,911
State sources	18,831,425	1,849,443	20,680,868
Federal sources	197,043	485,048	682,091
Other sources	333,461	-	333,461
<b>Total revenues</b>	<b>45,378,134</b>	<b>2,336,827</b>	<b>47,714,961</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Regular instruction	19,183,309	85,441	19,268,750
Vocational instruction	1,154,962	-	1,154,962
Special instruction	-	4,520,161	4,520,161
Other instruction	2,816,443	-	2,816,443
<b>Total instruction</b>	<b>23,154,714</b>	<b>4,605,602</b>	<b>27,760,316</b>
<b>Support services:</b>			
Pupil services	1,258,317	1,098,153	2,356,470
Instructional staff services	1,242,197	461,680	1,703,877
General administration	911,945	-	911,945
Building administration	3,099,241	-	3,099,241
Business services	7,383,952	449,203	7,833,155
Central services	1,254,671	9,445	1,264,116
Insurance	302,741	-	302,741
Other support services	1,062,310	-	1,062,310
<b>Total support services</b>	<b>16,515,374</b>	<b>2,018,481</b>	<b>18,533,855</b>
<b>Debt service:</b>			
Interest	35,977	-	35,977
<b>Total debt service</b>	<b>35,977</b>	<b>-</b>	<b>35,977</b>
<b>Total expenditures</b>	<b>39,706,065</b>	<b>6,624,083</b>	<b>46,330,148</b>
Excess of revenues over (under) expenditures	5,672,069	(4,287,256)	1,384,813
<b>Other financing sources:</b>			
Transfers in	-	4,287,256	4,287,256
Transfers out	(4,287,256)	-	(4,287,256)
<b>Total other financing sources</b>	<b>(4,287,256)</b>	<b>4,287,256</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,384,813</b>	<b>-</b>	<b>1,384,813</b>
Fund balances - Beginning of year	8,982,742	-	8,982,742
<b>Fund balances - End of year</b>	<b>\$ 10,367,555</b>	<b>\$ -</b>	<b>\$ 10,367,555</b>

See Independent Auditor's Report.

**Monona Grove School District**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue Gift Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 331,956	\$ 333,878	\$ 347,992	\$ 465,320	\$ 1,479,146
Accounts receivable	-	702	-	-	702
Prepaid items	-	5,009	672	4,066	9,747
Due from other governments	-	-	74,550	-	74,550
<b>Total assets</b>	<b>\$ 331,956</b>	<b>\$339,589</b>	<b>\$423,214</b>	<b>\$ 469,386</b>	<b>\$1,564,145</b>
<b>Liabilities:</b>					
Accounts payable	\$ 8,412	\$ 1,266	\$ 1,861	\$ 1,874	\$ 13,413
Accrued payroll	-	56,066	3,301	19,170	78,537
Unearned revenue	-	136,656	418,052	-	554,708
<b>Total liabilities</b>	<b>8,412</b>	<b>193,988</b>	<b>423,214</b>	<b>21,044</b>	<b>646,658</b>
<b>Fund balances:</b>					
Nonspendable	-	5,009	672	4,066	9,747
Restricted	323,544	140,592	-	444,276	908,412
Unassigned	-	-	(672)	-	(672)
<b>Total fund balances</b>	<b>323,544</b>	<b>145,601</b>	<b>-</b>	<b>448,342</b>	<b>917,487</b>
<b>Total liabilities and fund balance</b>	<b>\$ 331,956</b>	<b>\$ 339,589</b>	<b>\$ 423,214</b>	<b>\$ 469,386</b>	<b>\$ 1,564,145</b>

See Independent Auditor's Report.

**Monona Grove School District**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended June 30, 2021**

	Special Revenue Gift Fund	School Nutrition Services Fund	Cooperative Program Fund	Community Service Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 650,000	\$ 650,000
Other local sources	162,031	361	-	31,474	193,866
Interdistrict sources	-	-	231,829	-	231,829
Intermediate sources	-	-	329,973	-	329,973
State sources	-	22,390	-	-	22,390
Federal sources	-	937,445	-	-	937,445
Other sources	-	2,815	-	5,772	8,587
<b>Total revenues</b>	<b>162,031</b>	<b>963,011</b>	<b>561,802</b>	<b>687,246</b>	<b>2,374,090</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	34,919	-	500	-	35,419
Vocational instruction	-	-	178,492	-	178,492
Other instruction	139,383	-	-	-	139,383
<b>Total Instruction:</b>	<b>174,302</b>	<b>-</b>	<b>178,992</b>	<b>-</b>	<b>353,294</b>
<b>Support services:</b>					
Instructional staff services	805	-	379,267	-	380,072
General administration	-	-	879	138,577	139,456
Building administration	294	-	113	98,391	98,798
Business services	-	1,123,586	2,088	50,994	1,176,668
Central services	-	-	-	29,087	29,087
Insurance	-	-	463	-	463
Other support services	-	-	-	194,354	194,354
<b>Total support services</b>	<b>1,099</b>	<b>1,123,586</b>	<b>382,810</b>	<b>511,403</b>	<b>2,018,898</b>
<b>Total expenditures</b>	<b>175,401</b>	<b>1,123,586</b>	<b>561,802</b>	<b>511,403</b>	<b>2,372,192</b>
<b>Net change in fund balances</b>	<b>(13,370)</b>	<b>(160,575)</b>	<b>-</b>	<b>175,843</b>	<b>1,898</b>
<b>Fund balances - Beginning of year,</b>					
<b>as restated</b>	<b>336,914</b>	<b>306,176</b>	<b>-</b>	<b>272,499</b>	<b>915,589</b>
<b>Fund balances - End of year</b>	<b>\$ 323,544</b>	<b>\$ 145,601</b>	<b>\$ -</b>	<b>\$ 448,342</b>	<b>\$ 917,487</b>

See Independent Auditor's Report.

**Monona Grove School District**  
**Schedule of Charter School Authorizer**  
**Operating Costs**  
**Year Ended June 30, 2021**

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Operating Activity	WUFAR Object Code	Cost
Employee salaries	100	\$ 503,942
Employee benefits	200	227,817
Purchased services	300	92,392
Non-capital objects	400	67,310
Pupil dues and fees	900	373
<b>Total</b>		<b>\$ 891,834</b>

See Independent Auditor's Report.

# Other Reports

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

Board of Education  
Monona Grove School District  
Monona, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monona Grove School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2021.

### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

## **Responses to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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.

*Wipfli LLP*

Wipfli LLP

December 13, 2021  
Madison, Wisconsin

## **Independent Auditor's Report on Compliance for Each Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines**

Board of Education  
Monona Grove School District  
Monona, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Monona Grove School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **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.

### **Auditor's 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; 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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.

## Opinion on Each Major Federal and State Program

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

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin 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 the attention of those charged with governance.

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

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



Wipfli LLP  
December 13, 2021  
Madison, Wisconsin

# Monona Grove School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Expenditures	Accrued Revenue 6/30/2021
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Wisconsin Department of Public Instruction						
<i>Child Nutrition Cluster</i>						
COVID-19 School Breakfast Program	10.553	2021-133675-DPI-SB-546	\$ -	\$ 276,482	\$ 276,482	\$ -
COVID-19 National School Lunch Program	10.555	2021-133675-DPI-NSL-547	-	540,487	540,487	-
Donated Food Commodities	10.555	2021-133675-DPI-NSL-547	-	120,476	120,476	-
Total CFDA 10.555			-	660,963	660,963	-
Total Child Nutrition Cluster			-	937,445	937,445	-
<u>U.S. DEPARTMENT OF LABOR</u>						
Passed through Workforce Development Board of South Central WI						
WIA Youth Activities - WIOA Cluster	17.259	573-5000	20,499	96,113	97,697	22,083
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed through Wisconsin Department of Public Instruction						
ESEA Title I - Basic Grant	84.010	2021-133675-DPI-TIA-141	126,039	126,039	86,648	86,648
<i>Special Education Cluster</i>						
IDEA Flow Through	84.027	2021-133675-DPI-IDEA-FT-341	572,200	572,200	411,072	411,072
Preschool Entitlement	84.173	2021-133675-DPI-IDEA-P-347	14,904	21,710	15,104	8,298
Total Special Education Cluster			587,104	593,910	426,176	419,370
Title III-A Eng Language	84.365	2021-133675-DPI-TIIIA-391	10,000	10,000	12,604	12,604
ESEA Title II-A Teacher/Principal	84.367	2021-133675-DPI-TIIA-365	41,181	45,181	17,706	13,706
Title IV-A-Student Support and Acad Enrich Grants	84.424	2021-133675-DPI-TIV-A-381	9,757	9,757	14,282	14,282
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425	2021-133675-DPI-ESSERF-160	-	65,418	65,803	385

# Monona Grove School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Grantor Agency/Pass Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Expenditures	Accrued Revenue 6/30/2021
<u>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</u>						
Passed through CESA #3						
Career and Technical Education - Basic Grants to States	84.048	2021-749903-CTE-400	\$ 13,660	\$ 13,660	\$ -	\$ -
Total U.S. Department of Education			787,741	863,965	623,219	546,995
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through Wisconsin Department of Health Services						
Medical Assistance Program Cluster	93.778	N/A	67	58,939	58,872	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$808,307	\$1,956,462	\$ 1,717,233	\$ 569,078

See Independent Auditor's Report.

See Notes to Schedule of Federal Awards and State Financial Assistance.

# Monona Grove School District

## Schedule of State Financial Assistance Year Ended June 30, 2021

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 7/1/2020	Cash Received	Expenditures	Accrued Revenue 6/30/2021
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
Special Education and School Age Parents	255.101	565523-100	\$ -	\$ 1,849,443	\$ 1,849,443	\$ -
State Lunch	255.102	565523-107	-	12,313	12,313	-
Common School Fund	255.103	565523-104	-	140,773	140,773	-
Transportation Aid	255.107	565523-102	-	87,100	87,100	-
General Equalization	255.201	565523-116	227,741	14,832,545	14,839,272	234,468
Aid for School Mental Health Programs	255.227	565523-176	-	58,131	58,131	-
Supplemental Per Pupil Aid	255.245	565523-181	-	9,551	9,551	-
State Breakfast Program	255.344	565523-108	-	10,077	10,077	-
Educator Effective Eval Sys Grants Public	255.940	565523-154	25,920	25,920	-	-
Per Pupil Aid	255.945	565523-113	-	2,332,106	2,332,106	-
Career and Technical Education Incentive Grants	255.950	565523-152	-	32,703	32,703	-
Assessments of Reading Readiness	255.956	565523-166	-	4,002	4,002	-
Total Wisconsin Department of Public Instruction			253,661	19,394,664	19,375,471	234,468
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>						
School Safety	455.206	N/A	26,051	163,116	137,065	-
<u>WISCONSIN DEPARTMENT OF REVENUE</u>						
State Tax Exempt Aids	835.109	N/A	925,523	1,190,255	1,190,255	925,523
<u>WORKFORCE DEVELOPMENT BOARD OF SOUTH CENTRAL WISCONSIN</u>						
Youth Apprenticeship	20.445(7)(b)	573-5001	41,655	221,464	232,276	52,467
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,246,890	\$ 20,969,499	\$ 20,935,067	\$ 1,212,458

See Independent Auditor's Report.

See Notes to Schedule of Federal Awards and State Financial Assistance.

# Monona Grove School District

## Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2021

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### **Note 1: Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District. Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **Note 2: De Minimis Cost Rate**

The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### **Note 3: Special Education and School Age Parents Program**

2020-2021 eligible costs under the State Special Education Program are \$6,160,886.

### **Note 4: Subrecipients**

The District does not have subrecipients or subrecipient expenditures.



# Monona Grove School District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to the financial statements noted?	No

#### *Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

AL Number	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

# Monona Grove School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### Section I - Summary of Auditor's Results (Continued)

#### *State Financial Assistance*

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

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

Any audit findings disclosed that are required to be reported in accordance with the *State of Wisconsin Single Audit Guidelines*? No

Identification of major state programs:

State ID Number	Name of State Program
255.101	Special Education and School Age Parents
255.107	Pupil Transportation
255.201	General Equalization

# Monona Grove School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### Section II - Financial Statement Findings

#### 2021-001: Account Reconciliations

Criteria - A timely reconciliation of balance sheet accounts is an important internal control activity performed by management to determine that the stated account balances are accurate and adequately supported.

Condition - We noted that bank and investment reconciliations were not completed until more than two months after year end and accounts payable amounts were not reversed from the prior year.

Cause - The accounting staff was not able to complete the reconciliations in a timely manner.

Effect - If account reconciliations are not performed timely, the probability that material errors or fraudulent activity will occur and go undetected greatly increases.

Recommendation - We recommend the District perform timely account reconciliations for all bank accounts.

Management's Response - We agrees with the finding and will perform account reconciliations in a more timely manner in the future.

### Section III - Federal and State Findings and Questioned Costs

None.

# Monona Grove School District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

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### Section IV - Other Issues

Does the auditor's 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

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Public Instruction	No
Department of Justice	No
Department of Revenue	No
Department of Health Services	No
Department of Workforce Development	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes



Name of Partner

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Dan Walker

Date

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December 13, 2021

# Monona Grove School District

## Summary Schedule of Prior Year's Findings and Questioned Costs

Year Ended June 30, 2021

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### Financial Statement Findings

2020-001: Uniform Guidance Audit Submission - This finding was resolved this year.