

AGENDA

SCHOOL DISTRICT OF NEW GLARUS

BUDGET COMMITTEE MEETING

MONDAY, JANUARY 9, 2023

**HIGH SCHOOL LIBRARY/MEDIA CENTER, ROOM 183 JOIN ZOOM MEETING USING
LINK**

HTTPS://US02WEB.ZOOM.US/J/84981523866?PWD=MTFYSZVVB3ZWVZJDEVVV

DGDKOGTVUT09 BY PHONE USING 1-646-568-7788 MEETING ID 849 8152 3866

& PASSWORD 397579

1701 2ND STREET

NEW GLARUS, WISCONSIN 53574

6:15 PM

- I. **Call to Order - Travis Zimmerman, Chair**
- II. **Operating Referendum Options**

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3934 - New Glarus

Referendum Projection

	Historical Data			Historical 2021 - 2022	Current Year 2022 - 2023	Budget Year 2023 - 2024	Forecast	
	2018 - 2019	2019 - 2020	2020 - 2021				2024 - 2025	2025 - 2026
Per Pupil Increase	\$0	\$175	\$179	\$0	\$0	\$0	\$0	\$0
Per-Pupil Categorical Aid \$	\$654	\$742	\$742	\$742	\$742	\$742	\$742	\$742
TIF Out Equalized Valuation Growth	6.26%	5.61%	5.26%	9.36%	15.73%	7.00%	3.00%	3.00%
Fund 10 Revenues	\$12,365,246	\$12,661,446	\$12,659,507	\$13,053,254	\$12,800,633	\$13,901,768	\$13,844,362	\$13,981,186
Fund 10 Expenditures	\$12,257,932	\$12,658,584	\$12,316,269	\$12,507,000	\$12,975,633	\$13,233,246	\$13,892,395	\$14,463,440
Surplus (Deficit)	\$107,314	\$2,862	\$343,238	\$546,254	(\$175,000)	\$668,521	(\$48,033)	(\$482,255)
Fund Balance	\$3,286,525	\$3,289,386	\$3,632,624	\$4,178,878	\$4,003,878	\$4,672,399	\$4,624,366	\$4,142,112
Fund Balance as % of Expenditures	26.81%	25.99%	29.49%	33.41%	30.86%	35.31%	33.29%	28.64%
Mill Rate (per \$1,000 EQ Value)	\$11.63	\$11.63	\$11.63	\$11.63	\$11.38	\$11.38	\$11.38	\$11.38
% change					-2.16%	-0.01%	-0.04%	0.03%
Non-Recurring Referendum \$	\$1,200,000	\$0	\$0	\$0	\$0	\$1,800,000	\$2,000,000	\$2,200,000
Recurring Referendum \$	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0
Referendum Debt Levy	\$871,465	\$1,788,693	\$2,483,414	\$3,222,961	\$3,825,288	\$2,523,838	\$2,543,469	\$2,634,213
Energy Efficiency Exemption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average tax impact: \$100,000 home	\$1,163	\$1,163	\$1,163	\$1,163	\$1,138	\$1,138	\$1,138	\$1,138

3934 - New Glarus

Referendum Projection

	Historical Data			Historical 2021 - 2022	Current Year 2022 - 2023	Budget Year 2023 - 2024	Forecast	
	2018 - 2019	2019 - 2020	2020 - 2021				2024 - 2025	2025 - 2026
Per Pupil Increase	\$0	\$175	\$179	\$0	\$0	\$0	\$0	\$0
Per-Pupil Categorical Aid \$	\$654	\$742	\$742	\$742	\$742	\$942	\$1,142	\$1,342
TIF Out Equalized Valuation Growth	6.26%	5.61%	5.26%	9.36%	15.73%	7.00%	3.00%	3.00%
Fund 10 Revenues	\$12,365,246	\$12,661,446	\$12,659,507	\$13,053,254	\$12,800,633	\$13,675,701	\$13,787,962	\$14,086,786
Fund 10 Expenditures	\$12,257,932	\$12,658,584	\$12,316,269	\$12,507,000	\$12,975,633	\$13,233,246	\$13,892,395	\$14,463,440
Surplus (Deficit)	\$107,314	\$2,862	\$343,238	\$546,254	(\$175,000)	\$442,455	(\$104,433)	(\$376,655)
Fund Balance	\$3,286,525	\$3,289,386	\$3,632,624	\$4,178,878	\$4,003,878	\$4,446,333	\$4,341,899	\$3,965,245
Fund Balance as % of Expenditures	26.81%	25.99%	29.49%	33.41%	30.86%	33.60%	31.25%	27.42%
Mill Rate (per \$1,000 EQ Value)	\$11.63	\$11.63	\$11.63	\$11.63	\$11.38	\$10.78	\$10.78	\$10.78
% change					-2.16%	-5.25%	-0.04%	0.02%
Non-Recurring Referendum \$	\$1,200,000	\$0	\$0	\$0	\$0	\$1,400,000	\$1,600,000	\$1,800,000
Recurring Referendum \$	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0
Referendum Debt Levy	\$871,465	\$1,788,693	\$2,483,414	\$3,222,961	\$3,825,288	\$2,488,838	\$2,478,469	\$2,539,213
Energy Efficiency Exemption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average tax impact: \$100,000 home	\$1,163	\$1,163	\$1,163	\$1,163	\$1,138	\$1,078	\$1,078	\$1,078

III.	Resolution Providing for a Referendum Election on the Question of the Approval of a Resolution Authorizing the School District Budget to Exceed Revenue Limit for Three Years for Non-Recurring Purposes	5
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RESOLUTION PROVIDING FOR A REFERENDUM
ELECTION ON THE QUESTION OF THE APPROVAL OF A
RESOLUTION AUTHORIZING THE SCHOOL DISTRICT
BUDGET TO EXCEED REVENUE LIMIT FOR THREE
YEARS FOR NON-RECURRING PURPOSES

WHEREAS, the School Board of the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District"), has heretofore duly adopted a resolution entitled: "Resolution Authorizing the School District Budget to Exceed Revenue Limit for Three Years for Non-Recurring Purposes" (the "Revenue Limit Resolution"); and

WHEREAS, the School Board deems it to be desirable and in the best interest of the District to direct the District Clerk to submit the Revenue Limit Resolution to the electors for approval or rejection at the regularly scheduled election to be held on April 4, 2023.

NOW, THEREFORE, BE IT RESOLVED by the School Board of the District as follows:

Section 1. Referendum Election Date. The District Clerk is hereby directed to call a referendum election to be held in the District at the regularly scheduled election to be held on April 4, 2023 for the purpose of submitting to the qualified electors of the District the proposition of whether the Revenue Limit Resolution shall be approved.

Section 2. Notice to Electors. The District Clerk is directed to give notice by:

- (a) causing a Notice of Election in substantially the form attached hereto as Exhibit A to be published in the Post Messenger Recorder in the issue published immediately prior to the fourth Tuesday before the referendum election.
- (b) causing a Notice of Referendum (which includes the facsimile of the sample ballot) in substantially the form attached hereto as Exhibit B to be published in the Post Messenger Recorder in the issue published immediately preceding the referendum election. This Notice shall also be posted in each polling place on election day.

If any of the municipalities within the District use an electronic voting system employing a ballot label and ballot card, the Notice of Referendum set forth in Exhibit B shall also include a true, actual-size copy of the ballot label and ballot card in the form in which they will appear on election day.

Section 3. Polling Places and Hours. The District electors must vote at the referendum election at the times and polling places at which they cast their ballots in regularly scheduled elections.

Section 4. Referendum Election Officials. The election officials appointed in each of the municipalities within the District shall conduct the election.

Section 5. Official Referendum Ballot Form. The ballot to be used at the referendum election shall be prepared in accordance with the provisions of Sections 5.64(2) and 7.08(1)(a), Wisconsin Statutes. The ballot shall be substantially in the form attached hereto as Exhibit C.

The District Clerk shall cause to be printed sufficient ballots for use at said referendum election, both as actual ballots in those polling places which do not use voting machines and as absentee ballots where voting machines are used and as specimen ballots (the latter to be of a different and easily identifiable color from the actual ballot). The form of the ballot shall be filed with the official responsible for providing the ballots for the election, and the District Clerk shall file a copy of the ballot with the clerk of each county having territory within the District, as soon as possible after the date hereof but in no event later than 70 days prior to the election, as provided in Section 8.37, Wisconsin Statutes. If the District prepares the ballots, they should be delivered to the municipal clerks running the election at least 25 days prior to the election, to allow the municipal clerks to comply with their obligation to provide absentee ballots under Section 7.15, Wisconsin Statutes.

The municipal clerks of the municipalities within the District shall receive applications for absentee ballots and initial the same when issued to qualified absentee voters.

Section 6. Canvass. The returns of the referendum election shall be canvassed by the Board of Canvassers of each municipality within the District. Each Board of Canvassers shall certify the returns of the referendum election to the District Clerk. The District Clerk and two other reputable citizens appointed by the District Clerk prior to the date of the referendum election shall act as the District's Board of Canvassers for this referendum election. This Board of Canvassers shall meet in open session no later than 9:00 a.m. on the Tuesday after the election to determine the result of the referendum election. The canvass shall be open to the public and the District Clerk is directed to give due notice of said meeting.

Section 7. DPI Notice. Pursuant to the provisions of Section 121.91(3), Wisconsin Statutes, the District Clerk shall notify the Department of Public Instruction of the date of the referendum election and shall provide the Department with copies of the Revenue Limit Resolution within 10 days after the adoption of the Revenue Limit Resolution and shall further notify the Department of the results of the referendum within 10 days following the election using the method prescribed by the Department.

Adopted and recorded January 9, 2023.

William Oemichen
District President

ATTEST:

Corrine Hendrickson
District Clerk

(SEAL)

RESOLUTION PROVIDING FOR A REFERENDUM
ELECTION ON THE QUESTION OF THE APPROVAL OF A
RESOLUTION AUTHORIZING THE SCHOOL DISTRICT
BUDGET TO EXCEED REVENUE LIMIT FOR THREE
YEARS FOR NON-RECURRING PURPOSES

WHEREAS, the School Board of the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District"), has heretofore duly adopted a resolution entitled: "Resolution Authorizing the School District Budget to Exceed Revenue Limit for Three Years for Non-Recurring Purposes" (the "Revenue Limit Resolution"); and

WHEREAS, the School Board deems it to be desirable and in the best interest of the District to direct the District Clerk to submit the Revenue Limit Resolution to the electors for approval or rejection at the regularly scheduled election to be held on April 4, 2023.

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Section 1. Referendum Election Date. The District Clerk is hereby directed to call a referendum election to be held in the District at the regularly scheduled election to be held on April 4, 2023 for the purpose of submitting to the qualified electors of the District the proposition of whether the Revenue Limit Resolution shall be approved.

Section 2. Notice to Electors. The District Clerk is directed to give notice by:

- (a) causing a Notice of Election in substantially the form attached hereto as Exhibit A to be published in the Post Messenger Recorder in the issue published immediately prior to the fourth Tuesday before the referendum election.
- (b) causing a Notice of Referendum (which includes the facsimile of the sample ballot) in substantially the form attached hereto as Exhibit B to be published in the Post Messenger Recorder in the issue published immediately preceding the referendum election. This Notice shall also be posted in each polling place on election day.

If any of the municipalities within the District use an electronic voting system employing a ballot label and ballot card, the Notice of Referendum set forth in Exhibit B shall also include a true, actual-size copy of the ballot label and ballot card in the form in which they will appear on election day.

Section 3. Polling Places and Hours. The District electors must vote at the referendum election at the times and polling places at which they cast their ballots in regularly scheduled elections.

Section 4. Referendum Election Officials. The election officials appointed in each of the municipalities within the District shall conduct the election.

Section 5. Official Referendum Ballot Form. The ballot to be used at the referendum election shall be prepared in accordance with the provisions of Sections 5.64(2) and 7.08(1)(a), Wisconsin Statutes. The ballot shall be substantially in the form attached hereto as Exhibit C.

The District Clerk shall cause to be printed sufficient ballots for use at said referendum election, both as actual ballots in those polling places which do not use voting machines and as absentee ballots where voting machines are used and as specimen ballots (the latter to be of a different and easily identifiable color from the actual ballot). The form of the ballot shall be filed with the official responsible for providing the ballots for the election, and the District Clerk shall file a copy of the ballot with the clerk of each county having territory within the District, as soon as possible after the date hereof but in no event later than 70 days prior to the election, as provided in Section 8.37, Wisconsin Statutes. If the District prepares the ballots, they should be delivered to the municipal clerks running the election at least 25 days prior to the election, to allow the municipal clerks to comply with their obligation to provide absentee ballots under Section 7.15, Wisconsin Statutes.

The municipal clerks of the municipalities within the District shall receive applications for absentee ballots and initial the same when issued to qualified absentee voters.

Section 6. Canvass. The returns of the referendum election shall be canvassed by the Board of Canvassers of each municipality within the District. Each Board of Canvassers shall certify the returns of the referendum election to the District Clerk. The District Clerk and two other reputable citizens appointed by the District Clerk prior to the date of the referendum election shall act as the District's Board of Canvassers for this referendum election. This Board of Canvassers shall meet in open session no later than 9:00 a.m. on the Tuesday after the election to determine the result of the referendum election. The canvass shall be open to the public and the District Clerk is directed to give due notice of said meeting.

Section 7. DPI Notice. Pursuant to the provisions of Section 121.91(3), Wisconsin Statutes, the District Clerk shall notify the Department of Public Instruction of the date of the referendum election and shall provide the Department with copies of the Revenue Limit Resolution within 10 days after the adoption of the Revenue Limit Resolution and shall further notify the Department of the results of the referendum within 10 days following the election using the method prescribed by the Department.

Adopted and recorded January 9, 2023.

William Oemichen
District President

ATTEST:

Corrine Hendrickson
District Clerk

(SEAL)

IV.	Resolution Authorizing the School District Budget to Exceed Revenue Limit for Three Years for Non-Recurring Purposes	12
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**RESOLUTION AUTHORIZING THE SCHOOL
DISTRICT BUDGET TO EXCEED REVENUE LIMIT
FOR THREE YEARS FOR NON-RECURRING PURPOSES**

BE IT RESOLVED by the School Board of the School District of New Glarus, Green and Dane Counties, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$1,800,000 for the 2023-2024 school year, by \$2,000,000 for the 2024-2025 school year, and by \$2,200,000 for the 2025-2026 school year, for non-recurring purposes consisting of expenses related to staffing, operating and maintaining current school facilities, and maintaining current educational programming, extracurriculars, and services.

Adopted and recorded January 9, 2023.

William Oemichen
District President

ATTEST:

Corrine Hendrickson
District Clerk

(SEAL)

RESOLUTION AUTHORIZING THE SCHOOL
DISTRICT BUDGET TO EXCEED REVENUE LIMIT
FOR THREE YEARS FOR NON-RECURRING PURPOSES

BE IT RESOLVED by the School Board of the School District of New Glarus, Green and Dane Counties, Wisconsin that the revenues included in the School District budget be authorized to exceed the revenue limit specified in Section 121.91, Wisconsin Statutes, by \$1,400,000 for the 2023-2024 school year, by \$1,600,000 for the 2024-2025 school year, and by \$1,800,000 for the 2025-2026 school year, for non-recurring purposes consisting of expenses related to staffing, operating and maintaining current school facilities, and maintaining current educational programming, extracurriculars, and services.

Adopted and recorded January 9, 2023.

William Oemichen
District President

ATTEST:

Corrine Hendrickson
District Clerk

(SEAL)



JOHNSON BLOCK
CPAs

NEW GLARUS SCHOOL DISTRICT

Financial Statements With
Independent Auditor's Report

For the Year Ended June 30, 2022

**NEW GLARUS SCHOOL DISTRICT
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For the Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
New Glarus School District
New Glarus, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Glarus School District (“District”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financials Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining non-major fund financial statements and schedules of expenditures of federal and state awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State Single Audit Guidelines are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements and schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

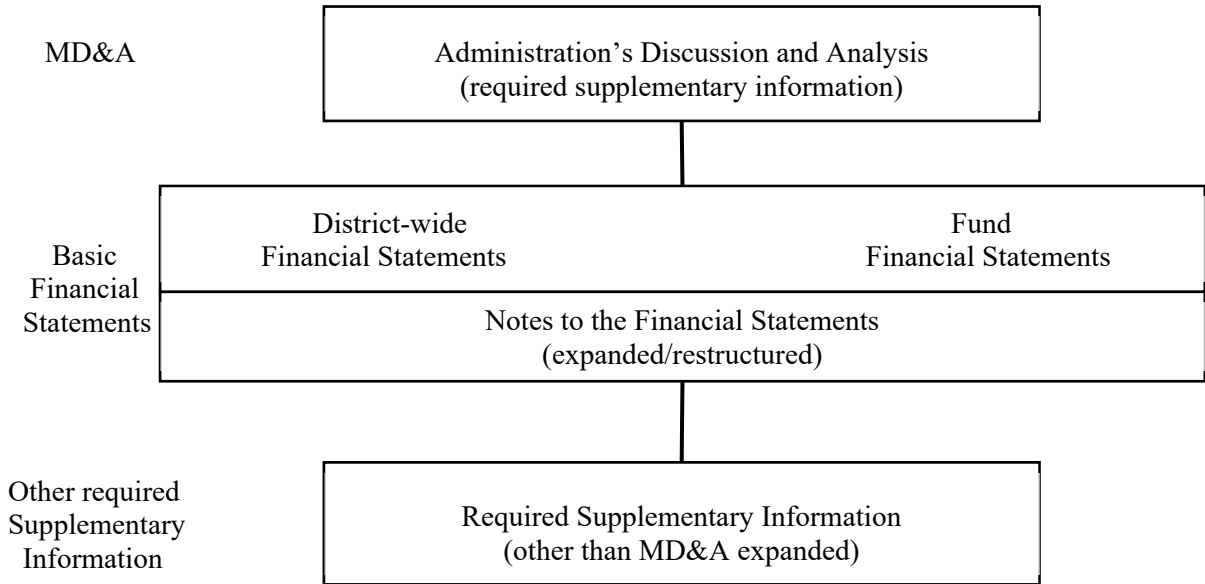
In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 28, 2022

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

New Glarus School District’s (the District) Administration discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, and identify changes in the District's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments and is intended to provide the financial results for the fiscal year ending June 30, 2022.



As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: District Wide Financial Statements and Fund Financial Statements.

District Wide Financial Statements

The District wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various District services.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Fund Financial Statements

The fund statements are similar to financial presentations with the focus on the District's Major Funds rather than fund types. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

Fund types include the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund, and Fiduciary Funds. The General Fund is used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions and grants and other intergovernmental revenues. The Special Revenue Funds are comprised of the Special Revenue, Food Service and the Community Service funds. The Capital Projects Fund is used to account for any construction projects in progress in the District. The Debt Service Fund is used to record the funding and payment of principal and interest on bonded debt. The Fiduciary Fund accounts for assets held by the District in a trustee capacity or as an agent for the employee benefits trust.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Financial Analysis of the District as a Whole

**Table 1
Summary of Net Position**

	2022	2021
Assets		
Current Assets	\$ 7,213,068	\$ 5,963,615
Capital Assets	\$ 38,619,000	\$ 37,304,573
Less Accumulated Depreciation	(15,408,267)	(14,348,389)
Capital Assets, net book value	\$ 23,210,733	\$ 22,956,184
Restricted Assets	\$ 31,485,177	\$ 31,566,930
Total Assets	\$ 61,908,978	\$ 60,486,729
Deferred Outflows of Resources		
Deferred Pension and OPEB Outflows	\$ 6,306,540	\$ 4,268,569
Liabilities		
Current Liabilities	\$ 3,627,197	\$ 31,248,714
Long-term Liabilities	32,491,249	6,477,060
Total Liabilities	\$ 36,118,446	\$ 37,725,774
Deferred Inflows of Resources		
Deferred Pension and OPEB Inflows	\$ 7,566,812	\$ 5,475,793
Total Deferred Inflows of Resources	\$ 7,566,812	\$ 5,475,793
Net Position		
Net Investment in Capital Assets	\$ 17,826,832	\$ 16,619,696
Restricted	4,592,845	3,288,268
Unrestricted	2,110,583	1,645,767
Total Net Position	\$ 24,530,260	\$ 21,553,731

As indicated by the statement above, total net position is \$24,530,260. Net position can be separated into the following categories: capital assets net of related debt, restricted, and unrestricted.

Net capital assets are a combination of funds available for capital assets, plus capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets is \$38,619,000, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$15,408,267. Most capital asset acquisitions are financed through long-term debt. Primarily, long-term debt is repaid as the debt service comes due through property taxes approved by the voters. Total related long-term debt is \$31,374,611. As of June 30, 2022, unspent long-term debt proceeds amounted to \$28,019,045.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Financial Analysis of the District as a Whole (Continued)

Net position of \$286,511 is restricted for debt service, \$260,527 is restricted for the special revenue fund, \$527,503 is restricted for capital projects, \$522,337 is restricted for food service, \$7,543 is restricted for the common school fund carryover, \$11,179 is restricted for community service, and \$3,224,606 is restricted for the District's portion of the WRS net pension asset and the District's net supplemental pension asset. The remaining balance of \$2,110,583 is unrestricted. The unrestricted fund balance is an accumulation of prior years' operating results. This balance is directly affected each year by the District's operating results.

**Table 2
Results of Operations**

	2022		2021	
	Amount	% of Total	Amount	% of Total
Program Revenues:				
Charges for Service	\$ 274,054	1.5%	\$ 144,274	0.9%
Operating Grants and Contributions	3,127,171	17.4%	2,362,046	14.4%
Total Program Revenues	<u>3,401,225</u>	<u>18.9%</u>	<u>2,506,320</u>	<u>15.3%</u>
General Revenues:				
Property Taxes - general purposes	3,626,186	20.2%	3,780,530	23.1%
Property Taxes - debt purposes	3,222,961	17.9%	2,483,414	15.2%
State of Wisconsin Aid - unrestricted	7,673,987	42.7%	7,534,616	46.1%
Other	34,816	0.2%	45,069	0.3%
Total General Revenues	<u>14,557,950</u>	<u>81.1%</u>	<u>13,843,629</u>	<u>84.7%</u>
Total Revenues	<u>17,959,175</u>	<u>100.0%</u>	<u>16,349,949</u>	<u>100.0%</u>
Expenses:				
Instruction	7,124,963	47.6%	6,828,087	51.9%
Support Services	4,936,539	33.0%	4,431,763	33.7%
Community Services	-	0.0%	750	0.0%
Non-Program Services	674,927	4.5%	600,452	4.6%
Interest on Debt	1,285,978	8.6%	320,153	2.4%
Depreciation-unallocated	930,585	6.2%	978,835	7.4%
Total Expenses	<u>14,952,992</u>	<u>100.0%</u>	<u>13,160,040</u>	<u>100.0%</u>
Increase (Decrease) in Net Position				
Before Special Items	3,006,183		3,189,909	
Special Items -				
Gain (Loss) on Disposal	<u>(29,654)</u>		<u>(31,194)</u>	
Change in Net Position	<u>\$ 2,976,529</u>		<u>\$ 3,158,715</u>	

As indicated above net position increased \$2,976,529.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Financial Aspects of the District's Funds

The general fund had a net increase in fund balance of \$546,254. The increase was mainly due from savings of anticipated expenditures, from unanticipated state revenues, and from the use of one-time ESSER II and ESSER III funding sources.

The capital projects fund had a net decrease in fund balance of \$909,174. The decrease was due construction project expenditures incurred.

The debt service fund had a net increase in fund balance of \$369,426. The increase was due to additional funds available for the prepayment of debt, along with the refunding of bond anticipation notes.

The special revenue fund had a net increase in fund balance of \$26,615. The increase was due to student organizations returning to full program activities coming off of the down COVID years.

The food service fund had a net increase in fund balance of \$340,857. The increase was due to increased meal participation from families because of free meals which led to higher federal reimbursements, along with increased funds qualifying for severe breakfast reimbursement. Additionally, increased state funding and catering services attributed to the change in fund balance.

The community service fund had a net decrease in fund balance of \$1,077. The decrease was due to the use of fund balance for community events.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2022 and 2021, the District had \$38,619,000 and \$37,304,573 invested in a broad range of capital assets, including land, buildings, furniture and equipment, respectively.

	<u>2022</u>	<u>2021</u>
Capital Assets		
Land	\$ 1,561,935	\$ 1,561,935
Construction in Progress	1,128,316	67,172
Buildings	27,955,525	27,916,704
Furniture and Equipment	7,973,224	7,758,762
Subtotal	<u>38,619,000</u>	<u>37,304,573</u>
Less Accumulated Depreciation	<u>(15,408,267)</u>	<u>(14,348,389)</u>
	<u>\$ 23,210,733</u>	<u>\$ 22,956,184</u>

There was a net increase in capital assets of \$254,549 from last year. Depreciation expense for the year was \$1,063,832.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Debt

At the end of this year, the District had \$31,190,000 in general obligation bonds and notes outstanding. This is a net decrease of \$3,580,000. The net decrease is a result of the combination of scheduled principal payments of debt, a cash defeasance, and the refunding of bond anticipation notes of \$28,900,000 issued in the prior year.

Factors Bearing on the District's Future

Currently known circumstances that will impact the District's financial status in the future are:

- Student Enrollment
- Health Insurance Costs
- Funding from the State of Wisconsin
- Energy Costs

Original vs. Revised Budget

Per State Statute 120.13(33) during the period between July 1 and the final adoption of a budget by the school board after the budget hearing under s.65.90, spend money as needed to meet the immediate expenses of operating and maintaining the public instruction in the school district.

The District may amend its budget during the school year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Marty, Business Manager, School District of New Glarus, 1701 Second St., New Glarus, Wisconsin 53574.

FINANCIAL STATEMENTS

**New Glarus School District
New Glarus, Wisconsin
Statement of Net Position
Governmental Activities
June 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 4,964,020
Receivables:	
Taxes	1,808,887
Accounts	69,685
Due from Other Governments	361,355
Inventories	9,121
Total Current Assets	<u>7,213,068</u>
Capital Assets:	
Land and Construction in Progress	2,690,251
Depreciable Assets	35,928,749
Less: Accumulated Depreciation	(15,408,267)
Net Capital Assets	<u>23,210,733</u>
Restricted Assets:	
Restricted Cash and Investments	28,260,571
Net Pension Asset - WRS	3,161,475
Net Pension Asset - Supplemental Pension	63,131
Total Restricted Assets	<u>31,485,177</u>
Total Assets	<u>61,908,978</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows - WRS	5,981,014
Deferred Pension Outflows - Supplemental Pension	93,151
Deferred Other Post-Employment Benefit Outflows - Life Insurance	232,375
Total Deferred Outflows of Resources	<u>6,306,540</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 68,215,518</u></u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Statement of Net Position
Governmental Activities
June 30, 2022**

	Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 395,697
Accrued Liabilities:	
Payroll and Related Items	1,254,528
Interest	226,634
Deposits - Food Service Receipts	29,039
Current Portion of Long-Term Obligations	1,721,299
Total Current Liabilities	3,627,197
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations	31,976,686
Net Other Post-Employment Benefit Liability - Life Insurance	514,563
Total Noncurrent Liabilities	32,491,249
Total Liabilities	36,118,446
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Inflows - WRS	7,445,075
Deferred Pension Inflows - Supplemental Pension	70,620
Deferred Other Post-Employment Benefit Inflows - Life Insurance	51,117
Total Deferred Inflows of Resources	7,566,812
NET POSITION	
Net Investment in Capital Assets	17,826,832
Restricted for:	
Capital Projects Fund	280,142
Debt Service Fund	286,511
Special Revenue Fund - Nonexpendable	10,000
Special Revenue Fund - Expendable	250,527
Common School Fund Carryover	7,543
Food Service Fund	522,337
Community Service Fund	11,179
Net Pension Assets	3,224,606
Unrestricted	2,110,583
Total Net Position	24,530,260
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 68,215,518

See accompanying notes to the financial statements.

**New Glarus School District New
Glarus, Wisconsin**

**Statement of Activities
Governmental Activities
For the Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental Activities				
Instruction				
Undifferentiated Curriculum	\$ 2,094,603	\$ 10,525	\$ 68,953	\$ (2,015,125)
Regular Instruction	2,984,647	88,263	744,471	(2,151,913)
Vocational Instruction	337,288	6,873	6,602	(323,813)
Physical Instruction	245,199	-	-	(245,199)
Special Instruction	1,164,402	-	731,832	(432,570)
Co-Curricular Activities	283,158	6,806	208,791	(67,561)
Other Special Needs	15,666	-	-	(15,666)
Total Instruction	<u>7,124,963</u>	<u>112,467</u>	<u>1,760,649</u>	<u>(5,251,847)</u>
Support Services				
Pupil Services	445,643	-	19,543	(426,100)
Instructional Staff Service	842,621	-	142,097	(700,524)
General Administration	343,317	-	-	(343,317)
Building Administration	657,718	-	25,768	(631,950)
Business Services	1,373,355	-	71,558	(1,301,797)
Central Services	51,748	-	5,795	(45,953)
Insurance and Judgments	117,785	-	-	(117,785)
Interest	1,285,978	-	-	(1,285,978)
Other Support Services	328,999	-	9,416	(319,583)
Food Service	775,353	161,587	985,015	371,249
Unallocated Depreciation	930,585	-	-	(930,585)
Total Support Services	<u>7,153,102</u>	<u>161,587</u>	<u>1,259,192</u>	<u>(5,732,323)</u>
Non-Program Services				
Other Non-Program Services	674,927	-	107,330	(567,597)
Total Non-Program	<u>674,927</u>	<u>-</u>	<u>107,330</u>	<u>(567,597)</u>
Total Governmental Activities	<u>\$ 14,952,992</u>	<u>\$ 274,054</u>	<u>\$ 3,127,171</u>	<u>(11,551,767)</u>

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	3,626,186
Property Taxes, Levied for Debt Service	3,222,961
Federal and State Aid not Restricted to Specific Purpose	7,673,987
Interest and Investment Earnings	(17,812)
Miscellaneous	52,628
Total General Revenues	<u>14,557,950</u>
Special Item - Gain (loss) on Disposal	<u>(29,654)</u>
Change in Net Position	2,976,529
Net Position - beginning of year	21,553,731
Net Position - ending	<u>\$ 24,530,260</u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Balance Sheet
Governmental Funds
June 30, 2022**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 3,568,053	\$ 513,145	\$ -	\$ 882,822	\$ 4,964,020
Restricted Cash and Investments	-	-	28,260,571	-	28,260,571
Receivables:					
Taxes	1,808,887	-	-	-	1,808,887
Accounts	3,387	-	-	17,941	21,328
Other	-	-	38,616	9,741	48,357
Due from Other Funds	3,581	-	-	41	3,622
Due from Other Governments	318,667	-	-	42,688	361,355
Inventories	-	-	-	9,121	9,121
Total Assets	<u>\$ 5,702,575</u>	<u>\$ 513,145</u>	<u>\$ 28,299,187</u>	<u>\$ 962,354</u>	<u>\$ 35,477,261</u>
LIABILITIES					
Accounts Payable	\$ 272,175	\$ -	\$ -	\$ 123,522	\$ 395,697
Accrued Liabilities	1,251,480	-	-	3,048	1,254,528
Due to Other Funds	41	-	-	3,581	3,622
Deposits	-	-	-	29,039	29,039
Total Liabilities	<u>1,523,696</u>	<u>-</u>	<u>-</u>	<u>159,190</u>	<u>1,682,886</u>
FUND BALANCES					
Nonspendable	-	-	-	19,121	19,121
Restricted	7,543	513,145	28,299,187	784,043	29,603,918
Assigned	175,000	-	-	-	175,000
Unassigned	3,996,336	-	-	-	3,996,336
Total Fund Balances	<u>4,178,879</u>	<u>513,145</u>	<u>28,299,187</u>	<u>803,164</u>	<u>33,794,375</u>
Total Liabilities and Fund Balances	<u>\$ 5,702,575</u>	<u>\$ 513,145</u>	<u>\$ 28,299,187</u>	<u>\$ 962,354</u>	<u>\$ 35,477,261</u>

**New Glarus School District
New Glarus, Wisconsin**

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2022**

Total fund balance, governmental funds	\$	33,794,375
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
		23,210,733
<p>The net pension assets are not current financial resources and are, therefore, not reported in the fund statements.</p>		
		3,224,606
<p>Certain other long-term liabilities are not due and payable in the current period and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
Unamortized premium on bond issuance		(2,028,336)
<p>Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension expense on the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.</p>		
Deferred outflows of resources		6,306,540
Deferred inflows of resources		(7,566,812)
<p>Some liabilities, (such as Notes Payable, Transfer of Ownership Agreement Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		
G.O. Debt Obligations		(31,190,000)
Financed Purchase Arrangements		(184,611)
Accrued Interest on Long-Term Debt		(226,634)
Compensated Absences		(295,038)
Net Other Post-Employment Benefit Liability - Life Insurance		(514,563)
		(1,130,846)
Net Position of Governmental Activities in the Statement of Net Position	\$	24,530,260

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local	\$ 3,791,653	\$ 3,225,025	\$ 92,410	\$ 323,262	\$ 7,432,350
Interdistrict	989,133	-	-	-	989,133
State	7,960,858	-	-	26,279	7,987,137
Federal	664,671	-	-	958,231	1,622,902
Other	52,629	23,605	(120,629)	-	(44,395)
Total Revenues	<u>13,458,944</u>	<u>3,248,630</u>	<u>(28,219)</u>	<u>1,307,772</u>	<u>17,987,127</u>
EXPENDITURES					
Current Expenditures					
Instruction					
Undifferentiated Curriculum	2,232,973	-	-	200	2,233,173
Regular Instruction	3,191,521	-	-	-	3,191,521
Vocational Instruction	360,984	-	-	-	360,984
Physical Instruction	263,795	-	-	-	263,795
Special Instruction	1,246,571	-	-	-	1,246,571
Co-Curricular Activities	162,857	-	-	126,755	289,612
Other Special Needs	2,979	-	-	-	2,979
Total Instruction	<u>7,461,680</u>	<u>-</u>	<u>-</u>	<u>126,955</u>	<u>7,588,635</u>
Support Services					
Pupil Services	477,234	-	-	36	477,270
Instructional Staff Services	901,689	-	-	-	901,689
General Administration	362,252	-	-	-	362,252
Building Administration	703,242	-	-	-	703,242
Business Services	1,601,831	-	-	8,356	1,610,187
Central Services	50,975	-	-	-	50,975
Insurance and Judgments	117,785	-	-	-	117,785
Other Support Services	337,289	-	-	-	337,289
Food Service	-	-	-	766,611	766,611
Total Support Services	<u>4,552,297</u>	<u>-</u>	<u>-</u>	<u>775,003</u>	<u>5,327,300</u>
Non-Program Services					
Total Current Expenditures	<u>12,688,115</u>	<u>-</u>	<u>-</u>	<u>902,748</u>	<u>13,590,863</u>
Principal and Interest	97,072	2,631,928	-	-	2,729,000
Capital Outlay	127,503	-	880,955	38,629	1,047,087
Total Expenditures	<u>12,912,690</u>	<u>2,631,928</u>	<u>880,955</u>	<u>941,377</u>	<u>17,366,950</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>546,254</u>	<u>616,702</u>	<u>(909,174)</u>	<u>366,395</u>	<u>620,177</u>
OTHER FINANCING SOURCES (USES)					
Premium on Long-Term Refunding Bonds	-	1,945,184	-	-	1,945,184
Proceeds from Long-Term Refunding Bonds	-	27,410,000	-	-	27,410,000
Refunding of Bond Anticipation Notes	-	(28,900,000)	-	-	(28,900,000)
Defeasement of Long-Term Refunding Bonds to Escrow Agent	-	(702,460)	-	-	(702,460)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(247,276)</u>	<u>-</u>	<u>-</u>	<u>(247,276)</u>
Net Change in Fund Balances	<u>546,254</u>	<u>369,426</u>	<u>(909,174)</u>	<u>366,395</u>	<u>372,901</u>
Fund Balances - Beginning	3,632,625	143,719	29,208,361	436,769	33,421,474
Fund Balances - Ending	<u>\$ 4,178,879</u>	<u>\$ 513,145</u>	<u>\$ 28,299,187</u>	<u>\$ 803,164</u>	<u>\$ 33,794,375</u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022**

Net change in fund balances - total governmental funds: \$ 372,901

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays (\$1,352,384) were greater than depreciation (\$1,063,832) in the current period. 288,552

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 is: 30,990,000

The amount of financed purchase arrangements principal payments in the current year is: 88,426

Debt incurred in the governmental funds is reported as revenue or as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position and does not affect the Statement of Activities.

The amount of debt premium proceeds in the current year. (1,945,184)

The amount of long term debt proceeds in the current year. (27,410,000)

Amortization of debt premium 110,301

Loss on disposal of capital assets (34,003)

Vested employee benefits, OPEB, and the supplemental pension liability are reported in the governmental funds when amounts are paid. The Statement of Activities reports values of benefits earned during the year.

Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources (76,802)

Change in supplemental pension liability and related deferred outflows and inflows of resources 23,225

Change in compensated absences 9,409

In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities interest is reported as incurred.

Interest paid is greater (less) than interest accrued by (166,849)

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

This is the amount of current year required contributions (\$451,208) into the WRS defined benefit pension plan that were less than the actuarially determined (\$275,345) change in net pension asset/liability between years, with adjustments. 726,553

Change in net position of governmental activities \$ 2,976,529

New Glarus School District
New Glarus, Wisconsin

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Benefit Trust</u> <u>Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 456,785
Total Assets	<u>\$ 456,785</u>
NET POSITION	
Restricted	\$ 456,785
Total Net Position	<u>\$ 456,785</u>

See accompanying notes to the financial statements.

**New Glarus School District
New Glarus, Wisconsin**

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022**

	<u>Benefit Trust Fund</u>
ADDITIONS	
Contributions	\$ 31,712
Interest	22,189
Total Additions	53,901
DEDUCTIONS	
Net Unrealized Investment Losses	95,757
Support Services	2,409
Benefits Paid	28,261
Total Deductions	126,427
Change in Net Position	(72,526)
Net Position - Beginning	529,311
Net Position - Ending	\$ 456,785

See accompanying notes to the financial statements.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

A. Introduction

The New Glarus School District (the "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 nine taxing districts.

The financial statements of the New Glarus School District have been prepared in conformity with generally accepted accounting principles (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.

B. Component Units

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. The District has no component units, and it is not included in any other governmental reporting entity.

C. District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except 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 non-exchange transactions. The District does not report any business-type activities.

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

D. 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.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

D. Fund Financial Statements (Continued)

The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

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

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

The District reports the following major governmental funds:

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

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

Capital Projects – The capital projects 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 fiduciary activities for supplemental pension benefits in an employee benefit trust fund.

The District also has the following non-major funds

- Community Service Fund
- Food Service
- Special Revenue

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

The district-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. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures when paid. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease and transfer of ownership agreements are reported as other financing sources.

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

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

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

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

F. Property Tax Levy

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

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

G. Deposits and Investments

The District’s cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless regulations require segregated accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. Agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government pooled-investment fund.

Donations to the District for scholarships are invested as the donor specifies. In the absence of specific directions, the District may invest donated items in accordance with laws applicable to trust investments.

The District has adopted an investment policy which permits all investments allowed under state statutes.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

H. Accounts Receivable

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

I. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

Nonspendable net assets (inventories and prepaid items) have been recognized to signify that a portion of net assets is not available for other subsequent expenditures.

J. Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Maintenance and repair costs are charged to expenses as incurred and betterments are capitalized as assets. Upon disposal of land, buildings and equipment, a gain or loss is reflected in the statement of activities. Donated assets are reported at acquisition value at the time received. Property and equipment and related depreciation expense are not reflected in the governmental fund financial statements.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building	\$ 5,000	Straight-line	50 years
Building improvements	5,000	Straight-line	50 years
Site improvements	5,000	Straight-line	20 years
Furniture and equipment	5,000	Straight-line	5-20 years
Computer and related technology	5,000	Straight-line	5 years

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

K. Long-Term Obligations

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

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

Principal and interest on long-term debt is recognized when due.

L. Accumulated Unpaid Vacation and Sick Pay

Compensated Absences

Sick leave for Teachers hired before July 1, 2013 will accumulate up to a maximum of 200 sick leave days. Upon retirement, if the member has completed 10 years of full-time service with the District and who is eligible for retirement under the Wisconsin Retirement System will be credited with up to 200 accumulated sick leave days at the rate of pay of \$90 per day not to exceed \$18,000.

Sick leave for all eligible staff hired on or after July 1, 2013 will accumulate to a maximum of 90 days but is not eligible for a payout.

Accumulated vacation and personal days for all eligible staff are allowed to be carried-over up to five days each year.

Supplemental Pension

See Note 7b for additional information.

M. Pensions

The District participates in the Wisconsin Retirement System. See Note 7a for additional information.

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

N. Other Post-Employment Benefits

Group life insurance plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), 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 member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

See Note 8 for additional information.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has three items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The District has three items that qualify for reporting in this category.

P. Estimates

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

Q. 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 balances of any borrowings used for the acquisition, construction or improvement for those 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.

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

R. Fund Balances – Governmental Funds

The District previously implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. In the fund statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form (i.e., convertible to cash) or are legally or contractually required to be maintained intact. \$9,121 of the amount reported as nonspendable at June 30, 2022 is nonspendable in form. The remaining balance of \$10,000 is legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to policies enacted by the Board of Education, the District's highest level of decision making authority. Commitments may only be rescinded through the same type of action employed to previously commit the amounts.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of Education has delegated authority to assign fund balance for a specific purpose to the Business Manager.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Board of Education recognizes the need to maintain an operating reserve in the general fund to 1) to hold adequate working capital to meet cash flow needs during the fiscal year, 2) to reduce the need for short term borrowing, 3) to serve as a safeguard for unanticipated district expenditures and 4) to show fiscal responsibility to maintain a high credit rating which will help reduce future borrowing costs.

Any excess of revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the District fund balance. The District will strive to maintain a general fund balance of not less than 15% of the subsequent year's operational expenditures. If the District, as of June month-end of a given fiscal year, shows an operating fund balance below 15% of the subsequent year's budget, the Board of Education will take proactive actions to increase the fund balance to 15%.

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

R. Fund Balances – Governmental Funds (Continued)

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

The Board authorizes and directs the Business Manager to assign the fund balance to the extent such assignment does not create a negative unassigned fund balance as follows:

- An amount sufficient to liquidate open encumbrances that are reasonably expected to result in an expenditure in the subsequent year.
- An amount estimated to be sufficient to cover the cost of unsettled labor agreements, if any.

S. Change in Accounting Principle

Effective July 1, 2021, the District adopted GASB Statement No. 87, Leases. The District determines if an arrangement contains a lease at inception based on whether the District has the right to control the asset during the contract period and other facts and circumstances. The adoption of GASB Statement No. 87 did not have a material impact on the District's financial statements.

2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

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

Differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the statement of activities fall into one of three broad categories:

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

3. Cash and Investments

For all the District's cash and investments shown below, the market value at the balance sheet date is substantially the same as the fair value. The difference between the bank balance and the carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the District's deposits were higher than the June 30, 2022 balances. This means that the District's risk and exposure could be higher at these times.

Deposits

The District's deposits and investments at June 30, 2022 were comprised of the following:

<u>Depository:</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Associated Risk</u>
Local Financial Institutions	\$ 6,827,362	\$ 6,937,509	Custodial credit risk, interest rate risk and credit risk
WISC			
Treasury Securities	23,773,753	23,773,753	Custodial credit risk, interest rate risk and credit risk
Certificates of Deposit	994,100	994,100	Custodial credit risk, interest rate risk and credit risk
Money Markets and Savings	1,621,022	1,621,022	
Petty Cash	625	625	
Other Cash and Investments:			
Equity Investments	241,629	241,629	Interest rate risk and credit risk
Fixed Income Investments	209,745	209,745	Interest rate risk and credit risk
Cash Equivalent Investments	13,140	13,140	Custodial credit risk
Total June 30, 2022	<u>\$ 33,681,376</u>	<u>\$ 33,791,523</u>	

A reconciliation of cash and investments as shown on the statements is as follows:

Reconciliation to financial statements	
Per statement of net position	
Cash and Investments	\$ 4,964,020
Restricted Cash and Investments	28,260,571
Per statement of fiduciary net position	
Cash and Cash Equivalents	456,785
Total	<u>\$ 33,681,376</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

3. Cash and Investments (Continued)

Investments Authorized by Wisconsin State Statutes

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

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

Interest Rate Risk

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

The District does not have an investment policy that addresses interest rate risk.

As of June 30, 2022, the District had the following investments and maturities:

Investment Type	Credit Quality	Fair Value	Investment Maturities (In Years)			
			Less than 1	1-5	6-10	More than 10
Equity - Exchange						
Traded Funds	Not Rated	\$ 241,629	\$ 241,629	\$ -	\$ -	\$ -
Fixed Income - Exchange						
Traded Funds	Varies - Not rated to AAA	209,745	-	36,723	173,022	-
Treasury Securities	AAA	23,773,753	20,293,064	3,480,689	-	-
Certificates of Deposit	Not Rated	2,137,878	1,640,578	497,300	-	-
		<u>\$ 26,363,005</u>	<u>\$ 22,175,271</u>	<u>\$ 4,014,712</u>	<u>\$ 173,022</u>	<u>\$ -</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

3. Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy minimized credit risk by limiting investments to the safest type of securities. Quality ratings available are noted in the table above.

Custodial Credit Risk

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

Deposits in each local and area bank are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 for all time and savings accounts and \$250,000 for all demand accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. Deposits maintained at investment institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000.

As of June 30, 2022, the District's deposits with financial institutions were exposed to custodial credit risk as follows:

Insured by FDIC & State Coverage	\$	25,669,120
Insured by irrevocable letters of credit*	\$	6,036,434
Uninsured and uncollateralized	\$	-

*The District's irrevocable letters of credit amount to \$14,050,000 in total.

4. Fair Value Measurement

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

The District uses the following hierarchical disclosure framework:

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

4. Fair Value Measurement (Continued)

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

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

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

	Assets at Fair Value as of June 30, 2022	
	Fair Value	Level 1
Equity - Exchange Traded Funds	\$ 241,629	\$ 241,629
Fixed Income - Exchange Traded Funds	209,745	209,745
Treasury Securities	23,773,753	20,293,064
Totals	\$ 24,225,127	\$ 20,744,438

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being depreciated				
Sites (land)	\$ 1,561,935	\$ -	\$ -	\$ 1,561,935
Construction in progress	67,172	1,061,144	-	1,128,316
Total Capital Assets not being depreciated	1,629,107	1,061,144	-	2,690,251
Capital Assets being depreciated				
Buildings and improvements	27,916,704	38,821	-	27,955,525
Furniture and equipment	7,758,762	252,419	(37,957)	7,973,224
Total Capital Assets being depreciated	35,675,466	291,240	(37,957)	35,928,749
Less Accumulated Depreciation	(14,348,389)	(1,063,832)	3,954	(15,408,267)
Total Capital Assets being depreciated, net of accumulated depreciation	21,327,077	(772,592)	(34,003)	20,520,482
Governmental activities Capital Assets, net of accumulated depreciation	\$ 22,956,184	\$ 288,552	\$ (34,003)	\$ 23,210,733

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

5. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$	14,257
Vocational instruction		3,014
Special education instruction		38
Other instruction		14,650
Pupil services		293
Instructional staff services		6,494
Building administration		93
Business services		84,896
Central services		773
Food service		8,739
Depreciation not charged to a specific function		930,585
Total depreciation for governmental activities	\$	1,063,832

6. Long-term Obligations

Long-term obligation balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Defeasance	Ending Balance	Amount Due Within One Year
<u>General Obligation Debt</u>						
Governmental Activities						
G.O. Bonds	\$ 5,375,000	\$ 27,410,000	\$ 900,000	\$ (695,000)	\$ 31,190,000	\$ 1,630,000
Bond Anticipation Notes	28,900,000	-	28,900,000	-	-	-
Notes from Direct Borrowings	495,000	-	495,000	-	-	-
Total Governmental Activities	34,770,000	27,410,000	30,295,000	(695,000)	31,190,000	1,630,000
General Obligation Debt	34,770,000	27,410,000	30,295,000	(695,000)	31,190,000	1,630,000
 Premium on Debt	 193,453	 1,945,184	 110,301	 -	 2,028,336	 -
Financed Purchase Arrangements	273,037	-	88,426	-	184,611	91,299
Compensated Absences	304,447	-	9,409	-	295,038	-
Total Long-Term Obligations	\$ 35,540,937	\$ 29,355,184	\$ 30,503,136	\$ (695,000)	\$ 33,697,985	\$ 1,721,299

Total interest paid and accrued during the year was as follows:

	Expense	Paid
Interest on Long-Term Debt	\$ 999,026	\$ 832,177

The compensated absences liability is paid out of the general fund.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

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

Description	Issue Dates	Interest Rate %	Dates of Maturity	Balance 6/30/2022	Amount Due Within One Year
GO School Improvement Bonds	3/5/2012	2.0-2.65%	4/1/2029	\$ 3,860,000	\$ 500,000
GO Refunding Bonds	5/18/2016	2.0-3.0%	4/1/2031	1,460,000	60,000
GO Refunding Bonds	7/13/2021	1.625-5.0%	4/1/2041	25,870,000	1,070,000
Total General Obligation Debt				<u>\$ 31,190,000</u>	<u>\$ 1,630,000</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2022 are as follows:

Year Ended June 30,	G.O. Bonds	
	Principal	Interest
2023	\$ 1,630,000	\$ 899,588
2024	1,695,000	827,938
2025	1,765,000	759,738
2026	1,840,000	687,200
2027	1,915,000	611,226
2028-2032	9,755,000	1,949,250
2033-2037	7,100,000	942,788
2038-2041	5,490,000	256,800
Totals	<u>\$ 31,190,000</u>	<u>\$ 6,934,528</u>

The 2021 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$607,584,371. The legal debt limit and margin of indebtedness as of June 30, 2022, in accordance with §67.03(1)(b) of the Wisconsin statutes follows:

Debt Limit (10% of \$607,584,371)	\$ 60,758,437
Deduct long-term debt applicable to debt margin	<u>31,190,000</u>
Margin of indebtedness	<u>\$ 29,568,437</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

6. Long-term Obligations (Continued)

Cash Defeasances

The District issued general obligation bonds in 2012. In 2013, 2014, and 2016, the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation bonds. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance. The total of the defeased debt outstanding at June 30, 2022 is \$645,000. The entire amount of defeased debt will be called on the April 1, 2022 early redemption date.

Additionally, the District issued general obligation refunding bonds in 2016. In 2017, 2018, 2020, and 2021 the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation bonds. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance. The total of the defeased debt outstanding at June 30, 2022 is \$3,925,000. The entire amount of defeased debt will be called on the April 1, 2024 early redemption date.

Lastly, the District issued general obligation refunding bonds in 2022. In 2022, the District deposited cash into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the general obligation bonds. As a result, a portion of the general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. No economic gain resulted from the cash defeasance. The total of the defeased debt outstanding at June 30, 2022 is \$695,000. The entire amount of defeased debt will be called on the April 1, 2028 early redemption date.

Financed Purchase Arrangements

The District acquired certain assets through financed purchase arrangements. The gross amount of these assets under the arrangements is \$455,752. The future minimum payments as of June 30, 2022 are as follows:

Year Ended June 30,		
2023	\$	97,072
2024		97,072
Total minimum lease payments		194,144
Less: Amount representing interest		9,533
Present value of net minimum lease payments	\$	184,611

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans

7a) Defined Benefit Pension Plan – Wisconsin Retirement System

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

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

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

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

During the reporting period, the WRS recognized \$451,208 in contributions from the employer.

Contribution rates as of June 30, 2022 are:

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

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

At June 30, 2022, the District reported a liability (asset) of (\$3,161,475) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.03922337%, which was a decrease of 0.00015698% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension income of (\$273,579).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,107,204	\$ (368,284)
Net differences between projected and actual earnings on pension plan investments	-	(7,072,484)
Changes in assumptions	589,823	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,305	(4,307)
Employer contributions subsequent to the measurement date	<u>281,682</u>	<u>-</u>
Total	<u>\$ 5,981,014</u>	<u>\$ (7,445,075)</u>

\$281,682 reported as a deferred outflow of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (147,677)
2024	(857,862)
2025	(378,241)
2026	(361,963)
2027	-
Total	\$ (1,745,743)

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

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

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – 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, 2021

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund	<u>115</u>	6.6	4.0
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	<u>100</u>	6.8	4.2

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

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%.

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7a) Defined Benefit Pension Plan – Wisconsin Retirement System (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	\$ 2,243,291	\$ (3,161,475)	\$ (7,051,902)

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>.

7b) Supplemental Pension Stipend Benefit

General Information about the Pension Plan

Plan Description. In addition to the WRS pension plan, the District provides a supplemental pension stipend benefit to eligible teachers. This is a single-employer supplemental pension benefit administered by the District.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

Benefits Provided. This benefit applies to Teachers who were hired by the District prior to July 1, 2013. A Teacher, who has completed ten (10) years of full time equivalency service with the District and who is eligible for retirement under the Wisconsin Retirement System will be credited with: (a.) up to two hundred (200) accumulated sick days at the rate of pay of \$90 per day not to exceed \$18,000; and (b.) \$500 per year for every year of full time equivalency employment with the District, not to exceed \$15,000. The total dollars credited for accumulated sick days and accumulated years of employment with the District shall not exceed \$30,000. Teachers, who retire by filing an irrevocable resignation with the District by March 1st, shall be eligible for an additional \$2,000 above and beyond the \$30,000 limit, not to exceed \$32,000. The additional \$2,000 shall be prorated as listed below:

10-14 years of service - \$1,000
15-19 years of service - \$1,500
20 years of service and above - \$2,000

An eligible Teacher who tenders his or her irrevocable resignation to the District, retires at the end of the contract year, shall receive the dollar amount contemplated in the preceding paragraphs as contributions to a tax-sheltered annuity (TSA).

TSA contributions will be made in a series of three (3) equal installments beginning in July after the Eligible Employee’s retirement and on the two (2) subsequent annual anniversaries of that date. Retirees receiving TSA contributions cannot be employed by the District.

Employees Covered by Benefit Terms. At June 30, 2021 (the measurement date), the following employees were covered by the benefit terms:

Retirees eligible and receiving benefits	2
Active teachers fully eligible	13
Active teachers not fully eligible	31
Total	46

This plan is closed to new entrants as it only applies to teachers hired before July 1, 2013.

Contributions. The District has continued to fund these stipend liabilities through its irrevocable trust that was previously reported as an “other postemployment benefit” trust. The District has indicated that the contribution amount to the trust is tied to the actuarial determined contribution (ADC) provided in prior actuarial studies. There are no contractual or statutory required contributions to the trust.

During the reporting period, the District contributed \$31,712 to the trust.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

Net Pension Liability

The District's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	2 Year Level %
Discount Rate	2.25%
Amortization Growth Rate	3.00%
Inflation	2.00%

The valuation was based upon the data provided by the District. All of the demographic assumptions used for this report are approximately the same as those based on an experience study conducted in 2018 using the WRS experience from 2015-2017.

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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	1.50%	52%
Fixed Income	2.64%	46%
Cash	0.01%	2%

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 2.25%, which was the same discount rate used for the prior year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 294,388	\$ 248,757	\$ 45,631
Changes for the year:			
Service cost	15,915	-	15,915
Interest	6,692	-	6,692
Contributions - employer	-	77,810	(77,810)
Net investment income	-	54,844	(54,844)
Benefit payments	(9,834)	(9,834)	-
Administrative expenses	-	(1,285)	1,285
Net changes	12,773	121,535	(108,762)
Balances at June 30, 2021	\$ 307,161	\$ 370,292	\$ (63,131)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using the discount rate of 2.25 percent as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
District's net supplemental pension liability (asset)	\$ (50,605)	\$ (63,131)	\$ (75,580)

Pension Plan Fiduciary Net Position. The plan does not issue stand-alone financial statements.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

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

For the year ended June 30, 2022, the District recognized pension expense of \$8,487. At June 30, 2022, 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	\$ 32,040	\$ (20,778)
Changes of assumptions	29,399	(5,784)
Net difference between projected and actual earnings on pension plan investments	-	(44,058)
District contributions subsequent to the measurement date	31,712	-
Total	\$ 93,151	\$ (70,620)

\$31,712 reported as a deferred outflow of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023.

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
2023	\$ (7,130)
2024	(6,301)
2025	(5,323)
2026	(4,500)
2027	5,201
Thereafter	8,872
Total	\$ (9,181)

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

8. Other Post-Employment Benefits

General Information about the Other Post-Employment Benefits

Plan Description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

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

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

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

Contribution rates as of June 30, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
25% Post Retirement Coverage	20% of Member Contribution

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

8. Other Post-Employment Benefits (Continued)

Member 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 member contribution rates in effect for the year ended December 31, 2020 are as listed on the below:

Life Insurance		
Employee Contribution Rates*		
For the year ended December 31, 2021		
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 \$1,781 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2022, the District reported a liability (asset) of \$514,563 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.087061%, which was an increase of 0.009086% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$78,592.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

8. Other Post-Employment Benefits (Continued)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (26,176)
Net differences between projected and actual earnings on plan investments	6,696	-
Changes in actuarial assumptions	155,468	(24,941)
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,348	-
Employer contributions subsequent to the measurement date	863	-
Totals	<u>\$ 232,375</u>	<u>\$ (51,117)</u>

\$863 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 39,853
2024	39,077
2025	36,411
2026	39,790
2027	20,191
Thereafter	5,073
Total	<u>\$ 180,395</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

8. Other Post-Employment Benefits (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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 carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

8. Other Post-Employment Benefits (Continued)

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25%. 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. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate. A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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 (Asset) calculated using the discount rate of 2.17 percent, as well as what the District's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
District's proportionate share of the net OPEB liability (asset)	\$ 698,076	\$ 514,563	\$ 376,476

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

9. Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2022 were as follows:

Payable Fund	Receivable Fund	Amount	Purpose
Special Revenue	General Fund	\$ 3,581	Operations
Subtotal - Major Funds		3,581	
General Fund	Special Revenue	41	Operations
Subtotal - Non-Major Funds		41	
Subtotal - Fund Financial Statements		3,622	
Less: Fund Eliminations		(3,622)	
Total - Government-Wide Statements		\$ -	

In the statement of net position, amounts reported in the governmental funds balance sheet as interfund balances have been eliminated within the district-wide statements.

Additionally, during fiscal year ended June 30, 2022, the general fund transferred \$1,142,679 to the special education fund. These transfers were used to cover any costs not covered by direct revenues. In the statement of activities, amounts reported in the governmental funds statement of revenues, expenditures and changes in fund balances have been eliminated within the district-wide statements.

10. Fund Balances

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	General Fund	Debt Service	Food Service	Special Revenue	Community Service	Capital Projects	Total
Fund Balances:							
<u>Nonspendable:</u>							
Inventory	\$ -	\$ -	\$ 9,121	\$ -	\$ -	\$ -	\$ 9,121
Corpus of Permanent Fund	-	-	-	10,000	-	-	10,000
<u>Restricted for:</u>							
Food Service	-	-	522,337	-	-	-	522,337
Debt Service Reserve	-	513,145	-	-	-	-	513,145
Community Service	-	-	-	-	11,179	-	11,179
Donor Restrictions	-	-	-	250,527	-	-	250,527
Capital Projects	-	-	-	-	-	28,299,187	28,299,187
Common School Fund Carryover	7,543	-	-	-	-	-	7,543
<u>Assigned to:</u>							
Budget Carryover	175,000	-	-	-	-	-	175,000
<u>Unassigned:</u>							
Cash Flow Purposes	2,000,000	-	-	-	-	-	2,000,000
Unassigned	1,996,336	-	-	-	-	-	1,996,336
Total Fund Balances	\$ 4,178,879	\$ 513,145	\$ 531,458	\$ 260,527	\$ 11,179	\$ 28,299,187	\$ 33,794,375

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

11. Operating Leases

As discussed in Note 1S, GASB Statement No. 87, Leases, is in effect for the District's financial statements for the year ended June 30, 2022. One aspect of implementation of any statement issued by GASB is that the provision of the statement need not be applied to immaterial items. Management of the District evaluated all lease agreements currently in place and made the determination that at the present time, the implementation of GASB 87 would not have a material impact on the District's financial statements; consequently, GASB 87 was not implemented for the District's fiscal year ending June 30, 2022. Management will continue to assess the impact that GASB 87 may have on the District's financial statements in the future and, if determined to be material, the provisions of the statement will be implemented at that time.

The District, as lessee, leases several copiers under two separate leases. The first requires monthly payments of \$512 through June 2025 and the second requires monthly payments of \$832 through July 2023. Future minimum lease payments on these leases are as follows:

Year Ended June 30,	
2023	\$ 16,130
2024	6,976
2025	6,143
	<u>\$ 29,249</u>

12. 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 a referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

13. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles.

14. Commitments

The District has a line of credit which carries an interest rate of 1.94%, permits borrowing up to \$2,000,000, and matures on November 1, 2022. The line of credit did not have an outstanding balance as of June 30, 2022 and the District did not draw upon it during the year. The District did not renew the line of credit past the November 1, 2022 maturity date.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2022

14. Commitments (Continued)

In April 2021, the electors of the District authorized the issuance of \$28,900,000 in general obligation bonds via a referendum for the public purpose of paying the cost of a new school building and improvements to existing District buildings and property. As of June 30, 2022, construction, engineering, and architectural contracts were in place totaling the amount of the approved general obligation debt. Total costs incurred as of June 30, 2022 related to the new school building and improvement project contracts was \$1,128,316. These costs are currently reported as construction in progress on the statement of net position. Subsequent to year-end, the District terminated its construction contract and will be requesting new construction bids in December 2022.

15. Effect of New Accounting Standard on Current Period Financial Statements

The GASB has adopted GASB Statement No. 91, Conduit Debt Obligations, effective for periods beginning after December 15, 2021, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements, effective for periods beginning after June 15, 2022. When these become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**New Glarus School District
New Glarus, Wisconsin**

**Budgetary Comparison Schedule for the General Fund
Budget and Actual
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
	REVENUES			
Local	\$ 3,707,711	\$ 3,795,634	\$ 3,791,653	\$ (3,981)
Interdistrict	1,010,620	989,133	989,133	-
State	7,424,245	7,487,740	7,490,851	3,111
Federal	190,335	457,481	455,951	(1,530)
Other	42,530	45,937	52,629	6,692
Total Revenues	<u>12,375,441</u>	<u>12,775,925</u>	<u>12,780,217</u>	<u>4,292</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Undifferentiated Curriculum	2,482,983	2,240,000	2,232,973	7,027
Regular Instruction	3,077,092	3,195,000	3,191,521	3,479
Vocational Instruction	351,026	368,478	360,984	7,494
Physical Instruction	266,230	266,230	263,795	2,435
Co-curricular Activities	201,480	165,000	162,857	2,143
Other Special Needs	6,500	6,500	2,979	3,521
Support Service				
Pupil Services	281,267	312,188	300,270	11,918
Instructional Staff Services	591,638	785,015	755,061	29,954
General Administration Services	366,770	366,770	362,252	4,518
Business Administration Services	749,133	705,000	703,242	1,758
Business Services	1,435,702	1,500,000	1,557,311	(57,311)
Central Services	75,706	75,706	50,180	25,526
Insurance and Judgments	128,847	128,847	117,785	11,062
Other Support Services	356,785	356,785	337,289	19,496
Non-Program Services	459,496	473,596	468,210	5,386
Debt Service	97,073	97,073	97,072	1
Capital Outlay	190,000	190,000	127,503	62,497
Total Expenditures	<u>11,117,728</u>	<u>11,232,188</u>	<u>11,091,284</u>	<u>140,904</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,257,713</u>	<u>1,543,737</u>	<u>1,688,933</u>	<u>145,196</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,257,713)</u>	<u>(1,257,713)</u>	<u>(1,142,679)</u>	<u>115,034</u>
Total Other Financing Sources and Uses	<u>(1,257,713)</u>	<u>(1,257,713)</u>	<u>(1,142,679)</u>	<u>115,034</u>
Net Change in Fund Balance	-	286,024	546,254	260,230
Fund Balance - Beginning	<u>3,632,625</u>	<u>3,632,625</u>	<u>3,632,625</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,632,625</u>	<u>\$ 3,918,649</u>	<u>\$ 4,178,879</u>	<u>\$ 260,230</u>

**New Glarus School District
New Glarus, Wisconsin**

**Budgetary Comparison Schedule for the Special Education Fund
Budget and Actual
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State	\$ 403,041	\$ 470,007	\$ 470,007	\$ -
Federal	324,129	319,451	208,720	(110,731)
Total Revenues	<u>727,170</u>	<u>789,458</u>	<u>678,727</u>	<u>(110,731)</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Special Instruction	1,288,429	1,288,429	1,246,571	41,858
Support Service				
Pupil Services	178,839	178,839	176,964	1,875
Instructional Staff Services	178,142	178,142	146,628	31,514
Business Services	37,319	45,000	44,520	480
Central Services	5,000	5,000	795	4,205
Non-Program Services	297,154	297,154	205,928	91,226
Total Expenditures	<u>1,984,883</u>	<u>1,992,564</u>	<u>1,821,406</u>	<u>171,158</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,257,713)</u>	<u>(1,203,106)</u>	<u>(1,142,679)</u>	<u>60,427</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,257,713	1,142,679	1,142,679	-
Total Other Financing Sources and Uses	<u>1,257,713</u>	<u>1,142,679</u>	<u>1,142,679</u>	<u>-</u>
Net Change in Fund Balance	-	(60,427)	-	60,427
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (60,427)</u>	<u>\$ -</u>	<u>\$ 60,427</u>

**New Glarus School District
New Glarus, Wisconsin**

**Reconciliation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures
For the Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Special Education Fund</u>
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 12,780,217	\$ 678,727
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>678,727</u>	<u>(678,727)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 13,458,944</u>	<u>\$ -</u>
	<u>General Fund</u>	<u>Special Education Fund</u>
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 11,091,284	\$ 1,821,406
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,821,406</u>	<u>(1,821,406)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 12,912,690</u>	<u>\$ -</u>

**NEW GLARUS SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM SCHEDULES
June 30, 2022**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE
Last 10 Fiscal Years***

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of the District's covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2021	(0.03922337%)	\$ (3,161,475)	\$ 6,684,557	(47.30%)	(106.02%)
2020	(0.03938035%)	(2,458,569)	6,534,689	(37.62%)	(105.26%)
2019	(0.03933006%)	(1,268,180)	6,380,274	(19.88%)	(102.96%)
2018	0.03888884%	1,383,543	6,021,379	22.98%	96.45%
2017	(0.03861936%)	(1,146,654)	5,785,117	(19.82%)	(102.93%)
2016	0.03848444%	317,204	5,568,082	5.70%	99.12%
2015	0.03861657%	627,512	5,450,905	11.51%	98.20%
2014	(0.03876686%)	(951,958)	5,397,914	(17.64%)	(102.74%)

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

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED
Last 10 Fiscal Years****

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2022	\$ 451,805	\$ (451,805)	\$ -	\$ 6,853,899	6.59%
2021	441,616	(441,616)	-	6,535,553	6.76%
2020	438,500	(438,500)	-	6,567,826	6.68%
2019	411,903	(411,903)	-	6,236,748	6.60%
2018	397,814	(397,814)	-	5,905,403	6.74%
2017	385,798	(385,798)	-	5,735,418	6.73%
2016	365,714	(365,714)	-	5,474,826	6.68%
2015	372,691	(372,691)	-	5,423,143	6.87%

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

**NEW GLARUS SCHOOL DISTRICT
SUPPLEMENTAL PENSION LIABILITY SCHEDULES
June 30, 2022**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
<u>Total Pension Liability</u>								
Service Cost	\$ 15,915	\$ 14,894	\$ 13,860	\$ 13,935	\$ 14,993	\$ 11,942	\$ 11,942	\$ 11,942
Interest	6,692	10,082	10,109	9,706	8,518	10,246	11,094	12,454
Changes in Benefit Terms	-	-	-	-	-	-	-	-
Changes of Assumptions or Other Inputs	-	7,606	3,331	(2,899)	(6,608)	38,662	-	-
Differences Between Expected and Actual Experience	-	(16,722)	-	(11,100)	-	59,508	-	-
Benefit Payments	(9,834)	(4,167)	(14,499)	(20,167)	(25,834)	(22,666)	(54,224)	(44,045)
Net Change in Total Pension Liability (Assets)	12,773	11,693	12,801	(10,525)	(8,931)	97,692	(31,188)	(19,649)
Total Pension Liability - Beginning	294,388	282,695	269,894	280,419	289,350	191,658	222,846	242,495
Total Pension Liability - Ending (a)	\$ 307,161	\$ 294,388	\$ 282,695	\$ 269,894	\$ 280,419	\$ 289,350	\$ 191,658	\$ 222,846
<u>Fiduciary Net Position</u>								
Contributions - Employer	\$ 77,810	\$ 22,616	\$ 21,819	\$ 19,152	\$ 19,028	\$ 6,772	\$ 32,288	\$ 72,288
Other	-	-	-	-	-	-	-	25,953
Net Investment Income	54,844	12,106	12,511	10,823	15,079	2,103	502	6,895
Benefit Payments	(9,834)	(4,167)	(14,499)	(20,167)	(25,834)	(22,666)	(54,224)	(44,045)
Fund Transfer	-	-	-	-	-	(120,000)	-	-
Administrative Expense	(1,285)	(981)	(1,123)	(1,146)	(1,385)	(2,256)	-	-
Net Change in Fiduciary Net Position	121,535	29,574	18,708	8,662	6,888	(136,047)	(21,434)	61,091
Fiduciary Net Position - Beginning	248,757	219,183	200,475	191,813	184,925	320,972	342,406	281,315
Fiduciary Net Position - Ending (b)	\$ 370,292	\$ 248,757	\$ 219,183	\$ 200,475	\$ 191,813	\$ 184,925	\$ 320,972	\$ 342,406
<u>Net Pension Liability (Asset)</u>								
Net Pension Liability (Asset) - (a) - (b)	\$ (63,131)	\$ 45,631	\$ 63,512	\$ 69,419	\$ 88,606	\$ 104,425	\$ (129,314)	\$ (119,560)
Fiduciary net position as a percentage of the total pension liability	120.55%	84.50%	77.53%	74.28%	68.40%	63.91%	167.47%	153.65%
Covered Payroll	\$ 2,931,973	\$ 2,931,973	\$ 2,931,973	\$ 2,931,973	\$ 2,886,550	\$ 2,886,550	\$ 3,310,328	\$ 3,310,328
Net pension liability (asset) as a percent of covered payroll	-2.15%	1.56%	2.17%	2.37%	3.07%	3.62%	-3.91%	-3.61%

*The data provided above is presented as of the measurement date which is 12 months prior to the financial statement date.

**NEW GLARUS SCHOOL DISTRICT
SUPPLEMENTAL PENSION LIABILITY SCHEDULES
June 30, 2022**

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution (ADC)**	\$ 62,931	\$ 39,517	\$ 22,474	\$ 21,819	\$ 19,599	\$ 19,028	\$ 6,772	\$ 6,772
Contributions in Related to the ADC**	31,712	77,810	22,616	21,819	19,152	19,028	6,772	32,288
Contribution deficiency (excess)	<u>\$ 31,219</u>	<u>\$ (38,293)</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,516)</u>
District's covered-employee payroll	\$ 2,778,979	\$ 2,931,973	\$2,931,973	\$2,931,973	\$2,931,973	\$2,886,550	\$2,886,550	\$3,310,328
Contributions as a percentage of covered-employee payroll	1.14%	2.65%	0.77%	0.74%	0.65%	0.66%	0.23%	0.98%

**District's contributions and other amounts presented above are for each fiscal year based on information that occurred in that fiscal year.

**NEW GLARUS SCHOOL DISTRICT
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
June 30, 2022**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT
BENEFIT LIABILITY AS OF THE MEASUREMENT DATE
Last 10 Fiscal Years***

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of the District's covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2021	0.08706100%	\$ 514,563	\$ 3,945,000	13.04%	29.57%
2020	0.07797500%	428,919	3,976,000	10.79%	31.36%
2019	0.07125300%	303,409	3,659,000	8.29%	37.58%
2018	0.06265100%	161,661	3,371,000	4.80%	48.69%
2017	0.05705800%	171,664	2,399,542	7.15%	44.81%

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

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED
Last 10 Fiscal Years****

Year ended June 30,	Contractually required contributions	Contributions in relation to contractually required contributions	Contributions deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2022	\$ 1,765	\$ (1,765)	\$ -	\$ 3,615,081	0.05%
2021	1,702	(1,702)	-	3,229,054	0.05%
2020	1,478	(1,478)	-	3,433,000	0.04%
2019	1,357	(1,357)	-	3,654,161	0.04%
2018	1,276	(1,276)	-	3,369,000	0.04%

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

1. Budget Schedule

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

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

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

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

2. Excess of Actual Expenditures Over Budget in Individual Funds

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

The following functions had an excess of actual expenditures over budget for the year ended June 30, 2022:

Fund	Function	Amount
General	Business Services	\$ 57,311

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

3. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 2 preceding years.

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

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

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

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

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

3. Wisconsin Retirement System Schedules (Continued)

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

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

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

3. Wisconsin Retirement System Schedules (Continued)

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

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

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

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

4. Supplemental Pension Liability Schedules

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

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

Key methods and assumptions used to calculate actuarially determined contribution:

Amortization Growth Rate	3.00%
Inflation	2.00%
Salary Increases	0.1 to 5.60%
Discount Rate/Investment Rate of Return	2.25%
Amortization Method	2 year Level %

5. Local Retiree Life Insurance Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

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

Changes in Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

OTHER SUPPLEMENTAL INFORMATION

**New Glarus School District
New Glarus, Wisconsin**

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022**

	Food Service	Community Service Fund	Special Revenue Fund	Total Non- Major Governmental Funds
ASSETS				
Cash and Investments	\$ 624,857	\$ 11,179	\$ 246,786	\$ 882,822
Receivables:				
Accounts	-	-	17,941	17,941
Other	9,741	-	-	9,741
Due from Other Funds	-	-	41	41
Due from Other Governments	42,688	-	-	42,688
Inventories	9,121	-	-	9,121
Total Assets	\$ 686,407	\$ 11,179	\$ 264,768	\$ 962,354
LIABILITIES				
Accounts Payable	\$ 122,862	\$ -	\$ 660	\$ 123,522
Accrued Liabilities	3,048	-	-	3,048
Due to Other Funds	-	-	3,581	3,581
Deposits	29,039	-	-	29,039
Total Liabilities	154,949	-	4,241	159,190
FUND BALANCES				
Nonspendable	9,121	-	10,000	19,121
Restricted	522,337	11,179	250,527	784,043
Total Fund Balances	531,458	11,179	260,527	803,164
Total Liabilities and Fund Balances	\$ 686,407	\$ 11,179	\$ 264,768	\$ 962,354

**New Glarus School District
New Glarus, Wisconsin**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022**

	<u>Food Service</u>	<u>Community Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total Non- Major Governmental Funds</u>
REVENUES				
Local	\$ 161,587	\$ -	\$ 161,675	\$ 323,262
State	26,279	-	-	26,279
Federal	958,231	-	-	958,231
Total Revenues	<u>1,146,097</u>	<u>-</u>	<u>161,675</u>	<u>1,307,772</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Undifferentiated Curriculum	-	-	200	200
Co-Curricular Activities	-	-	126,755	126,755
Total Instruction	<u>-</u>	<u>-</u>	<u>126,955</u>	<u>126,955</u>
Support Services				
Pupil Services	-	-	36	36
Business Services	-	1,077	7,279	8,356
Food Service	766,611	-	-	766,611
Total Support Services	<u>766,611</u>	<u>1,077</u>	<u>7,315</u>	<u>775,003</u>
Non-Program Services				
Total Current Expenditures	<u>766,611</u>	<u>1,077</u>	<u>135,060</u>	<u>902,748</u>
Capital Outlay	38,629	-	-	38,629
Total Expenditures	<u>805,240</u>	<u>1,077</u>	<u>135,060</u>	<u>941,377</u>
Net Change in Fund Balances	340,857	(1,077)	26,615	366,395
Fund Balances - Beginning	190,601	12,256	233,912	436,769
Fund Balances - Ending	<u>\$ 531,458</u>	<u>\$ 11,179</u>	<u>\$ 260,527</u>	<u>\$ 803,164</u>

SINGLE AUDIT

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

To the Board of Education
New Glarus School District
New Glarus, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Glarus School District (the “District”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise New Glarus School District’s basic financial statements, and have issued our report thereon dated November 28, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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 weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items #2022-001 and #2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

New Glarus School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and 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 the response.

Purpose of this Report

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 28, 2022

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

To the Board of Education
New Glarus School District
New Glarus, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the New Glarus School District’s (the “District”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *State Single Audit Guidelines*, that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2022. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Principle, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of this report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities of the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 testing based on requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 28, 2022

NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Administering Agency Pass-Through Agency Award Description	Federal Assistance Listing	Pass-Through Entity ID Number	(Accrued Receivable) Deferred Revenue July 1, 2021	Revenues Grantor Reimbursements	Expenditures	Accrued Receivable June 30, 2022
<u><i>U.S. DEPARTMENT OF AGRICULTURE</i></u>						
Wisconsin Department of Public Instruction:						
Child Nutrition Cluster:						
Food Distribution - Donated Commodities	10.555	Not Available	\$ -	\$ 44,448	\$ 44,448	\$ -
National School Lunch Program	10.555	2022-233934-DPI-NSL-547	(25,851)	598,281	604,719	32,289
National School Breakfast Program Severe	10.553	2022-233934-DPI-SB-SEVERE-546	-	131,992	136,634	4,642
National School Breakfast Program	10.553	2022-233934-DPI-SB-546	(13,328)	180,001	172,430	5,757
Total Child Nutrition Cluster			(39,179)	954,722	958,231	42,688
TOTAL U.S. DEPARTMENT OF AGRICULTURE			(39,179)	954,722	958,231	42,688
<u><i>U.S. DEPARTMENT OF EDUCATION</i></u>						
Wisconsin Department of Public Instruction:						
COVID-19 - Elementary Secondary School Emergency Relief Fund II	84.425D	2022-233934-DPI-ESSERFII-163	-	38,480	38,480	-
COVID-19 - Elementary Secondary School Emergency Relief Fund III	84.425U	2022-233934-DPI-ESSERFIII-165	-	183,204	183,204	-
Total ESSER			-	221,684	221,684	-
Title I - Part A	84.010A	2022-233934-DPI-TIA-141	(24,445)	34,266	22,707	12,886
Title II - Part A	84.367A	2022-233934-DPI-TIIA-365	-	11,898	11,898	-
Title IV - Part A	84.424A	2022-233934-DPI-TIVA-381	(5,800)	20,000	14,200	-
Special Education Cluster:						
IDEA Flow-Through	84.027A	2022-233934-DPI-FLOW-341	(110,401)	199,791	157,758	68,368
Preschool Entitlement	84.173A	2022-233934-DPI-PRESCH-347	(1,711)	3,878	5,639	3,472
Total Special Education Cluster			(112,112)	203,669	163,397	71,840
Oregon School District:						
Carl Perkins Act Formula Allocation	84.048	2022-233934-DPI-CTE-400	-	6,602	6,602	-
TOTAL U.S. DEPARTMENT OF EDUCATION			(117,912)	463,853	440,488	71,840
<u><i>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i></u>						
Wisconsin Department of Health Services:						
School Based Services	93.778	Not Available	(2,047)	88,818	87,590	819
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			(2,047)	88,818	87,590	819
TOTALS			\$ (159,138)	\$ 1,507,393	\$ 1,486,309	\$ 115,347

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See notes to schedules of expenditures of federal and state awards.

NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2022

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Entity ID Number	(Accrued Receivable) Deferred Revenue July 1, 2021	Revenues State Reimbursements	Expenditures Grantor	Accrued Receivable (Deferred Revenue) June 30, 2022
<i>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</i>						
<i>Entitlement Programs</i>						
Special Education and School Age Parents Direct State Payments	255.101	233934-100	\$ -	\$ 414,721	\$ 414,721	\$ -
<i>Cost Reimbursement Programs</i>						
State Lunch	255.102	233934-107	-	14,226	14,226	-
Morning Milk	255.115	233934-109	-	310	310	-
State Breakfast	255.344	233934-108	-	11,743	11,743	-
Total Cost Reimbursement Programs			-	26,279	26,279	-
<i>Other Aids</i>						
General Equalization	255.201	233934-116	(101,765)	6,759,923	6,658,158	-
Common School Fund	255.103	233934-104	-	41,388	41,388	-
Pupil Transportation	255.107	233934-102	-	16,091	16,091	-
High Cost Special Education Aid	255.210	233934-119	-	51,460	51,460	-
Early College Credit Program	255.445	233934-178	-	505	505	-
High Cost Transportation Aid	255.947	233934-114	-	55,467	55,467	-
Per Pupil Adjustment Aid	255.945	233934-113	-	672,252	672,252	-
Educator Effectiveness Grant	255.940	233934-154	-	6,560	6,560	-
Assessments of Reading Readiness	255.956	233934-166	-	326	326	-
Special Education Transition Incentive Grants	255.960	233934-168	-	3,826	3,826	-
Total Other Aids			(101,765)	7,607,798	7,506,033	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			(101,765)	8,048,798	7,947,033	-
TOTALS			\$ (101,765)	\$ 8,048,798	\$ 7,947,033	\$ -

See notes to schedules of expenditures of federal and state awards.

NEW GLARUS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Note 1 Reporting Entity

The accompanying schedules of expenditures of Federal and State Awards include the federal and state grant activity of the New Glarus School District.

Note 2 Basis of Presentation

The accounting records for the grant programs are maintained on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

Note 3 Special Education and School Age Parents Program

2021-2022 eligible costs under the State Special Education Program are \$1,530,612.

Note 4 Food Distribution

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed (\$44,448).

Note 5 Medical Assistance

Expenditures presented for the Medicaid SBS Benefit represent only the federal funds for the program that the District receives from DHS. District records should be consulted to determine the total amount expended for this program.

Note 6 Subrecipients

No amounts were passed through to subrecipients.

Note 7 De Minimis Cost Rate

The District does not use an indirect cost rate.

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

* Material weakness identified? No

* Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weakness 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:

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

Dollar threshold for distinguishing Types A and B programs: \$750,000

Auditee qualified as low-risk auditee? No

State Awards

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

Internal control over major programs:

* Material weakness identified? No

* Significant deficiencies identified? None Reported

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

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

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

State Awards (Continued)

Identification of major state programs:

<u>ID Number</u>	<u>Name of State Program or Cluster</u>
255.201	Equalization Aid
255.101	Special Education and School Age Parents
255.945	Per Pupil Aid

Dollar threshold for distinguishing Types A and B programs: \$250,000

Section II – Financial Statement Findings

Finding #2022-001 – Segregation of Duties (This was a 2021 Finding)

Condition: The responsibility for the District's bookkeeping and accounting functions is assumed by a limited number of individuals.

Effect: Because of the lack of segregation of duties, individuals could mishandle receipts and disbursements.

Cause: The District has determined that hiring additional staff to perform separate accounting duties would be too costly.

Criteria: Good internal control necessitates a separation of duties regarding the handling and recording of cash receipts and cash disbursements.

Recommendation: The District should be aware of the need for separation of duties and provide for as much separation of duties as is feasible in the circumstances.

District's Response: Management of the District is aware of this deficiency and will continue to look for opportunities to strengthen this area. Segregation of duties is enhanced whenever possible and the Board of Education and management assumes an active role through monthly review of receipts and disbursements and monthly financial reports. In addition, the Board and management will continue to rely on its direct knowledge of daily operations and direct contact with employees to better control and safeguard assets.

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

Section II – Financial Statement Findings (Continued)

Finding #2022-002 – Material Audit Adjustments

Condition: During their audit procedures, the auditors proposed an audit adjustment that, if not made, would have resulted in the financial statements being materially misstated.

Effect: The District’s system of internal control may not prevent, detect, or correct misstatements in the financial statements.

Cause: The District does not prepare the financial statements and related footnote disclosures.

Criteria: Proper financial closing and year-end reconciliation procedures should be in place to identify and adjust the financial records to ensure the financial statements are fairly stated.

Recommendation: The auditor will continue to work with the District, providing information and training where needed, to make personnel more knowledgeable about different aspects of the financial statements. The auditor recommends that the District continue to review the various year-end processes and transactions necessary to close the financial records.

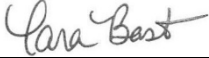
District’s Response: The District acknowledges their responsibility for the financial statements and recording of current year activity. Going forward, the District will verify that all activity is completely and accurately recorded in the financial records and reflected on the financial statements by audit fieldwork.

Section III – Federal and State Awards Findings and Questioned Costs

None

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

Section IV – Other Issues

- | | | |
|----|--|--|
| 1. | Does the auditor have substantial doubt as to the auditee’s ability to continue as a going concern? | No |
| 2. | Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| | Department of Health Services | No |
| | Department of Public Instruction | No |
| | Department of Administration | N/A |
| | Department of Justice | N/A |
| 3. | Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |
| 4. | Name and signature of partner | <div style="text-align: center;"> 
 <hr style="width: 20%; margin: 0 auto;"/> Tara Bast, CPA </div> |
| 5. | Date of report: | November 28, 2022 |

**NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

Finding #2021-001 - This is still a finding. See #2022-001

VI. **Adjourn**

PURSUANT TO APPLICABLE LAW, NOTICE IS HEREBY GIVEN THAT A QUORUM OR A MAJORITY OF THE NEW GLARUS SCHOOL DISTRICT BOARD MEMBERS MAY ATTEND THIS MEETING. INFORMATION PRESENTED AT THIS MEETING MAY HELP FORM THE RATIONALE BEHIND FUTURE ACTIONS THAT MAY BE TAKEN BY THE NEW GLARUS SCHOOL DISTRICT BOARD.

UPON REQUEST TO THE DISTRICT OFFICE, SUBMITTED TWENTY-FOUR (24) HOURS IN ADVANCE, THE DISTRICT SHALL MAKE REASONABLE ACCOMMODATIONS INCLUDING THE PROVISION OF INFORMATIONAL MATERIAL IN AN ALTERNATIVE FORMAT FOR A DISABLED PERSON TO BE ABLE TO ATTEND THIS MEETING.