

AGENDA

SCHOOL DISTRICT OF NEW GLARUS

BUDGET COMMITTEE MEETING

MONDAY, JANUARY 22, 2024

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

**HTTPS://US02WEB.ZOOM.US/J/89987140411?PWD=NFEYSVO5OFP00EK1SNLR
BITQB1NZUT09 BY PHONE USING 1-646-568-7788 MEETING ID 899 8714 0411 &**

PASSWORD 006649

1701 2ND STREET

NEW GLARUS, WISCONSIN 53574

6:30 PM

- I. Call to Order - Travis Zimmerman, Chair
- II. 2022-23 Audit

2



JOHNSON BLOCK
CPAs

NEW GLARUS SCHOOL DISTRICT

Financial Statements With
Independent Auditor's Report

For the Year Ended June 30, 2023

NEW GLARUS SCHOOL DISTRICT

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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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, 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

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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

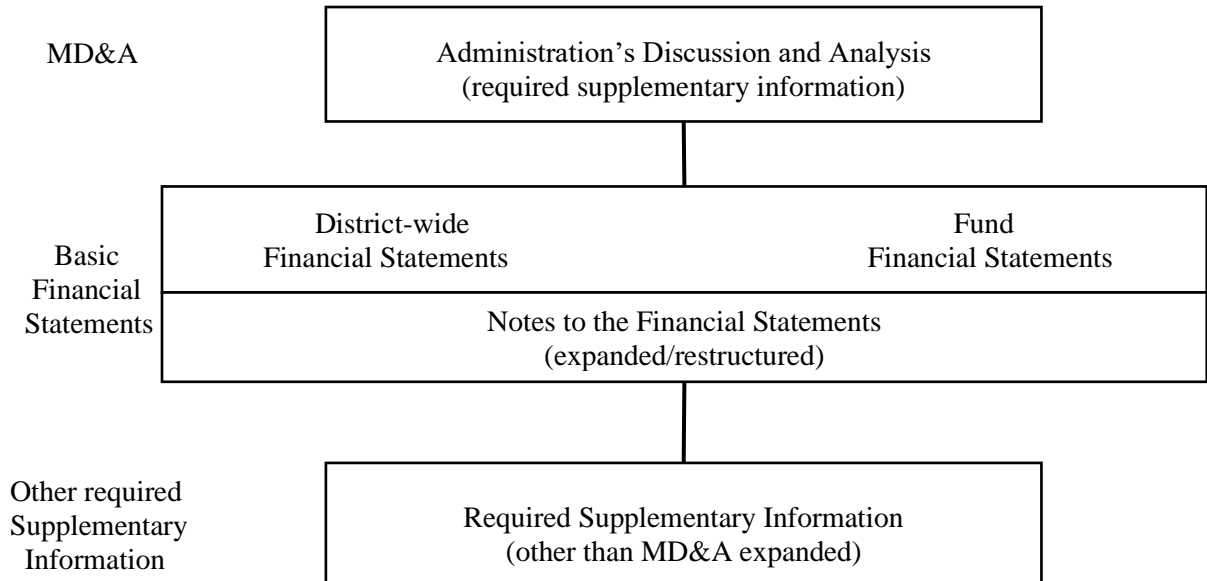
In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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.
December 12, 2023

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023.



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, 2023**

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, 2023**

Financial Analysis of the District as a Whole

**Table 1
Summary of Net Position**

	2023	2022
Assets		
Current Assets	\$ 7,666,765	\$ 7,213,068
Capital Assets	\$ 40,634,611	\$ 38,619,000
Less Accumulated Depreciation	(16,374,111)	(15,408,267)
Capital Assets, net book value	\$ 24,260,500	\$ 23,210,733
Restricted Assets	\$ 28,239,558	\$ 31,485,177
Total Assets	\$ 60,166,823	\$ 61,908,978
Deferred Outflows of Resources		
Deferred Pension and OPEB Outflows	\$ 7,710,435	\$ 6,306,540
Liabilities		
Current Liabilities	\$ 4,545,961	\$ 3,627,197
Long-term Liabilities	31,120,403	32,491,249
Total Liabilities	\$ 35,666,364	\$ 36,118,446
Deferred Inflows of Resources		
Deferred Pension and OPEB Inflows	\$ 4,571,846	\$ 7,566,812
Total Deferred Inflows of Resources	\$ 4,571,846	\$ 7,566,812
Net Position		
Net Investment in Capital Assets	\$ 20,329,553	\$ 17,826,832
Restricted	2,063,307	4,592,845
Unrestricted	5,246,188	2,110,583
Total Net Position	\$ 27,639,048	\$ 24,530,260

As indicated by the statement above, total net position is \$27,639,048. 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 \$40,634,611, 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 \$16,374,111. 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 \$28,348,310. As of June 30, 2023, unspent long-term debt proceeds amounted to \$26,335,397.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Financial Analysis of the District as a Whole (Continued)

Net position of \$276,614 is restricted for debt service, \$259,914 is restricted for the special revenue fund, \$939,072 is restricted for capital projects, \$528,329 is restricted for food service, \$538 is restricted for the common school fund carryover, \$9,779 is restricted for community service, and \$49,061 is restricted for the District's net supplemental pension asset. The remaining balance of \$5,246,188 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**

	2023		2022	
	Amount	% of Total	Amount	% of Total
Program Revenues:				
Charges for Service	\$ 574,893	3.0%	\$ 274,054	1.5%
Operating Grants and Contributions	2,715,212	14.0%	3,127,171	17.4%
Total Program Revenues	<u>3,290,105</u>	<u>17.0%</u>	<u>3,401,225</u>	<u>18.9%</u>
General Revenues:				
Property Taxes - general purposes	3,929,182	20.3%	3,626,186	20.2%
Property Taxes - debt purposes	3,825,288	19.7%	3,222,961	17.9%
State of Wisconsin Aid - unrestricted	7,553,402	39.0%	7,673,987	42.7%
Other	774,556	4.0%	34,816	0.2%
Total General Revenues	<u>16,082,428</u>	<u>83.0%</u>	<u>14,557,950</u>	<u>81.1%</u>
Total Revenues	<u>19,372,533</u>	<u>100.0%</u>	<u>17,959,175</u>	<u>100.0%</u>
Expenses:				
Instruction	8,255,471	50.9%	7,124,963	47.6%
Support Services	5,588,450	34.4%	4,936,539	33.0%
Non-Program Services	700,103	4.3%	674,927	4.5%
Interest on Debt	802,139	4.9%	1,285,978	8.6%
Depreciation-unallocated	887,695	5.5%	930,585	6.2%
Total Expenses	<u>16,233,858</u>	<u>100.0%</u>	<u>14,952,992</u>	<u>100.0%</u>
Increase (Decrease) in Net Position				
Before Special Items	3,138,675		3,006,183	
Special Items -				
Gain (Loss) on Disposal	<u>(29,887)</u>		<u>(29,654)</u>	
Change in Net Position	<u>\$ 3,108,788</u>		<u>\$ 2,976,529</u>	

As indicated above, net position increased \$3,108,788.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Financial Aspects of the District's Funds

The general fund had a net increase in fund balance of \$563,221. 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 \$1,024,718. The decrease was due construction project expenditures incurred.

The debt service fund had a net decrease in fund balance of \$29,546. The decrease was due to the prepayment of debt.

The special revenue fund had a net decrease in fund balance of \$613. The decrease 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 \$5,277. The increase was due to increased meal participation from families because of higher federal reimbursements. 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 \$1,400. The decrease was due to the use of fund balance for community events.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2023 and 2022, the District had \$40,297,488 and \$38,619,000 invested in a broad range of capital assets, including land, buildings, furniture and equipment, respectively.

	<u>2023</u>	<u>2022</u>
Capital Assets		
Land	\$ 1,561,935	\$ 1,561,935
Construction in Progress	2,806,804	1,128,316
Buildings	28,051,425	27,955,525
Furniture and Equipment	8,214,447	7,973,224
Subtotal	<u>40,634,611</u>	<u>38,619,000</u>
Less Accumulated Depreciation	<u>(16,374,111)</u>	<u>(15,408,267)</u>
	<u>\$ 24,260,500</u>	<u>\$ 23,210,733</u>

There was a net increase in capital assets of \$1,049,767 from last year. Depreciation expense for the year was \$969,499.

**NEW GLARUS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Debt

At the end of this year, the District had \$28,255,000 in general obligation bonds and notes outstanding. This is a net decrease of \$2,935,000. The net decrease is a result of the combination of scheduled principal payments of debt and a cash defeasance.

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
- Discontinuation of ESSER funding
- Passage of operational referendum
- Overall inflating 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.

BASIC FINANCIAL STATEMENTS

**New Glarus School District
New Glarus, Wisconsin
Statement of Net Position
June 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 5,141,398
Receivables:	
Taxes	2,149,850
Accounts	37,996
Due from Other Governments	329,115
Inventories	8,406
Total Current Assets	<u>7,666,765</u>
Capital Assets:	
Land and Construction in Progress	4,368,739
Depreciable Assets	36,265,872
Less: Accumulated Depreciation	(16,374,111)
Net Capital Assets	<u>24,260,500</u>
Restricted Assets:	
Restricted Cash and Investments	28,190,497
Net Pension Asset - Supplemental Pension	49,061
Total Restricted Assets	<u>28,239,558</u>
Total Assets	<u>60,166,823</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows - WRS	7,458,014
Deferred Pension Outflows - Supplemental Pension	78,100
Deferred Other Post-Employment Benefit Outflows - Life Insurance	174,321
Total Deferred Outflows of Resources	<u>7,710,435</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 67,877,258</u></u>

See accompanying notes to the financial statements.

New Glarus School District
New Glarus, Wisconsin
Statement of Net Position
June 30, 2023

	Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 1,201,036
Accrued Liabilities:	
Payroll and Related Items	1,326,535
Interest	206,985
Due to Other Governments	1,739
Deposits - Food Service Receipts	21,356
Current Portion of Long-Term Obligations	1,788,310
Total Current Liabilities	4,545,961
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations	28,759,268
Net Pension Liability - WRS	2,046,942
Net Other Post-Employment Benefit Liability - Life Insurance	314,193
Total Noncurrent Liabilities	31,120,403
Total Liabilities	35,666,364
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Inflows - WRS	4,285,895
Deferred Pension Inflows - Supplemental Pension	51,533
Deferred Other Post-Employment Benefit Inflows - Life Insurance	234,418
Total Deferred Inflows of Resources	4,571,846
NET POSITION	
Net Investment in Capital Assets	20,329,553
Restricted for:	
Capital Projects Fund	939,072
Debt Service Fund	276,614
Special Revenue Fund - Nonexpendable	10,000
Special Revenue Fund - Expendable	249,914
Common School Fund Carryover	538
Food Service Fund	528,329
Community Service Fund	9,779
Net Pension Assets	49,061
Unrestricted	5,246,188
Total Net Position	27,639,048
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 67,877,258

See accompanying notes to the financial statements.

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

**Statement of Activities
For the Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue</u>
				<u>Total Governmental Activities</u>
Governmental Activities				
Instruction				
Undifferentiated Curriculum	\$ 2,428,792	\$ 14,384	\$ 131,968	\$ (2,282,440)
Regular Instruction	3,404,656	97,718	851,506	(2,455,432)
Vocational Instruction	374,331	5,983	5,225	(363,123)
Physical Instruction	285,629	-	-	(285,629)
Special Instruction	1,395,869	-	629,203	(766,666)
Co-Curricular Activities	359,694	5,135	183,455	(171,104)
Other Special Needs	6,500	-	-	(6,500)
Total Instruction	<u>8,255,471</u>	<u>123,220</u>	<u>1,801,357</u>	<u>(6,330,894)</u>
Support Services				
Pupil Services	553,305	-	16,113	(537,192)
Instructional Staff Service	923,061	-	396,356	(526,705)
General Administration	421,042	-	-	(421,042)
Building Administration	741,376	-	23,085	(718,291)
Business Services	1,583,205	-	16,692	(1,566,513)
Central Services	41,954	-	15,020	(26,934)
Insurance and Judgments	131,898	-	-	(131,898)
Interest	802,139	-	-	(802,139)
Other Support Services	470,124	-	69,965	(400,159)
Food Service	722,485	451,673	281,838	11,026
Unallocated Depreciation	887,695	-	-	(887,695)
Total Support Services	<u>7,278,284</u>	<u>451,673</u>	<u>819,069</u>	<u>(6,007,542)</u>
Non-Program Services				
Other Non-Program Services	700,103	-	94,786	(605,317)
Total Non-Program	<u>700,103</u>	<u>-</u>	<u>94,786</u>	<u>(605,317)</u>
Total Governmental Activities	<u>\$ 16,233,858</u>	<u>\$ 574,893</u>	<u>\$ 2,715,212</u>	<u>(12,943,753)</u>

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	3,929,182
Property Taxes, Levied for Debt Service	3,825,288
Federal and State Aid not Restricted to Specific Purpose	7,553,402
Interest and Investment Earnings	730,473
Miscellaneous	44,083
Total General Revenues	<u>16,082,428</u>
Special Item - Gain (Loss) on Disposal	<u>(29,887)</u>
Change in Net Position	3,108,788
Net Position - beginning of year	24,530,260
Net Position - ending	<u>\$ 27,639,048</u>

See accompanying notes to the financial statements.

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

**Balance Sheet
Governmental Funds
June 30, 2023**

	<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	\$ 3,794,161	\$ 483,599	\$ -	\$ 863,638	\$ 5,141,398
Restricted Cash and Investments	-	-	28,190,497	-	28,190,497
Receivables:					
Taxes	2,149,850	-	-	-	2,149,850
Accounts	11,108	-	-	13,442	24,550
Other	-	-	-	13,446	13,446
Due from Other Funds	9,921	-	-	8,550	18,471
Due from Other Governments	322,377	-	-	6,738	329,115
Inventories	-	-	-	8,406	8,406
Total Assets	<u>\$ 6,287,417</u>	<u>\$ 483,599</u>	<u>\$ 28,190,497</u>	<u>\$ 914,220</u>	<u>\$ 35,875,733</u>
LIABILITIES					
Accounts Payable	\$ 209,262	\$ -	\$ 916,028	\$ 75,746	\$ 1,201,036
Accrued Liabilities	1,325,766	-	-	769	1,326,535
Due to Other Governments	1,739	-	-	-	1,739
Due to Other Funds	8,550	-	-	9,921	18,471
Deposits	-	-	-	21,356	21,356
Total Liabilities	<u>1,545,317</u>	<u>-</u>	<u>916,028</u>	<u>107,792</u>	<u>2,569,137</u>
FUND BALANCES					
Nonspendable	-	-	-	18,406	18,406
Restricted	538	483,599	27,274,469	788,022	28,546,628
Assigned	22,024	-	-	-	22,024
Unassigned	4,719,538	-	-	-	4,719,538
Total Fund Balances	<u>4,742,100</u>	<u>483,599</u>	<u>27,274,469</u>	<u>806,428</u>	<u>33,306,596</u>
Total Liabilities and Fund Balances	<u>\$ 6,287,417</u>	<u>\$ 483,599</u>	<u>\$ 28,190,497</u>	<u>\$ 914,220</u>	<u>\$ 35,875,733</u>

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See accompanying notes to the financial statements.

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

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2023**

Total fund balance, governmental funds	\$	33,306,596
<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>		24,260,500
<p>The net pension assets are not current financial resources and are, therefore, not reported in the fund statements.</p>		49,061
<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		(1,918,035)
<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 and OPEB 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		7,710,435
Deferred inflows of resources		(4,571,846)
<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		(28,255,000)
Financed Purchase Arrangements		(93,310)
Accrued Interest on Long-Term Debt		(206,985)
Compensated Absences		(281,233)
Net Pension Liability - WRS		(2,046,942)
Net Other Post-Employment Benefit Liability - Life Insurance		(314,193)
Net Position of Governmental Activities in the Statement of Net Position	\$	27,639,048

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, 2023**

	<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	\$ 4,137,131	\$ 3,831,772	\$ 513,247	\$ 615,765	\$ 9,097,915
Interdistrict	1,051,272	-	-	-	1,051,272
Intermediate	8,065	-	-	-	8,065
State	7,789,404	-	-	13,224	7,802,628
Federal	959,715	-	-	268,614	1,228,329
Other	44,084	-	145,683	-	189,767
Total Revenues	<u>13,989,671</u>	<u>3,831,772</u>	<u>658,930</u>	<u>897,603</u>	<u>19,377,976</u>
EXPENDITURES					
Current Expenditures					
Instruction					
Undifferentiated Curriculum	2,295,227	-	-	-	2,295,227
Regular Instruction	3,208,233	-	-	2,967	3,211,200
Vocational Instruction	349,987	-	-	321	350,308
Physical Instruction	269,737	-	-	-	269,737
Special Instruction	1,322,433	-	-	-	1,322,433
Co-Curricular Activities	195,999	-	-	159,106	355,105
Other Special Needs	2,736	-	-	-	2,736
Total Instruction	<u>7,644,352</u>	<u>-</u>	<u>-</u>	<u>162,394</u>	<u>7,806,746</u>
Support Services					
Pupil Services	523,263	-	-	-	523,263
Instructional Staff Services	886,832	-	-	-	886,832
General Administration	403,023	-	-	-	403,023
Building Administration	699,790	-	-	-	699,790
Business Services	1,666,880	-	-	2,921	1,669,801
Central Services	90,391	-	-	-	90,391
Insurance and Judgments	131,898	-	-	-	131,898
Other Support Services	444,367	-	-	-	444,367
Food Service	-	-	-	712,306	712,306
Total Support Services	<u>4,846,444</u>	<u>-</u>	<u>-</u>	<u>715,227</u>	<u>5,561,671</u>
Non-Program Services					
Total Current Expenditures	<u>13,190,109</u>	<u>-</u>	<u>-</u>	<u>878,411</u>	<u>14,068,520</u>
Principal and Interest	97,072	3,861,318	-	-	3,958,390
Capital Outlay	139,269	-	1,683,648	15,928	1,838,845
Total Expenditures	<u>13,426,450</u>	<u>3,861,318</u>	<u>1,683,648</u>	<u>894,339</u>	<u>19,865,755</u>
Net Change in Fund Balances	563,221	(29,546)	(1,024,718)	3,264	(487,779)
Fund Balances - Beginning	4,178,879	513,145	28,299,187	803,164	33,794,375
Fund Balances - Ending	<u>\$ 4,742,100</u>	<u>\$ 483,599</u>	<u>\$ 27,274,469</u>	<u>\$ 806,428</u>	<u>\$ 33,306,596</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, 2023**

Net change in fund balances - total governmental funds: \$ (487,779)

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 (\$2,054,595) were greater than depreciation (\$969,499) in the current period. 1,085,096

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: 2,935,000

The amount of financed purchase arrangements principal payments in the current year is: 91,301

Amortization of debt premium 110,301

Loss on disposal of capital assets (35,330)

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 (40,985)

Change in supplemental pension liability and related deferred outflows and inflows of resources (10,034)

Change in compensated absences 13,805

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 19,650

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 (\$448,426) into the WRS defined benefit pension plan that were less than the actuarially determined (\$1,020,663) change in net pension asset/liability between years, with adjustments. (572,237)

Change in net position of governmental activities \$ 3,108,788

See accompanying notes ²¹to the financial statements.

New Glarus School District
New Glarus, Wisconsin

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Benefit Trust</u> <u>Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 453,961
Total Assets	<u>\$ 453,961</u>
NET POSITION	
Restricted	\$ 453,961
Total Net Position	<u>\$ 453,961</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, 2023**

	<u>Benefit Trust Fund</u>
ADDITIONS	
Contributions	\$ 7,880
Interest	19,710
Net Unrealized Investment Gain	19,693
Total Additions	47,283
DEDUCTIONS	
Support Services	2,133
Benefits Paid	47,974
Total Deductions	50,107
Change in Net Position	(2,824)
Net Position - Beginning	456,785
Net Position - Ending	\$ 453,961

See accompanying notes to the financial statements.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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

B. 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, 2023

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, 2023

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 period in which the funds are first permitted to be used. 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. Resources that are received prior to incurring qualifying expenditures are reported as a liability and recognized as revenue in subsequent periods when eligibility requirements have been met.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023

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, 2023

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 (WRS). See Note 7a for additional information.

The fiduciary net position of the WRS has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes 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 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, 2023

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). 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, 2023

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. \$8,406 of the amount reported as nonspendable at June 30, 2023 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, 2023

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, 2022, the District adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The District determines if an arrangement contains a SBITA at inception based on whether the District has the right to control the information technology during the contract period and other facts and circumstances. The adoption of GASB Statement No. 96 did not have a material impact on the District's financial statements. No material SBITA were included in this report.

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, 2023

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, 2023 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, 2023 were comprised of the following:

<u>Depository:</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Associated Risk</u>
Local Financial Institutions	\$ 3,819,698	\$ 3,854,728	Custodial credit risk
WISC			
Government Securities	15,030,912	15,030,912	Custodial credit risk, interest rate risk and credit risk
Certificates of Deposit	723,300	723,300	Custodial credit risk, interest rate risk and credit risk
Money Markets and Savings	13,757,359	13,757,359	Interest rate risk and credit risk
Petty Cash	625	625	
Other Cash and Investments:			
Equity Investments	246,322	246,322	Interest rate risk and credit risk
Fixed Income Investments	202,377	202,377	Interest rate risk and credit risk
Cash Equivalent Investments	5,263	5,263	Custodial credit risk
Total June 30, 2023	<u>\$ 33,785,856</u>	<u>\$ 33,820,886</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	\$ 5,141,398
Restricted Cash and Investments	28,190,497
Per statement of fiduciary net position	
Cash and Cash Equivalents	453,961
Total	<u>\$ 33,785,856</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023, 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
Equity - Exchange Traded Funds	Not Rated	\$ 246,322	\$ 246,322	\$ -	\$ -
Fixed Income - Exchange Traded Funds	Varies - Not rated to AAA	202,377	-	34,984	167,393
Government Securities	Varies - Not rated to AAA	15,030,912	14,959,817	71,095	-
Certificates of Deposit	Not Rated	723,300	497,300	226,000	-
		<u>\$ 16,202,911</u>	<u>\$ 15,703,439</u>	<u>\$ 332,079</u>	<u>\$ 167,393</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023, the District's deposits with financial institutions were exposed to custodial credit risk as follows:

Insured by FDIC & State Coverage	\$	1,695,088
Insured by irrevocable letters of credit*	\$	2,954,036
Uninsured and uncollateralized	\$	-

*The District's irrevocable letters of credit amount to \$10,000,000 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, 2023

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, 2023	
	Fair Value	Level 1
Equity - Exchange Traded Funds	\$ 246,322	\$ 246,322
Fixed Income - Exchange Traded Funds	202,377	202,377
Government Securities	15,030,912	15,030,912
Totals	\$ 15,479,611	\$ 15,479,611

5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 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	1,128,316	1,678,488	-	2,806,804
Total Capital Assets not being depreciated	2,690,251	1,678,488	-	4,368,739
Capital Assets being depreciated				
Buildings and improvements	27,955,525	95,900	-	28,051,425
Furniture and equipment	7,973,224	280,207	(38,984)	8,214,447
Total Capital Assets being depreciated	35,928,749	376,107	(38,984)	36,265,872
Less Accumulated Depreciation	(15,408,267)	(969,499)	3,655	(16,374,111)
Total Capital Assets being depreciated, net of accumulated depreciation	20,520,482	(593,392)	(35,329)	19,891,761
Governmental activities Capital Assets, net of accumulated depreciation	\$ 23,210,733	\$ 1,085,096	\$ (35,329)	\$ 24,260,500

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

5. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$	13,864
Vocational instruction		3,774
Special education instruction		38
Other instruction		3,542
Pupil services		293
Instructional staff services		9,158
Building administration		93
Business services		40,090
Central services		773
Food service		10,179
Depreciation not charged to a specific function		887,695
Total depreciation for governmental activities	\$	<u><u>969,499</u></u>

6. Long-term Obligations

Long-term obligation balances and activity for the year ended June 30, 2023 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	\$ 31,190,000	\$ -	\$ 1,630,000	\$ (1,305,000)	\$ 28,255,000	\$ 1,695,000
Total Governmental Activities						
General Obligation Debt	31,190,000	-	1,630,000	(1,305,000)	28,255,000	1,695,000
Premium on Debt	2,028,336	-	110,301	-	1,918,035	-
Financed Purchase Arrangements	184,611	-	91,301	-	93,310	93,310
Compensated Absences	295,038	-	13,805	-	281,233	-
 Total Long-Term Obligations	 <u>\$ 33,697,985</u>	 <u>\$ -</u>	 <u>\$ 1,845,407</u>	 <u>\$ (1,305,000)</u>	 <u>\$ 30,547,578</u>	 <u>\$ 1,788,310</u>

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

	<u>Expense</u>	<u>Paid</u>
Interest on Long-Term Debt	<u>\$ 890,344</u>	<u>\$ 909,994</u>

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, 2023

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, 2023 is comprised of the following individual issues:

Description	Issue Dates	Interest Rate %	Dates of Maturity	Balance 6/30/2023	Amount Due Within One Year
GO School Improvement Bonds	3/5/2012	2.0-2.65%	4/1/2029	\$ 3,360,000	\$ 515,000
GO Refunding Bonds	5/18/2016	2.0-3.0%	4/1/2031	1,400,000	55,000
GO Refunding Bonds	7/13/2021	1.625-5.0%	4/1/2040	23,495,000	1,125,000
Total General Obligation Debt				<u>\$ 28,255,000</u>	<u>\$ 1,695,000</u>

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

Year Ended June 30,	G.O. Bonds	
	Principal	Interest
2024	\$ 1,695,000	\$ 814,888
2025	1,765,000	733,638
2026	1,840,000	661,100
2027	1,915,000	585,126
2028	2,000,000	505,850
2029-2033	9,125,000	1,522,812
2034-2038	7,230,000	686,076
2039-2041	2,685,000	76,800
Totals	<u>\$ 28,255,000</u>	<u>\$ 5,586,290</u>

The 2022 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$702,977,238. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with §67.03(1)(b) of the Wisconsin statutes follows:

Debt Limit (10% of \$702,977,238)	\$ 70,297,724
Deduct long-term debt applicable to debt margin	<u>28,255,000</u>
Margin of indebtedness	<u>\$ 42,042,724</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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 entire amount of defeased debt totaling \$645,000 was called on the April 1, 2022 early redemption date. The risk-free monetary assets of the trust cannot be replaced.

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, 2023 is \$3,925,000. The entire amount of defeased debt will be called on the April 1, 2024 early redemption date. The risk-free monetary assets of the trust cannot be replaced.

Lastly, the District issued general obligation refunding bonds in 2022. In 2022 and 2023, 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, 2023 is \$2,000,000. The entire amount of defeased debt will be called on the April 1, 2028 early redemption date. The risk-free monetary assets of the trust cannot be replaced.

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, 2023 are as follows:

Year Ended June 30, 2024	<u>\$ 97,072</u>
Total minimum payments	97,072
Less: Amount representing interest	<u>3,762</u>
Present value of net minimum payments	<u><u>\$ 93,310</u></u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023

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 (%)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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

During the reporting period, the WRS recognized \$448,426 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

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

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023, the District reported a liability (asset) of \$2,046,942 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.03863829%, which was a decrease of 0.00058508% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,044,368.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,260,144	\$ (4,283,098)
Net differences between projected and actual earnings on pension plan investments	3,477,282	-
Changes in assumptions	402,513	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,159	(2,797)
Employer contributions subsequent to the measurement date	304,916	-
Total	\$ 7,458,014	\$ (4,285,895)

\$304,916 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, 2024.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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
2024	\$ 121,313
2025	593,770
2026	609,817
2027	1,542,303
2028	-
Total	\$ 2,867,203

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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 Returns¹
As of December 31, 2022

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	<u>115</u>	7.4	4.8
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	<u>100</u>	7.7	5.1

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

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

³The 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, 2023

7. Employee Pension Plans (Continued)

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

Single Discount Rate. A single discount rate of 6.80% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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)	\$ 6,793,734	\$ 2,046,942	\$ (1,218,443)

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, 2023

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, 2022 (the measurement date), the following employees were covered by the benefit terms:

Retirees eligible and receiving benefits	5
Active teachers fully eligible	10
Active teachers not fully eligible	28
Total	<u>43</u>

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 \$7,880 to the trust.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

Net Pension Liability (Asset)

The District's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	30 year Level %
Discount Rate	5.00%
Amortization Growth Rate	3.00%
Inflation	2.50%

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 2021 using the WRS experience from 2018-2020.

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	2.00%	53%
Fixed Income	3.80%	46%
Cash	1.41%	1%

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 5.00%, 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 (Asset) (a) - (b)
Balances at June 30, 2021	\$ 307,161	\$ 370,292	\$ (63,131)
Changes for the year:			
Service cost	16,273	-	16,273
Interest	6,920	-	6,920
Differences between expected and actual experience	(670)	-	(670)
Changes of assumptions or other input	(31,236)	-	(31,236)
Contributions - employer	-	31,712	(31,712)
Net investment income	-	(52,878)	52,878
Benefit payments	(15,501)	(15,501)	-
Administrative expenses	-	(1,617)	1,617
Net changes	(24,214)	(38,284)	14,070
Balances at June 30, 2022	<u>\$ 282,947</u>	<u>\$ 332,008</u>	<u>\$ (49,061)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability of the District, calculated using the discount rate of 5.00 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 (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease to Discount Rate (4.0%)	Current Discount Rate (5.0%)	1% Increase to Discount Rate (6.0%)
District's net supplemental pension liability (asset)	\$ (36,869)	\$ (49,061)	\$ (60,942)

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, 2023

7. Employee Pension Plans (Continued)

7b) Supplemental Pension Stipend Benefit (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of \$17,914. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,462	\$ (18,777)
Changes of assumptions	25,386	(32,756)
Net difference between projected and actual earnings on pension plan investments	17,372	-
District contributions subsequent to the measurement date	7,880	-
Total	\$ 78,100	\$ (51,533)

\$7,880 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, 2024.

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
2024	\$ 2,429
2025	3,407
2026	4,230
2027	13,930
2028	1,656
Thereafter	(6,965)
Total	\$ 18,687

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023 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, 2023

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, 2022 are as listed on the below:

Life Insurance
Employee Contribution Rates*
For the year ended December 31, 2022

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 \$1,654 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, 2023, the District reported a liability (asset) of \$314,193 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net 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, 2022, the District's proportion was 0.082469%, which was a decrease of 0.004592% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$42,604.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

8. Other Post-Employment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (30,749)
Net differences between projected and actual earnings on plan investments	5,896	-
Changes in actuarial assumptions	112,883	(185,459)
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,717	(18,210)
Employer contributions subsequent to the measurement date	825	-
Totals	\$ 174,321	\$ (234,418)

\$825 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, 2024. 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:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 4,756
2025	2,214
2026	5,301
2027	(13,454)
2028	(28,511)
Thereafter	(31,228)
Total	\$ (60,922)

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

8. Other Post-Employment Benefits (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
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:*	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
*Based on the Bond Buyers GO Index.	

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 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.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
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, 2023

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 remained unchanged from the prior year at 2.30%.

Single Discount Rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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 3.76 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 (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
District's proportionate share of the net OPEB liability (asset)	\$ 428,368	\$ 314,193	\$ 226,690

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on June 30, 2023 were as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Special Revenue	General Fund	\$ 9,921	Operations
Subtotal - Major Funds		<u>9,921</u>	
General Fund	Special Revenue	8,550	Operations
Subtotal - Non-Major Funds		<u>8,550</u>	
Subtotal - Fund Financial Statements		18,471	
Less: Fund Eliminations		<u>(18,471)</u>	
Total - Government-Wide Statements		<u>\$ -</u>	

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, 2023, the general fund transferred \$1,248,183 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 of June 30, 2023 as reported in the fund financial statements by category:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Food Service</u>	<u>Special Revenue</u>	<u>Community Service</u>	<u>Capital Projects</u>	<u>Total</u>
Fund Balances:							
<u>Nonspendable:</u>							
Inventory	\$ -	\$ -	\$ 8,406	\$ -	\$ -	\$ -	\$ 8,406
Corpus of Permanent Fund	-	-	-	10,000	-	-	10,000
<u>Restricted for:</u>							
Food Service	-	-	528,329	-	-	-	528,329
Debt Service Reserve	-	483,599	-	-	-	-	483,599
Community Service	-	-	-	-	9,779	-	9,779
Donor Restrictions	-	-	-	249,914	-	-	249,914
Capital Projects	-	-	-	-	-	27,274,469	27,274,469
Common School Fund Carryover	538	-	-	-	-	-	538
<u>Assigned to:</u>							
Budget Carryover	22,024	-	-	-	-	-	22,024
<u>Unassigned:</u>							
Cash Flow Purposes	2,000,000	-	-	-	-	-	2,000,000
Unassigned	2,719,538	-	-	-	-	-	2,719,538
Total Fund Balances	<u>\$ 4,742,100</u>	<u>\$ 483,599</u>	<u>\$ 536,735</u>	<u>\$ 259,914</u>	<u>\$ 9,779</u>	<u>\$ 27,274,469</u>	<u>\$ 33,306,596</u>

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Operating Leases

GASB Statement No. 87, Leases (GASB 87), is in effect for the District's financial statements for the year ended June 30, 2023. 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, 2023. 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,	
2024	\$ 6,976
2025	<u>6,143</u>
	<u><u>\$ 13,119</u></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

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, 2023, construction, engineering, and architectural contracts were in place totaling \$29,195,616. Total costs incurred as of June 30, 2023 related to the new school building and improvement project contracts was \$2,760,060. These costs are currently reported as construction in progress on the statement of net position.

NEW GLARUS SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

14. Commitments (Continued)

Additionally, in June 2023, the District approved a finance purchase agreement for six new buses totaling \$605,838. The buses are not to be delivered to the District until August 2024.

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

The GASB has adopted GASB Statement No. 101, Compensated Absences, effective for periods beginning after December 15, 2023. When this becomes effective, application of these standards may restate portions of these financial statements.

16. Subsequent Events

In November 2023, the District approved a contract commitment related to the construction of a new athletics complex. The total contract sum is \$4,025,000.

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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 4,022,155	\$ 4,022,155	\$ 4,137,131	\$ 114,976
Interdistrict	1,044,486	1,044,486	1,051,272	6,786
Intermediate	-	-	8,065	8,065
State	7,229,611	7,229,611	7,254,946	25,335
Federal	468,381	468,381	750,938	282,557
Other	36,000	36,000	44,084	8,084
Total Revenues	<u>12,800,633</u>	<u>12,800,633</u>	<u>13,246,436</u>	<u>445,803</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Undifferentiated Curriculum	2,643,491	2,643,491	2,295,227	348,264
Regular Instruction	3,201,594	3,201,594	3,208,233	(6,639)
Vocational Instruction	367,624	367,624	349,987	17,637
Physical Instruction	278,164	278,164	269,737	8,427
Co-curricular Activities	208,118	208,118	195,999	12,119
Other Special Needs	6,500	6,500	2,736	3,764
Support Service				
Pupil Services	380,980	380,980	307,878	73,102
Instructional Staff Services	609,561	609,561	700,183	(90,622)
General Administration Services	387,120	387,120	403,023	(15,903)
Business Administration Services	722,807	722,807	699,790	23,017
Business Services	1,520,742	1,520,742	1,613,901	(93,159)
Central Services	70,206	70,206	80,984	(10,778)
Insurance and Judgments	133,366	133,366	131,898	1,468
Other Support Services	455,986	455,986	444,367	11,619
Non-Program Services	409,948	409,948	494,748	(84,800)
Debt Service	97,073	97,073	97,072	1
Capital Outlay	190,000	190,000	139,269	50,731
Total Expenditures	<u>11,683,280</u>	<u>11,683,280</u>	<u>11,435,032</u>	<u>248,248</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,117,353</u>	<u>1,117,353</u>	<u>1,811,404</u>	<u>694,051</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,292,353)</u>	<u>(1,292,353)</u>	<u>(1,248,183)</u>	<u>44,170</u>
Total Other Financing Sources (Uses)	<u>(1,292,353)</u>	<u>(1,292,353)</u>	<u>(1,248,183)</u>	<u>44,170</u>
Net Change in Fund Balance	(175,000)	(175,000)	563,221	738,221
Fund Balance - Beginning	4,178,879	4,178,879	4,178,879	-
Fund Balance - Ending	<u>\$ 4,003,879</u>	<u>\$ 4,003,879</u>	<u>\$ 4,742,100</u>	<u>\$ 738,221</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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State	\$ 484,184	\$ 484,184	\$ 534,458	\$ 50,274
Federal	278,391	278,391	208,777	(69,614)
Total Revenues	<u>762,575</u>	<u>762,575</u>	<u>743,235</u>	<u>(19,340)</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Special Instruction	1,355,824	1,355,824	1,322,433	33,391
Support Service				
Pupil Services	221,264	221,264	215,385	5,879
Instructional Staff Services	227,055	227,055	186,649	40,406
Business Services	31,642	31,642	52,979	(21,337)
Central Services	5,000	5,000	9,407	(4,407)
Non-Program Services	214,143	214,143	204,565	9,578
Total Expenditures	<u>2,054,928</u>	<u>2,054,928</u>	<u>1,991,418</u>	<u>63,510</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,292,353)</u>	<u>(1,292,353)</u>	<u>(1,248,183)</u>	<u>44,170</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,292,353	1,292,353	1,248,183	(44,170)
Total Other Financing Sources and Uses	<u>1,292,353</u>	<u>1,292,353</u>	<u>1,248,183</u>	<u>(44,170)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2023**

	<u>General Fund</u>	<u>Special Education Fund</u>
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 13,246,436	\$ 743,235
Reclassification: Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>743,235</u>	<u>(743,235)</u>
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 13,989,671</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	\$ 11,435,032	\$ 1,991,418
Reclassification: Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>1,991,418</u>	<u>(1,991,418)</u>
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 13,426,450</u>	<u>\$ -</u>

**NEW GLARUS SCHOOL DISTRICT
WISCONSIN RETIREMENT SYSTEM SCHEDULES
June 30, 2023**

**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)
2022	0.03863829%	\$ 2,046,942	\$ 6,898,860	29.67%	95.72%
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
2023	\$ 471,660	\$ (471,660)	\$ -	\$ 7,049,245	6.69%
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, 2023

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
<u>Total Pension Liability</u>									
Service Cost	\$ 16,273	\$ 15,915	\$ 14,894	\$ 13,860	\$ 13,935	\$ 14,993	\$ 11,942	\$ 11,942	\$ 11,942
Interest	6,920	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	(31,236)	-	7,606	3,331	(2,899)	(6,608)	38,662	-	-
Differences Between Expected and Actual Experience	(670)	-	(16,722)	-	(11,100)	-	59,508	-	-
Benefit Payments	(15,501)	(9,834)	(4,167)	(14,499)	(20,167)	(25,834)	(22,666)	(54,224)	(44,045)
Net Change in Total Pension Liability (Assets)	(24,214)	12,773	11,693	12,801	(10,525)	(8,931)	97,692	(31,188)	(19,649)
Total Pension Liability - Beginning	307,161	294,388	282,695	269,894	280,419	289,350	191,658	222,846	242,495
Total Pension Liability - Ending (a)	<u>\$ 282,947</u>	<u>\$ 307,161</u>	<u>\$ 294,388</u>	<u>\$ 282,695</u>	<u>\$ 269,894</u>	<u>\$ 280,419</u>	<u>\$ 289,350</u>	<u>\$ 191,658</u>	<u>\$ 222,846</u>
<u>Fiduciary Net Position</u>									
Contributions - Employer	\$ 31,712	\$ 77,810	\$ 22,616	\$ 21,819	\$ 19,152	\$ 19,028	\$ 6,772	\$ 32,288	\$ 72,288
Other	-	-	-	-	-	-	-	-	25,953
Net Investment Income	(52,878)	54,844	12,106	12,511	10,823	15,079	2,103	502	6,895
Benefit Payments	(15,501)	(9,834)	(4,167)	(14,499)	(20,167)	(25,834)	(22,666)	(54,224)	(44,045)
Fund Transfer	-	-	-	-	-	-	(120,000)	-	-
Administrative Expense	(1,617)	(1,285)	(981)	(1,123)	(1,146)	(1,385)	(2,256)	-	-
Net Change in Fiduciary Net Position	(38,284)	121,535	29,574	18,708	8,662	6,888	(136,047)	(21,434)	61,091
Fiduciary Net Position - Beginning	370,292	248,757	219,183	200,475	191,813	184,925	320,972	342,406	281,315
Fiduciary Net Position - Ending (b)	<u>\$ 332,008</u>	<u>\$ 370,292</u>	<u>\$ 248,757</u>	<u>\$ 219,183</u>	<u>\$ 200,475</u>	<u>\$ 191,813</u>	<u>\$ 184,925</u>	<u>\$ 320,972</u>	<u>\$ 342,406</u>
<u>Net Pension Liability (Asset)</u>									
Net Pension Liability (Asset) - (a) - (b)	\$ (49,061)	\$ (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	117.34%	120.55%	84.50%	77.53%	74.28%	68.40%	63.91%	167.47%	153.65%
Covered Payroll	\$ 2,607,201	\$ 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	-1.88%	-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, 2023**

	<u>2023</u>	<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)**	\$ 7,880	\$ 40,703	\$ 39,517	\$ 22,474	\$ 21,819	\$ 19,599	\$ 19,028	\$ 6,772	\$ 6,772
Contributions in Related to the ADC**	7,880	31,712	77,810	22,616	21,819	19,152	19,028	6,772	32,288
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 8,991</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	\$ 2,607,201	\$ 2,607,201	\$ 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	0.30%	1.22%	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, 2023**

**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)
2022	0.08246900%	\$ 314,193	\$ 3,975,000	7.90%	38.81%
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
2023	\$ 1,625	\$ (1,625)	\$ -	\$ 3,937,000	0.04%
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, 2023**

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, 2023:

Fund	Function	Amount
General	Regular Instruction	\$ 6,639
General	Instructional Staff Services	90,622
General	General Administration Services	15,903
General	Business Services	93,159
General	Central Services	10,778
General	Non-Program Services	84,800
Special Education	Business Services	21,337
Special Education	Central Services	4,407

**NEW GLARUS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

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 next preceding year.

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, 2023**

3. Wisconsin Retirement System Schedules (Continued)

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

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed 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%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
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 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.
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 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%).

*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, 2023**

3. Wisconsin Retirement System Schedules (Continued)

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

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

*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, 2023**

4. Supplemental Pension Liability Schedules

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

Changes of Assumptions. Changes in assumptions from the prior year included updated WRS decrement assumptions and assumed discount rate (2.25% in prior year to 5.00% in current year).

Key methods and assumptions used to calculate actuarially determined contribution:

Amortization Growth Rate	3.00%
Inflation	2.50%
Salary Increases	0.10 to 5.60%
Discount Rate/Investment Rate of Return	5.00%
Amortization Method	30 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 4 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, 2023**

	<u>Food Service</u>	<u>Community Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total Non- Major Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 603,883	\$ 9,779	\$ 249,976	\$ 863,638
Receivables:				
Accounts	206	-	13,236	13,442
Other	13,446	-	-	13,446
Due from Other Funds	-	-	8,550	8,550
Due from Other Governments	6,738	-	-	6,738
Inventories	8,406	-	-	8,406
Total Assets	<u>\$ 632,679</u>	<u>\$ 9,779</u>	<u>\$ 271,762</u>	<u>\$ 914,220</u>
LIABILITIES				
Accounts Payable	\$ 73,819	\$ -	\$ 1,927	\$ 75,746
Accrued Liabilities	769	-	-	769
Due to Other Funds	-	-	9,921	9,921
Deposits	21,356	-	-	21,356
Total Liabilities	<u>95,944</u>	<u>-</u>	<u>11,848</u>	<u>107,792</u>
FUND BALANCES				
Nonspendable	8,406	-	10,000	18,406
Restricted	528,329	9,779	249,914	788,022
Total Fund Balances	<u>536,735</u>	<u>9,779</u>	<u>259,914</u>	<u>806,428</u>
Total Liabilities and Fund Balances	<u>\$ 632,679</u>	<u>\$ 9,779</u>	<u>\$ 271,762</u>	<u>\$ 914,220</u>

**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, 2023**

	<u>Food Service</u>	<u>Community Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total Non- Major Governmental Funds</u>
REVENUES				
Local	\$ 451,673	\$ -	\$ 164,092	\$ 615,765
State	13,224	-	-	13,224
Federal	268,614	-	-	268,614
Total Revenues	<u>733,511</u>	<u>-</u>	<u>164,092</u>	<u>897,603</u>
EXPENDITURES				
Current Expenditures				
Instruction				
Regular Instruction	-	-	2,967	2,967
Vocational Instruction	-	-	321	321
Co-Curricular Activities	-	-	159,106	159,106
Total Instruction	<u>-</u>	<u>-</u>	<u>162,394</u>	<u>162,394</u>
Support Services				
Business Services	-	1,400	1,521	2,921
Food Service	712,306	-	-	712,306
Total Support Services	<u>712,306</u>	<u>1,400</u>	<u>1,521</u>	<u>715,227</u>
Non-Program Services	-	-	790	790
Total Current Expenditures	<u>712,306</u>	<u>1,400</u>	<u>164,705</u>	<u>878,411</u>
Capital Outlay	15,928	-	-	15,928
Total Expenditures	<u>728,234</u>	<u>1,400</u>	<u>164,705</u>	<u>894,339</u>
Net Change in Fund Balances	5,277	(1,400)	(613)	3,264
Fund Balances - Beginning	531,458	11,179	260,527	803,164
Fund Balances - Ending	<u>\$ 536,735</u>	<u>\$ 9,779</u>	<u>\$ 259,914</u>	<u>\$ 806,428</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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2023.

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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item #2023-001 that we consider to be a significant deficiency.



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 Responses 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 responses.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
December 12, 2023



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 identified 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 GAAS, *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.
December 12, 2023

NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For
the Year Ended June 30, 2023

Administering Agency Pass-Through Agency Award Description	Federal Assistance Listing	Pass-Through Entity ID Number	(Accrued Receivable) Deferred Revenue July 1, 2022	Revenues Grantor Reimbursements	Expenditures	Accrued Receivable June 30, 2023
<i>U.S. DEPARTMENT OF AGRICULTURE</i>						
Wisconsin Department of Public Instruction:						
Child Nutrition Cluster:						
Food Distribution - Donated Commodities	10.555	Not Available	\$ -	\$ 54,988	\$ 54,988	\$ -
National School Lunch Program	10.555	2023-233934-DPI-NSL-547	(32,289)	206,645	179,970	5,614
National School Breakfast Program Severe	10.553	2023-233934-DPI-SB-SEVERE-546	(4,642)	4,642	-	-
National School Breakfast Program	10.553	2023-233934-DPI-SB-546	(5,757)	37,661	33,028	1,124
Total Child Nutrition Cluster			(42,688)	303,936	267,986	6,738
COVID-19 Pandemic Electronic Benefit Transfer	10.649	Not Available	-	628	628	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			(42,688)	304,564	268,614	6,738
<i>U.S. DEPARTMENT OF EDUCATION</i>						
Wisconsin Department of Public Instruction:						
COVID-19 - Elementary Secondary School Emergency Relief Fund II	84.425D	2022-233934-DPI-ESSERFII-163	-	69,087	69,087	-
COVID-19 - Elementary Secondary School Emergency Relief Fund III	84.425U	2022-233934-DPI-ESSERFIII-165 and 2022-233934-DPI-EBIS-165	-	159,042	412,978	253,936
Total ESSER			-	228,129	482,065	253,936
Title I - Part A	84.010A	2023-233934-DPI-TI-A-141	(12,886)	28,094	22,779	7,571
Title II - Part A	84.367A	2023-233934-DPI-TIIA-365	-	12,254	12,254	-
Special Education Cluster:						
IDEA Flow-Through	84.027A	2023-233934-DPI-FLOW-341	(68,368)	203,676	166,668	31,360
Preschool Entitlement	84.173A	2023-233934-DPI-PRESCH-347	(3,472)	3,472	7,385	7,385
Total Special Education Cluster			(71,840)	207,148	174,053	38,745
Oregon School District:						
Carl Perkins Act Formula Allocation	84.048	2023-233934-DPI-CTE-400	-	-	5,225	5,225
TOTAL U.S. DEPARTMENT OF EDUCATION			(84,726)	475,625	696,376	305,477
<i>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i>						
Wisconsin Department of Health Services:						
School Based Services	93.778	Not Available	(819)	46,310	54,938	9,447
CESA 2						
School Health Service Grant	93.354	435100-G23-WorkDev-01	-	8,065	8,065	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			(819)	54,375	63,003	9,447
<i>FEDERAL COMMUNICATIONS COMMISSION</i>						
Emergency Connectivity Fund Program	32.009	Not Available	-	108,998	108,998	-
TOTAL FEDERAL COMMUNICATIONS COMMISSION			-	108,998	108,998	-
TOTALS			\$ (128,233)	\$ 943,562	\$ 1,136,991	\$ 321,662

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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, 2023

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Entity ID Number	(Accrued Receivable) Deferred Revenue July 1, 2022	Revenues State Reimbursements	Expenditures Grantor	Accrued Receivable (Deferred Revenue) June 30, 2023
<i>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</i>						
<i>Entitlement Programs</i>						
Special Education and School Age Parents Direct State Payments	255.101	233934-100	\$ -	\$ 484,242	\$ 484,242	\$ -
<i>Cost Reimbursement Programs</i>						
State Lunch	255.102	233934-107	-	6,241	6,241	-
Morning Milk	255.115	233934-109	-	217	217	-
State Breakfast	255.344	233934-108	-	6,767	6,767	-
Total Cost Reimbursement Programs			-	13,225	13,225	-
<i>Other Aids</i>						
General Equalization	255.201	233934-116	-	6,471,861	6,471,861	81
Common School Fund	255.103	233934-104	-	54,995	54,995	-
Pupil Transportation	255.107	233934-102	-	16,692	16,692	-
High Cost Special Education Aid	255.210	233934-119	-	47,350	47,350	-
Per Pupil Adjustment Aid	255.945	233934-113	-	657,412	657,412	-
Educator Effectiveness Grant	255.940	233934-154	-	6,560	6,560	-
Career and Technical Education Incentive Grants	255.950	233934-152	-	6,349	6,349	-
Assessments of Reading Readiness	255.956	233934-166	-	447	447	-
Special Education Transition Incentive Grants	255.960	233934-168	-	2,866	2,866	-
Total Other Aids			-	7,264,532	7,264,532	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			-	7,761,999	7,761,999	-
TOTALS			\$ -	\$ 7,761,999	\$ 7,761,999	\$ -

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, 2023

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

2022-2023 eligible costs under the State Special Education Program are \$1,651,138. Estimated aid will be \$520,109.

Note 4 Food Distribution

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed (\$54,988).

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, 2023**

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>
84.425D, 84.425U	Elementary Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? Yes

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, 2023**

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

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

Section II – Financial Statement Findings

Finding #2023-001 – Segregation of Duties

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.

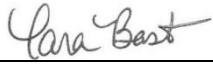
District's Response: Management of the District is aware of this deficiency and will continue to look for opportunities to strengthen this area. Segregation of duties is enhanced whenever possible and the Board of Education and management assumes an active role through monthly review of receipts and 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.

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, 2023**

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 | 

Tara Bast, CPA |
| 5. | Date of report: | December 12, 2023 |

NEW GLARUS SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Finding #2022-001 - This is still a finding. See #2023-001

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.

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.

Current Status: During their audit procedures, the auditors did not propose material audit adjustments. Therefore, a finding in the current year is not necessary.

III.	Resolution Authorizing a Taxable Tax and Revenue Anticipation Promissory Note For Cash Flow Purposes in an Amount Not to Exceed \$3,000,000	88
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School District of New Glarus

P. O. Box 7
1701 Second Street
New Glarus, WI 53574

District (608) 527-2410
Fax (608) 527-5101
www.ngsd.k12.wi.us

To: Board of Education
From: Tammy Marty, Business Manager
Re: Short Term Borrowing/Taxable Revolving Line of Credit
Date: January 22, 2024

Short term line of credit bid was sent to the following banking institutions: Bank of New Glarus, Lake Ridge Bank and Woodford State Bank.

The district received two responses:

- a. Bank of New Glarus
 - a. Amount \$3,000,000.00
 - b. Term – Maturity Date, November 1, 2024
 - c. Interest rate – 4.69%
 - d. Fee - \$0.00
 - e. Prepayment Penalty - \$0.00

- b. Woodford State Bank
 - a. Amount - \$3,000,000
 - b. Term – Maturity Date, November 1, 2024
 - c. Interest Rate – 7.00%
 - d. Fee - \$0.00
 - e. Prepayment Penalty - \$0.00

Administration recommends Bank of New Glarus

**WISCONSIN SCHOOL DISTRICT
CASH FLOW BORROWING**

(Taxable Revolving Line of Credit)

PURSUANT TO SECTION 67.12(8)(a)1, WISCONSIN STATUTES

**BORROWING DOCUMENTS
FOR
2023-2024
SCHOOL YEAR
BORROWINGS
(TAXABLE ISSUE)**

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Prepared By:

Quarles

411 EAST WISCONSIN AVENUE
MILWAUKEE, WI 53202-4497

On Behalf of:
School District of New Glarus

Telephone Numbers: (414) 277-5000 (General)
(414) 277-5641 (Allison Buchanan)
(414) 277-5885 (David Groose)
(414) 277-5754 (Dawn Leifer)

Telecopy Number: (414) 978-8691

General E-mail Address: tsb@quarles.com

DISTRICT CLERK'S CERTIFICATE

The undersigned, the duly qualified and acting District Clerk of School District of New Glarus, Green and Dane Counties, Wisconsin (the "District"), hereby certifies that:

1. **District Organization.** Now and at all times mentioned herein, the District was duly organized, validly existing and operating as a common school district with approximately 955 students offering at least grades K through 12 administered by a School Board composed of seven members.

2. **Officers and Contact Person.** The School Board members named below, whose authentic signatures or facsimiles thereof are hereto subscribed, are the duly elected, qualified and acting officers of the District presently holding the offices set forth opposite their respective names as follows:

Name	Office	Manual or Facsimile Signature
William Oemichen	District President	_____
Ron Roesslein	District Vice President	_____ 90
Cari Ann Muggenburg	District Clerk	_____
Travis Zimmerman	District Treasurer	_____

The name and telephone number of a contact person at the District is:

Name: Tammy Marty Contact Number: (608) 527-5510

3. **Authorization; Open Meeting Law Compliance.** At a lawful, open public meeting of the School Board held at 7:15 p.m., on January 22, 2024 at which at least a quorum of the members of the School Board was present in person, a resolution authorizing the District to borrow the sum of not to exceed \$3,000,000 and issue its Taxable Tax and Revenue Anticipation Promissory Note(s) (the "Notes") therefor pursuant to Section 67.12(8)(a)1, Wis. Stats. (the "Resolution"), was, on motion duly made and seconded, adopted by the following vote of the School Board: _____ yes; _____ no. Said meeting was a regular meeting of the School Board duly called, noticed, held and conducted in the manner established by the School Board and required by pertinent Wisconsin Statutes. The Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting by (i) posting notice of the meeting; (ii) providing notice to those news media which have filed a written request for notice of meetings, and (iii) by providing notice to the official newspaper of the District or, if none exists, a news medium likely to give notice in the area.

4. **Authorizing Resolution.** The Resolution has been duly recorded in the minutes of said meeting, has not been amended or revoked, and, in all other respects, is in full force and effect on the date hereof and there is no proceeding of the School Board or District electors in conflict with or in any way altering the effect of the Resolution. A true copy of the Resolution is attached hereto as Exhibit A and made a part hereof. The Commitment, the form of the Notes and Disbursement request is attached to the Resolution and also made a part hereof.

5. **Treasurer's Certificate.** Attached hereto as Exhibit B and made a part hereof is an original or true copy of the Treasurer's Certificate certifying as to the equalized value of all taxable property in the District; as to the aggregate indebtedness of the District; as to the District's tax levy and

budget; as to its compliance with the revenue limits imposed by law; and as to the revenues of the District which will be available to pay the Notes.

6. **Certificate of Estimated Receipts.** Attached hereto as Exhibit C and made a part hereof is an original or true copy of a Certificate of Estimated Receipts certifying as to the estimated receipts of the District for the operation and maintenance of the public instruction in the District during the current school year.

7. **Budget; Tax Levy.** The District has properly adopted a budget for the current school year setting forth expected revenues and expenditures. The tax for the operation and maintenance of the public instruction in the District (including the amount necessary to pay interest on the Notes as the same becomes due during the current school year) was voted to be collected on the next tax roll by the electors of the District at the annual meeting of the District held on August 28, 2023.

8. **No Other Borrowing.** No borrowing has been made by the District against its estimated receipts for the current school year other than as authorized by the Resolution.

9. **Record Book.** I have provided and kept and will keep a separate record book in which I recorded a full and correct statement of every step or proceeding had or taken in the course of issuing the Notes referred to herein and an adequate and correct record of all Notes issued. The District Treasurer (or other officer of the District) is prepared to keep a record of Notes receipted and returned to him or her.

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10. **No Litigation.** There is no legislation, reorganization, proceeding, order, controversy, investigation or litigation pending or threatened in any manner questioning or affecting (a) the corporate existence or boundaries of the District; (b) the right or title of any of its officers to his or her respective office; (c) any of the proceedings authorizing the issuance of the Notes; (d) the validity or enforceability of the Notes; (e) the budget or any of the taxes heretofore voted or levied by the District; or (f) any amounts pledged for the payment of the Notes under the Resolution.

11. **Financial Condition.** The District has not defaulted within the last 20 years on any debt obligation and has never filed a petition in bankruptcy. There is no litigation or investigation pending, or to the best of the District's knowledge, threatened where an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or would materially adversely affect the validity or enforceability of the Notes or any of the financing documents or the ability of the District to perform its obligations thereunder.

12. **Execution of Notes.** The District President and I have executed the Notes evidencing such borrowing in our respective official capacities. The official seal of the District, if any, has been impressed on the Notes.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity effective January 29, 2024.

Cari Ann Muggenburg
District Clerk

Approved as correct:

William Oemichen
District President

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(SEAL)

Travis Zimmerman
District Treasurer

3. **Notification of Media.** On the _____ day of _____, 20__ at approximately _____ o'clock __.m., I communicated or caused to be communicated, the time, date, place and subject matter (including specific reference to the borrowing) of said School Board meeting to those news media who have filed a written request for such notice, and to the official newspaper of the School District, or, if none exists, to a news medium likely to give notice in the area.

4. **Open Meeting Law Compliance.** Said meeting was a regular meeting of the School Board which was called, noticed, held and conducted in open session in compliance with Subchapter V of Chapter 19 of the Wisconsin Statutes and any other applicable local rules and state statutes.

Name:
Title:

Attest:

Name:
Title:

(SEAL)

(Note: Questions regarding this form or open meeting law compliance generally should be directed to local counsel or Quarles & Brady LLP.)

Exhibit A

RESOLUTION NO. ____

**RESOLUTION AUTHORIZING A TAXABLE TAX AND REVENUE ANTICIPATION
PROMISSORY NOTE FOR CASH FLOW PURPOSES
IN AN AMOUNT NOT TO EXCEED \$3,000,000**

WHEREAS, the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District"), may be in temporary need of funds from time to time in an amount not to exceed \$3,000,000 outstanding at any one time to meet the immediate expenses of operating and maintaining the public instruction in the District during the current school year and in anticipation of taxes, state aids, income, revenue, cash receipts and other monies to be received by the District for the current school year (the "Expenses");

WHEREAS, the school districts are authorized by the provisions of Section 67.12(8)(a)1, Wisconsin Statutes, to borrow money for such Expenses;

WHEREAS, The Bank of New Glarus (the "Bank") has agreed to provide the District with a taxable revolving line of credit (the "Line of Credit") to cover such Expenses which Line of Credit shall be authorized by this Resolution in accordance with the provisions of Section 67.12(8)(a)1, Wisconsin Statutes;

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WHEREAS, as required by Section 67.12(8)(a)1, Wisconsin Statutes, the total amount borrowed pursuant to the Line of Credit shall be for the purpose of meeting the immediate expenses of operating and maintaining the public instruction in the District during the current school year, and together with any other borrowings for such purposes during the current school year, shall not exceed one-half of the estimated receipts for the operation and maintenance of the District for the current school year as heretofore certified by the District Clerk;

WHEREAS, any draws or disbursements pursuant to the Line of Credit shall be made on or before June 30 of the current school year, and the Line of Credit shall be repaid in full by November 1 of the next school year;

WHEREAS, the tax for the operation and maintenance of the schools of the District for the current school year has been voted to be collected on the next tax roll prior to the adoption of this Resolution; and,

WHEREAS, to the best of the knowledge, information and belief of the School Board, the District complies with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes.

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

1. **Authorization.** The District be authorized to borrow funds for the purpose of paying the immediate expenses of operating and maintaining the public instruction in the District pursuant to Section 67.12(8)(a)1, Wisconsin Statutes, from the Bank from time to time as needed pursuant to the Line of Credit so that the amount outstanding at any one time does not exceed \$3,000,000 in accordance with the terms and conditions of the Bank's commitment letter attached hereto as Exhibit A-1 (the "Commitment"). To the extent the District has a policy regarding borrowing with requirements that are not met with respect to this financing, such policy requirements are hereby waived.

2. **Terms of the Note(s).** To evidence such borrowing, the District President and District Clerk are hereby authorized, empowered and directed to make, execute, issue, sell and deliver to the Bank, as set forth below, for and on behalf of the District, its Taxable Tax and Revenue Anticipation Promissory Note (the "Note") payable to the Bank.

The Note shall be dated as of its date of issuance; shall bear interest at the fixed rate of 4.69% per annum from its dated date until paid; and shall mature no later than November 1 of the following fiscal year. In no event will the interest rate on the Note exceed the rate permitted by applicable law. Interest on the Note shall be paid from the date of the Note monthly on the last business day of the month until the Note is repaid or matures. The Note is subject to optional redemption at the option of the District at any time.

3. **Irrepealable Tax; Segregated Fund; Compliance With Revenue Limits.** So long as the Note, or interest thereon, remain unpaid, the aforesaid tax for operation and maintenance of the District (including the amount budgeted to pay interest on the Note) shall be and continues irrepealable. The District shall segregate in a special fund, tax monies and other available revenues received for operation and maintenance of the District sufficient to pay the principal of and interest on the Note as the same becomes due. Said special fund shall be used for the sole purpose of paying the principal of and interest on the Note. If there shall be insufficient sums in said special fund to meet such payments, the District shall promptly pay the same when due from other monies available in or attributable to the current school year. This covenant specifically includes monies (i.e. deferred tax and state aid payments) attributable to the current school year which are not received prior to the end of the current school year. The District complies with and covenants to continue to comply with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes.

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4. **Form, Execution and Payment of Note; Disbursement Requests; Appointment of Acting Officers.** The Note shall be issued as a master note and delivered to the Bank in substantially the form attached hereto as Exhibit B-1 (the "Master Note"). Any disbursements under the Master Note shall be made pursuant to a disbursement request in substantially the form attached hereto as Exhibit C-1 (the "Disbursement Request"). The Master Note and any Disbursement Requests shall be executed on behalf of the District by the District President and District Clerk, or other authorized officer under Section 120.05, Wisconsin Statutes to sign on their behalf, sealed with its official or corporate seal, if any, and delivered to the Bank. A facsimile signature of either of the officers may be imprinted on the Master Note in lieu of the manual signature of such officer, but unless the District has contracted with a fiscal agent under Section 67.10(2), Wisconsin Statutes, at least one of the signatures shall be manual. In the event that any of the officers whose signatures appear on the Master Note shall cease to be such officers before the delivery of the Master Note or any Disbursement Request, such signatures shall, nevertheless, be valid and sufficient for the purposes to the same extent as if they remained in office until such delivery. The Master Note and any Disbursement Request shall be payable in lawful money of the United States of America by the District Clerk or District Treasurer. In accordance with Section 120.05(3), Wisconsin Statutes, the School Board hereby appoints the Vice President to discharge the duties of the President and any one of the other School Board members to discharge the duties of the District Clerk as Acting Clerk in connection with the issuance of the Master Note and any Disbursement Request in the event the President and/or the District Clerk are unable to discharge such duties due to disability or absence.

5. **Certification and Draw Request; Disbursement.** The appropriate officers and agents are hereby authorized and directed to present any certifications or other documents requested by the Bank at the times amounts are borrowed pursuant to this Resolution. Each draw or disbursement under the Master Note shall be evidenced by a Disbursement Request to be delivered to the Bank.

6. **Summary of Disbursements.** The District hereby directs the Bank to keep a record of the amounts disbursed pursuant to this Resolution and any Disbursement Request on Exhibit D-1.

7. **Conflicting Resolutions; Severability; Effective Date.** All prior resolutions, rules or other actions of the School Board or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted and recorded this 22nd day of January, 2024.

By: _____
William Oemichen
District President

97

(SEAL)

And: _____
Cari Ann Muggenburg
District Clerk



**CREDIT COMMITMENT FOR
School District of New Glarus**

The Bank of New Glarus (the "Bank") is pleased to provide the School District of New Glarus (the "Borrower") with a financing commitment for a Taxable Revolving Line of Credit for \$3,000,000 (the "Commitment"). This Commitment has been duly authorized by the Bank and is subject to the acceptance by the Borrower of the following terms and conditions.

Taxable Revolving Line of Credit

Borrower: School District of New Glarus

Type of Credit: Taxable Revolving Line of Credit

Loan Amount: \$3,000,000

Purpose: Working Capital: Immediate expenses of operating and maintaining the public instruction during the Borrower's fiscal year.

Interest Rate: 4.69% Fixed Rate

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Notwithstanding the foregoing, at no time during the loan term shall the interest rate exceed 4.69%. In addition, in no event will the interest rate exceed that permitted by any applicable law. Interest shall be payable from the day any amount is drawn on the Taxable Revolving Line of Credit. Interest shall be payable monthly on the last business day of the month during the time any disbursement or draw remains outstanding.

Disbursements/

Draws: The Taxable Revolving Line of Credit is revolving so principal can be drawn and repaid in any amount(s) and/or at any time(s) during the term of the loan provided that no draw on the Taxable Revolving Line of Credit may be made after June 30th.

Closing Costs: None

Loan Fees: The Bank will not charge any origination or application fees.

Collateral: The Borrower shall pledge taxes for operation and maintenance of the Borrower heretofore levied and other available current fiscal year revenues, including state aids (the "Revenues"), sufficient to pay the Taxable Revolving Line of Credit, together with the interest thereon, when due. The Revenues shall be deposited in a special fund.



The Bank of New Glarus

- Maturity/Term:** November 1, 2024, but no later than November 1, 2024 (the "Maturity Date"). The entire principal balance outstanding plus all accrued and unpaid interest is due on the Maturity Date.
- Amortization:** N/A
- Prepayment:** The Taxable Revolving Line of Credit may be repaid in whole or in part at any time without penalty.
- Conditions:** The Taxable Revolving Line of Credit shall be subject to the following requirements:
- (1) The School Board of the Borrower approves a resolution (the "Resolution") authorizing temporary borrowing pursuant to Section 67.12(8)(a)(1), Wisconsin Statutes and the Commitment at a lawfully called and conducted meeting.
 - (2) Quarles & Brady LLP, Bond Counsel to the Borrower, gives an approving legal opinion stating that the Taxable Revolving Line of Credit has been lawfully authorized and is a valid and enforceable obligation of the Borrower in accordance with its terms (subject to reasonable exceptions relating to the rights of creditors).
 - (3) A transcript of proceedings (including certifications from the Borrower as to its budget for the current fiscal year, including its tax levy and anticipated state aids, a no-litigation certification and certifications confirming the name and titles of the officers of the borrowing and confirming that all of the loan documents were duly and properly authorized and executed on behalf of the Borrower by such officers) is delivered at the time the Borrower receives its first disbursement or draw on the Taxable Line of Credit.
 - (4) The Taxable Revolving Line of Credit is evidenced by a tax and revenue anticipation promissory note (the "Master Note") duly authorized, issued and executed by the Borrower under Section 67.12(8)(a)(1), Wisconsin Statutes. Any disbursements or draws on the Taxable Revolving Line of Credit shall be evidenced by a "Disbursement Request".
 - (5) The Borrower provides its most recent audited financial statements.
- All of the aforesaid shall be provided by the Borrower at the Borrower's expense.

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The Bank of New Glarus

**Expiration of
Commitment:**

This Commitment shall be accepted by official action of the School Board of the Borrower at a meeting duly called noticed, held and conducted in a manner established by the School Board and required by the pertinent Wisconsin Statutes. Unless accepted or terminated, this Commitment shall expire on March 1, 2024. If the loan documentation required by the Bank hereunder is not completed and the Taxable Revolving Line of Credit has not been extended by the Bank to the Borrower for any reason by March 1, 2024, then this Commitment shall expire on said date.

Very truly yours,

Name: Brianna Wethal

Title: SVP, Commercial Lending Manager

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ACCEPTANCE

This Commitment as outlined above was accepted by action of the School Board on January 22, 2024.

District President

District Clerk

EXHIBIT B-1

(Master Note)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
GREEN AND DANE COUNTIES
SCHOOL DISTRICT OF NEW GLARUS

TAXABLE TAX AND REVENUE ANTICIPATION PROMISSORY NOTE

DATED JANUARY 29, 2024

MASTER NOTE

FOR VALUE RECEIVED, the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District") hereby acknowledges itself to owe and promises to pay in lawful money of the United States of America to The Bank of New Glarus, or registered assigns (the "Bank"), on or before November 1, 2024 (the "Maturity Date"), the sum of not to exceed THREE MILLION DOLLARS (\$3,000,000), (but only so much as shall have been advanced and remain outstanding) together with interest on the unpaid principal balance from the respective dates the outstanding principal amounts were advanced at the fixed rate of 4.69% per annum. Moreover, in no event will the interest rate on the Note exceed the rate permitted by applicable law. Interest shall be payable monthly on the last business day of the month during the time any disbursement or draw remains outstanding. This is a revolving Note so principal can be drawn and repaid in any amounts and/or at any time prior to the Maturity Date; provided, however, that no draws be made after June 30, 2024. Disbursements of the proceeds of this Note shall be made by the Bank to the District from time to time within two (2) business days after the receipt of one or more Disbursement Requests in the form attached to the Resolution as Exhibit C-1. During the term of this Master Note, multiple disbursements may be made so long as the total amount outstanding at any time during the term of this Note does not exceed THREE MILLION DOLLARS (\$3,000,000). The Bank shall record such disbursements and corresponding principal repayment schedule on a cumulative basis in the format attached to the Resolution as Exhibit D-1.

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The principal and interest on this Note will be paid by the District Clerk or District Treasurer at the District office: 1701 Second Street, New Glarus, Wisconsin.

Interest shall be paid based on the actual number of days elapsed over a 365 day year.

This Note may be prepaid by the District at any time without penalty.

This Note is issued pursuant to Section 67.12(8)(a)1, Wisconsin Statutes, for the public purpose of paying the immediate expenses of operating and maintaining the public instruction in the District during the current school year; does not exceed one half of the estimated receipts for the operation and maintenance of the District for the current school year and shall not extend beyond November 1 of the next school year as authorized by a resolution of the governing body of the District duly adopted at a lawful open meeting held on January 22, 2024. Said resolution is recorded in the official minutes of said governing body for said date.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the District, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that the District has irrevocably pledged taxes heretofore levied and other revenues, including state aids, sufficient to pay this Note, together with interest thereon, when and as payable.

IN WITNESS WHEREOF, the District, by its governing body, has caused this Note to be executed by its duly qualified officers and to be sealed with its official or corporate seal, if any, as of the day and year first above written.

By: _____
William Oemichen
District President

(SEAL)

And: _____
Cari Ann Muggenburg
District Clerk

EXHIBIT C-1

(Disbursement Request)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
GREEN AND DANE COUNTIES
SCHOOL DISTRICT OF NEW GLARUS
TAXABLE TAX AND REVENUE ANTICIPATION PROMISSORY NOTE

DISBURSEMENT REQUEST

No. _____

\$ _____

For value received, the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District"), acting by and through its School Board (the "Governing Body"), and pursuant to a resolution adopted by the Governing Body on January 22, 2024 (the "Resolution") and the District's Taxable Tax and Revenue Anticipation Promissory Note, dated January 29, 2024, in the maximum outstanding principal amount of \$3,000,000 (the "Master Note"), requests the disbursement of \$ _____, which when added to the previous disbursements made pursuant to the Master Note which are outstanding and have not been repaid as of the date of this Disbursement Request, represents a total amount outstanding as of the date of this Disbursement Request of \$ _____ which amount does not exceed \$3,000,000.

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This Disbursement Request shall be subject to the terms and provisions of the Master Note.

The undersigned hereby certify that the total amount borrowed by the District during the current school year pursuant to Section 67.12(8)(a), Wisconsin Statutes, including the amount borrowed pursuant to this Disbursement Request and all amounts previously borrowed pursuant to the Master Note or other tax and revenue anticipation promissory notes issued pursuant to Section 67.12(8)(a), Wisconsin Statutes, does not exceed one-half the estimated receipts for the operation and maintenance of the District for the current school year.

The undersigned further certify that as of the date of this Disbursement Request, there is no legislation, reorganization, proceeding, order, controversy, investigation or litigation pending or threatened in any manner questioning or affecting (a) the corporate existence or boundaries of the District; (b) the right or title of any of its officers to his or her respective office; (c) any of the proceedings authorizing the issuance of the Notes; (d) the validity or enforceability of the Notes; (e) the budget or any of the taxes heretofore voted or levied by the District; or (f) any amounts pledged for the payment of the Notes under the Resolution.

IN WITNESS WHEREOF, said District, by its Governing Body, has caused this Disbursement Request to be executed by the District and its corporate seal (if any) to be hereunto affixed, as of this ____ day of _____, 20__.

SCHOOL DISTRICT OF NEW GLARUS,
WISCONSIN

William Oemichen
District President

(SEAL)

Cari Ann Muggenburg
District Clerk

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COPY

EXHIBIT D-1

\$3,000,000

SCHOOL DISTRICT OF NEW GLARUS, WISCONSIN
TAXABLE TAX AND REVENUE ANTICIPATION PROMISSORY NOTE

<u>Number of Disbursement Request</u>	<u>Date of Disbursement</u>	<u>Amount of Disbursement</u>	<u>Date of Repayment</u>	<u>Principal Repaid</u>	<u>Available Principal Under Master Note</u>
_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____



Exhibit B

TREASURER'S CERTIFICATE

The undersigned, Treasurer of School District of New Glarus (the "District"), hereby certifies that:

1. **Equalized Value.** The full value of all taxable property located within the District (*including any property located in tax incremental districts*), as last equalized for State purposes by the Wisconsin Department of Revenue, is \$802,950,273 as verified by the Department of Revenue Certificate of Full Equalized Value attached hereto.

2. **Outstanding Indebtedness.** The total outstanding general obligation indebtedness and obligations of the District of \$28,255,000 plus *the tax and revenue anticipation promissory notes issued this date* (the "Notes") of \$3,000,000, aggregates not more than \$31,255,000.

3. **Budgeted Expenses.** The aggregate amount of budgeted expenses for the operation and maintenance of the public instruction in the District during the current school year is \$15,808,474 (including Funds 10, 27, 50 and 80, *excluding any interfund transfer* and excluding Funds 30 and 40).

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4. **Unexpended Budgeted Expenses.** The aggregate amount of budgeted expenses for operation and maintenance (including Fund 10, 27, 50 and 80, *excluding any interfund transfer* and excluding Funds 30 and 40) that has not been expended as of this date is greater than the aggregate principal amount of the Notes.

5. **Current Taxes.** The aggregate amount of non-delinquent current year taxes which has not been paid over or received as of the date hereof and which can be used, when received, for payment of the expenses of operating and maintaining the schools of the District during the current school year is:

Taxes not yet received	\$8,200,199.00
(minus)	
Debt service portion	<u>\$2,992,738.00</u>
(equals)	
Tax available for operation and maintenance expenses	\$5,207,461.00

6. **Late Taxes.** The District anticipates that it will receive approximately \$2,150,000 of the taxes heretofore levied for operation and maintenance after the end of the current school year. Said tax monies are expected to be received on or before August 20 of the following school year in accordance with Section 74.29, Wisconsin Statutes.

7. **Taxes Unencumbered; Compliance with Revenue Limits.** Except for taxes for debt service, none of the taxes heretofore levied have been pledged or assigned; none of such taxes must be segregated, when paid over and received, in any special account (other than to repay the Notes); and all of such taxes are available to repay the Notes. The District complies with and has covenanted to remain in compliance with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes.

8. **General State Aids.** The aggregate amount of general state aids (equalization aid) which has not been paid over or received as of the date hereof and which can be used, when received, for payment of the expenses of operating and maintaining the public instruction in the District during the current school year is \$3,879,706 (total general state aid of \$6,466,176 *less* amounts expected to be received to date of this Certificate of \$2,586,470). All of such general state aids are available to repay the Notes.

9. **Use of Proceeds; No Outstanding Notes.** The proceeds of the Notes issued this date shall be used for immediate expenses of operating and maintaining the public instruction in the District. The District did not issue a tax and revenue anticipation promissory note in the 2022-2023 school year.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity effective January 29, 2024.

Travis Zimmerman
District Treasurer



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF LOCAL GOVERNMENT SERVICES • 2135 RIMROCK RD MADISON, WI 53713

Mailing Address:
PO Box 8971 #6-97
Madison, WI 53708-8971
FAX (608) 264-6887
lgs@wisconsin.gov

October 1, 2023

DISTRICT ADMINISTRATOR
SCH D OF NEW GLARUS
PO BOX 7
NEW GLARUS WI 53574 0007

Certificate of Equalized Value - School District of New Glarus

Under state law (secs. 70.57, 67.03 and 121.06 Wis. Stats.), the Wisconsin Department of Revenue's State and Local Finance Division is certifying the equalized value for all taxable property in your school district as of January 1, 2023.

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Equalized Value Information			
School district	SCH D OF NEW GLARUS		
County	GREEN	School code	233934
Equalized value	\$802,950,273	School no.	0149
Effective date	October 1, 2023 - September 30, 2024		

Sincerely,

Sara M. Regenauer, Director
Local Government Services Bureau
Saram.Regenauer@wisconsin.gov
(608)261-5360

Exhibit C

CERTIFICATE OF ESTIMATED RECEIPTS

The undersigned, District Clerk of School District of New Glarus, Wisconsin (the "District"), hereby certifies that the estimated receipts of the District available for payment of the expenses of the operation and maintenance of the public instruction in the District during the current school year (including Funds 10, 27, 50 and 80, *excluding any interfund transfer* and excluding Funds 30 and 40) are as follows:

1. Local taxes levied for operation and maintenance of the District for the current school year (other than taxes levied for debt service)	\$5,207,461.00
2. General State Aid (Equalization Aid)	\$6,466,176.00
3. State Categorical Aids (e.g., Special Education, Driver's Education, Transportation, Library, SAGE, Computer Aid and/or Integration Aids)	\$1,370,363.00
4. See attached	<u>\$2,744,093.00</u>
TOTAL ESTIMATED OPERATION AND MAINTENANCE RECEIPTS	<u>\$15,788,093.00</u>

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IN WITNESS WHEREOF, the undersigned has executed this Certificate in his or her official capacity on the date set forth beneath his or her signature.

Cari Ann Muggenburg
District Clerk

Date: January 22, 2024

	Fund 27
Revenue	
Fund 10	14,229,145.00
Fund 27	2,087,681.00
Fund 50	703,732.00
	<u>17,020,558.00</u>
	2,087,681.00
	<u>(1,232,465.00)</u>
	855,216.00
	<u>(594,829.00)</u>
	<u>260,387.00</u>

	<u>(1,232,465.00)</u>
	<u>15,788,093.00</u>

less interfund tsf

Categorical Aids	15,565.00
Transportation	54,000.00
CSF	27,673.00
Mental Health	594,829.00
Special Ed	33,498.00
Computer Aid/Personal Property	644,798.00
Per Pupil Aid	<u>1,370,363.00</u>

	15,788,093.00
	<u>(1,370,363.00)</u>
	(5,207,461.00)
	<u>(6,466,176.00)</u>
	<u>2,744,093.00</u>

CATEGORICAL AIDS
FD 10 TAX
OCTOBER AID

MOBILE HOME TAX	6,600.00
NON-CAP FOR RESALE	2,000.00
EDUCATIONAL PROGRAMMING SALES	5,600.00
ADMISSIONS	28,980.00
INTEREST ON INVESTMENTS	65,000.00
DONATIONS	6,500.00
STUDENT FEES/TEXTBOOK RENTAL	13,000.00
RENTALS	7,560.00
STUDENT FEES/TEXTBOOK RENTAL	29,520.00
STU. FINES	50.00
TRANSIT AID NON SPEC ED WI SCH	4,124.00
CO-CURR REVENUE	5,000.00
TUITION OPEN ENROLLMENT	1,235,763.00
SPECIAL PROJECT GRANTS	6,900.00
STATE REV THRU LOCAL GOVT	6,000.00
SPECIAL PROJECT GRANT	293,919.00
TITLE I	27,458.00
CAPITAL LEASE	-
PRIOR YEAR EXP	35,000.00
MISC. REFUND	1,000.00
	<u>1,779,974.00</u>

SPECIAL PROJECT GRANT	215,387.00
FED AID THRU STATE (NON-DPI)	45,000.00
	<u>260,387.00</u>

PUPILS	429,852.00
ADULTS	13,420.00
OTHER FOOD SERV. SALES	70,324.00
FOOD SERVICE STATE AIDS	15,868.00
OTHER FEDERAL AIDS	27,456.00
FOOD SERVICE AID-FEDERAL	146,812.00
	<u>703,732.00</u>

2,744,093.00

UNITED STATES OF AMERICA
STATE OF WISCONSIN
GREEN AND DANE COUNTIES
SCHOOL DISTRICT OF NEW GLARUS

TAXABLE TAX AND REVENUE ANTICIPATION PROMISSORY NOTE

DATED JANUARY 29, 2024

MASTER NOTE

FOR VALUE RECEIVED, the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District") hereby acknowledges itself to owe and promises to pay in lawful money of the United States of America to The Bank of New Glarus, or registered assigns (the "Bank"), on or before November 1, 2024 (the "Maturity Date"), the sum of not to exceed THREE MILLION DOLLARS (\$3,000,000), (but only so much as shall have been advanced and remain outstanding) together with interest on the unpaid principal balance from the respective dates the outstanding principal amounts were advanced at the fixed rate of 4.69% per annum. Moreover, in no event will the interest rate on the Note exceed the rate permitted by applicable law. Interest shall be payable monthly on the last business day of the month during the time any disbursement or draw remains outstanding. This is a revolving Note so principal can be drawn and repaid in any amounts and/or at any time prior to the Maturity Date; provided, however, that no draws be made after June 30, 2024. Disbursements of the proceeds of this Note shall be made by the Bank to the District from time to time within two (2) business days after the receipt of one or more Disbursement Requests in the form attached to the Resolution as Exhibit C-1. During the term of this Master Note, multiple disbursements may be made so long as the total amount outstanding at any time during the term of this Note does not exceed THREE MILLION DOLLARS (\$3,000,000). The Bank shall record such disbursements and corresponding principal repayment schedule on a cumulative basis in the format attached to the Resolution as Exhibit D-1.

111

The principal and interest on this Note will be paid by the District Clerk or District Treasurer at the District office: 1701 Second Street, New Glarus, Wisconsin.

Interest shall be paid based on the actual number of days elapsed over a 365 day year.

This Note may be prepaid by the District at any time without penalty.

This Note is issued pursuant to Section 67.12(8)(a)1, Wisconsin Statutes, for the public purpose of paying the immediate expenses of operating and maintaining the public instruction in the District during the current school year; does not exceed one half of the estimated receipts for the operation and maintenance of the District for the current school year and shall not extend beyond November 1 of the next school year as authorized by a resolution of the governing body of the District duly adopted at a lawful open meeting held on January 22, 2024. Said resolution is recorded in the official minutes of said governing body for said date.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the District, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that the District has irrevocably pledged taxes heretofore levied and other revenues, including state aids, sufficient to pay this Note, together with interest thereon, when and as payable.

IN WITNESS WHEREOF, the District, by its governing body, has caused this Note to be executed by its duly qualified officers and to be sealed with its official or corporate seal, if any, as of the day and year first above written.

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By: _____
William Oemichen
District President

(SEAL)

And: _____
Cari Ann Muggenburg
District Clerk

UNITED STATES OF AMERICA
STATE OF WISCONSIN
GREEN AND DANE COUNTIES
SCHOOL DISTRICT OF NEW GLARUS
TAXABLE TAX AND REVENUE ANTICIPATION PROMISSORY NOTE

DISBURSEMENT REQUEST

No. _____

\$ _____

For value received, the School District of New Glarus, Green and Dane Counties, Wisconsin (the "District"), acting by and through its School Board (the "Governing Body"), and pursuant to a resolution adopted by the Governing Body on January 22, 2024 (the "Resolution") and the District's Taxable Tax and Revenue Anticipation Promissory Note, dated January 29, 2024, in the maximum outstanding principal amount of \$3,000,000 (the "Master Note"), requests the disbursement of \$ _____, which when added to the previous disbursements made pursuant to the Master Note which are outstanding and have not been repaid as of the date of this Disbursement Request, represents a total amount outstanding as of the date of this Disbursement Request of \$ _____ which amount does not exceed \$3,000,000.

This Disbursement Request shall be subject to the terms and provisions of the Master Note.

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The undersigned hereby certify that the total amount borrowed by the District during the current school year pursuant to Section 67.12(8)(a), Wisconsin Statutes, including the amount borrowed pursuant to this Disbursement Request and all amounts previously borrowed pursuant to the Master Note or other tax and revenue anticipation promissory notes issued pursuant to Section 67.12(8)(a), Wisconsin Statutes, does not exceed one-half the estimated receipts for the operation and maintenance of the District for the current school year.

The undersigned further certify that as of the date of this Disbursement Request, there is no legislation, reorganization, proceeding, order, controversy, investigation or litigation pending or threatened in any manner questioning or affecting (a) the corporate existence or boundaries of the District; (b) the right or title of any of its officers to his or her respective office; (c) any of the proceedings authorizing the issuance of the Notes; (d) the validity or enforceability of the Notes; (e) the budget or any of the taxes heretofore voted or levied by the District; or (f) any amounts pledged for the payment of the Notes under the Resolution.

IN WITNESS WHEREOF, said District, by its Governing Body, has caused this Disbursement Request to be executed by the District and its corporate seal (if any) to be hereunto affixed, as of this ____ day of _____, 20__.

SCHOOL DISTRICT OF NEW GLARUS,
WISCONSIN

William Oemichen
District President

(SEAL)

Cari Ann Muggenburg
District Clerk

\$3,000,000

SCHOOL DISTRICT OF NEW GLARUS, WISCONSIN
TAXABLE TAX AND REVENUE ANTICIPATION PROMISSORY NOTE

<u>Number of Disbursement Request</u>	<u>Date of Disbursement</u>	<u>Amount of Disbursement</u>	<u>Date of Repayment</u>	<u>Principal Repaid</u>	<u>Available Principal Under Master Note</u>
_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____



July, 2023

To: School District Clients
From: Quarles & Brady LLP
Re: **Terms of Engagement and Revised Fee Schedule for 2023-2024 School Year — Tax and Revenue Anticipation Notes Under Sections 67.12(8)(a)(1) and 67.12(8m), Wis. Stats. (the "Notes") for Wisconsin School and Technical College Districts**

The purpose of this memo is to set forth certain matters concerning the role we propose to serve, the responsibilities we propose to assume, and fees and expenses we will charge as bond counsel to Wisconsin school and technical college districts (collectively referred to as the "District").

We appreciate the opportunity to work with you as the District's bond counsel in connection with its Notes. The following is a summary of the terms and conditions pursuant to which our firm will render legal opinions on such financings.

SCOPE OF SERVICES

Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations such as the Notes.

As bond counsel we will: examine applicable law; prepare and/or review authorizing and closing documents; consult with the parties to the transaction, including the District's financial advisor or underwriter or placement agent, if any, prior to the issuance of the Notes; review certified proceedings; and undertake such additional duties as we deem necessary to render the legal opinion. As bond counsel, we do not advocate the interests of the District or any other party to the transaction. We assume that the parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Subject to the completion of proceedings to our satisfaction, we will render our legal opinion (the "Opinion") that:

1. The Notes have been lawfully authorized and issued pursuant to the laws of the State of Wisconsin now in force;
2. The Notes are valid and binding special obligations of the District in accordance with their terms;
3. If applicable, the interest paid on the Notes will be excludable from gross income for federal income tax purposes (subject to certain limitations which may be expressed in the opinion).

The Opinion will be executed and delivered by us in written form on the date the Notes are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of the Closing.

Upon delivery of the Opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide any post closing compliance services including any assistance with the District's continuing disclosure commitment, ongoing advice to the District or any other party concerning any actions necessary to assure that interest paid on the Notes will continue to be excludable from gross income for federal income tax purposes (if applicable), or to participate in an Internal Revenue Service (if applicable), Securities Exchange Commission or other regulatory body inquiry or investigation regarding or audit of the Notes.

In rendering the Opinion, we will rely upon information provided by the District and on the certified proceedings and other certifications of various District officials and other persons furnished to us without undertaking to verify the same by independent investigation.

The services we will provide under this engagement are strictly limited to legal services. We are neither qualified nor engaged to provide financial advice and we will make no representation about the desirability of the proposed plan of finance, the feasibility of the expenses financed by the Notes, or any related matters.

Upon our engagement, the District will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that we represent the District exclusively, that we are not counsel to any other party, and that we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in our engagement letter. Our representation of the District will not affect, however, our responsibility to render an objective Opinion.

We are not responsible for the preparation of an offering circular, official statement or any other disclosure document with respect to the Notes nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. If an official statement or other disclosure document is prepared and adopted or approved by the District, we will either prepare or review any description therein of: (i) Wisconsin and federal law pertinent to the validity of the Notes and the tax treatment of interest paid thereon and (ii) our opinion.

DIVERSITY OF PRACTICE;
CONSENT TO UNRELATED ENGAGEMENTS

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the District regarding such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the District's consent to such situations even though our service to you is limited to the specialized area of bond counsel. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually

provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. We would like to have an understanding with you that the District consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the District has no objection to our representation of other clients who have dealings with the District, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Notes and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Notes or that is serving as the District's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Notes or the District's financial advisor, in future transactions or matters that are not related to the issuance of the Notes or our role as bond counsel. By engaging our services under the terms of this letter, the District consents to our firm undertaking representations of this type.

LIMITED LIABILITY PARTNERSHIP

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

2023-2024 SCHOOL YEAR FEE SCHEDULE

Our fee schedule will be as follows for Districts which follow our procedures and use the documents we prepared:

<u>Principal Amount of Issue</u>	<u>Fees Including Disbursements</u>
Up to \$750,000	\$2,275
\$ 750,001 to 1,000,000	2,300
1,000,001 to 1,250,000	2,325
1,250,001 to 1,500,000	2,350
1,500,001 to 1,750,000	2,375
1,750,001 to 2,000,000	2,400
2,000,001 to 2,250,000	2,425
2,250,001 to 2,500,000	2,450
2,500,001 to 2,750,000	2,475
2,750,001 to 3,000,000	2,500
3,000,001 to 3,250,000	2,525
3,250,001 to 3,500,000	2,550
3,500,001 to 3,750,000	2,575
3,750,001 to 4,000,000	2,600
4,000,001 to 4,250,000	2,625
4,250,001 to 4,500,000	2,650
4,500,001 to 4,750,000	2,675
4,750,001 to 5,000,000	2,700
5,000,001 and above	\$2,700 plus 50¢ per \$1,000 for amounts \$5,000,001 and above

Disbursements for overnight delivery services, long distance telephone charges, faxes, photocopying and other routine necessary office expenses are included in the Schedule above. In the event an extraordinary number of overnight or messenger deliveries are required, our disbursements will be greater, and we will charge more. Any travel expenses incurred will also be billed and are not included in the amounts quoted above. **Our statements shall be presented to and paid by the District unless, prior to closing, the issuing District advises us that the lender will be responsible for the specified fees plus disbursements.**

SUPPORTIVE DATA

It is our understanding that all necessary documentation will be prepared, completed, executed, certified and furnished to us for our review. Moreover, the issuing District or purchasing financial institution may be required to provide supportive data we deem necessary, including, but not limited to, the budget for the current school year, cash flow projections and other documentation necessary for us to render our Opinion.

USE OF FORMS

Use of the forms we have developed will expedite these matters greatly. The forms will be provided at your request. The fee schedule set forth above is for those borrowings which use our forms. If the District does not use the forms we have provided, our fees will be increased based upon the additional time required to review and supplement the documents.

ADDITIONAL SERVICES

In the event that we are requested to provide services instead of or in addition to reviewing of the proceedings and rendering our Opinion (e.g., reviewing any disclosure document in accordance with the limits set forth above, preparing or reviewing resolutions and other documents for lines of credit transactions, revision of proceeding documents), such services shall be rendered and billed at our customary hourly rates with a minimum additional fee of \$500.00. **If we are asked to render our Opinion on a line of credit transaction, we will charge the applicable fee set forth in the Schedule above together with an additional fee of at least \$500.00.**

TERM

The fee schedule and additional matters set forth in this letter shall remain in effect until June 30, 2024.

QUESTIONS

Should you have questions or comments please feel free to contact Allison Buchanan (414/277-5641), David Groose (414/277-5885) or tsb@quarles.com. We appreciate the interest you have demonstrated in our firm.

CONCLUSION AND REQUEST FOR SIGNED COPY

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

We are looking forward to working with you and the District in this regard.

Very truly yours,

QUARLES & BRADY LLP

Accepted and Approved:

By: _____

Its: _____
Title

IV. 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.