

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 9, 2026

NEW ISSUE

Not Bank Qualified

S&P Global Rated "AA-" (stable outlook)
(See "RATING" herein)

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Notes shall NOT be "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

\$25,600,000
SCHOOL DISTRICT OF ELKHART LAKE-GLENBEULAH
Sheboygan County, Wisconsin
General Obligation Promissory Notes

Dated: April 22, 2026

Due: As shown herein

The \$25,600,000 General Obligation Promissory Notes (the "Notes") will be dated April 22, 2026 and will be in the denomination of \$5,000 each or any multiple thereof. The Notes will mature serially on March 1 of the years 2027 through 2041 and on March 1, 2046. Interest shall be payable commencing on March 1, 2027 and semi-annually thereafter on September 1 and March 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as paying agent for the Notes.

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the School District of Elkhart Lake-Glenbeulah, Wisconsin (the "District") for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds from the sale of the Notes will be used for the public purpose of paying the remaining portion of the cost of a school building and facility improvement project consisting of: construction of additions and renovations at the High School building, including for a middle school wing, gymnasium, commons and music area and a secure entrance and office; renovations at the current Middle School building for relocation of elementary school students; demolition of a portion of the existing Elementary School building; district-wide capital maintenance, building infrastructure and site improvements; and acquisition of furnishings, fixtures and equipment. (See "THE FINANCING PLAN" herein.)

The Notes maturing on March 1, 2035 and thereafter are subject to call and prior redemption, at the option of the District, on March 1, 2034 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity, at a price of par plus accrued interest to the date of redemption. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:



The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The District's Notes are offered when, as and if issued subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also act as Disclosure Counsel for the District. The anticipated settlement date for the Notes is on or about April 22, 2026.

SALE DATE: MARCH 16, 2026

SALE TIME: 10:00 A.M. CT

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), except for the omission of certain information described in the rule, but is subject to revision, amendment, and completion in a Final Official Statement.

MATURITY SCHEDULE*

\$25,600,000 General Obligation Promissory Notes

Dated: April 22, 2026 Due: March 1, 2027 through 2041 and March 1, 2046 Callable: March 1, 2034

				CUSIP ⁽¹⁾
				Base
<u>(March 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>287663</u>
2027	\$580,000			
2028	1,185,000			
2029	1,290,000			
2030	1,355,000			
2031	1,425,000			
2032	1,500,000			
2033	1,575,000			
2034	1,655,000			
2035	1,740,000			
2036	1,830,000			
2037	1,925,000			
2038	2,025,000			
2039	2,125,000			
2040	2,235,000			
2041	255,000			
2042-2045	--			
2046	2,900,000			

*Preliminary, subject to change.

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**SCHOOL DISTRICT OF ELKHART LAKE-GLENBEULAH
(Sheboygan County, Wisconsin)**

SCHOOL BOARD*

Mike Meeusen, President
Sarah Tegen, Vice President
Erica Spatz, Clerk
Grant Stecker, Treasurer
Sarah Rudnick, Member
Chad Kraus, Member
Amanda Gebert, Member

ADMINISTRATION

Dr. Adam Englebretson, District Administrator
Ryan Faris, High School Principal
Chris Petrie, Middle School Principal
Alicia Schwinn, Elementary School Principal

PROFESSIONAL SERVICES

School District Attorney:	Renning, Lewis & Lacy, S.C., Green Bay, Wisconsin
Financial Advisor:	Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel:	Quarles & Brady LLP, Milwaukee, Wisconsin
Disclosure Counsel:	Quarles & Brady LLP, Milwaukee, Wisconsin
Paying Agent:	Associated Trust Company, National Association, Green Bay, Wisconsin

**Erica Spatz and Chad Kraus are seeking re-election and both are running unopposed in April 2026.*

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the School District of Elkhart Lake-Glenbeulah, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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Appendix B: Form of Continuing Disclosure Certificate

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Appendix D: Official Notice of Sale

SUMMARY

District:	School District of Elkhart Lake-Glenbeulah, Sheboygan County, Wisconsin (the "District").
Issue:	\$25,600,000 General Obligation Promissory Notes (the "Notes").
Dated Date:	April 22, 2026.
Interest Due:	Commencing March 1, 2027 and on each September 1 and March 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	March 1 of the years 2027 through 2041 and on March 1, 2046.
Redemption Provisions:	The Notes maturing on and after March 1, 2035 shall be subject to call and prior payment, at the option of the District, on March 1, 2034 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the District. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)
Security:	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The proceeds from the sale of the Notes will be used for the public purpose of paying the remaining portion of the cost of a school building and facility improvement project consisting of: construction of additions and renovations at the High School building, including for a middle school wing, gymnasium, commons and music area and a secure entrance and office; renovations at the current Middle School building for relocation of elementary school students; demolition of a portion of the existing Elementary School building; district-wide capital maintenance, building infrastructure and site improvements; and acquisition of furnishings, fixtures and equipment. (See "THE FINANCING PLAN" herein.)
Tax Status:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
Credit Rating:	This issue has been assigned an "AA-" (stable outlook) rating by S&P Global Ratings, a division of S&P Global. (See "RATING" herein.)
No Bank Qualification:	The Notes shall NOT be "qualified tax-exempt obligations".
Bond Years:	249,178.33 years.
Average Life:	9.734 years.
Record Date:	The 15th day of the calendar month next preceding each interest payment date.

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the School District of Elkhart Lake-Glenbeulah, Wisconsin (the "District" and the "State" respectively) in connection with the sale of the District's \$25,600,000 General Obligation Promissory Notes (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the School Board (the "Board") and other proceedings and determinations related thereto.

All summaries of statutes, documents and the Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Award Resolution (defined herein). Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

THE FINANCING PLAN

As the result of a referendum election on November 5, 2024, the District has been authorized to issue general obligation bonds in an amount not to exceed \$39,600,000 for the public purpose of paying the cost of a school building and facility improvement project consisting of: construction of additions and renovations at the High School building, including for a middle school wing, gymnasium, commons and music area and a secure entrance and office; renovations at the current Middle School building for relocation of elementary school students; demolition of a portion of the existing Elementary School building; district-wide capital maintenance, building infrastructure and site improvements; and acquisition of furnishings, fixtures and equipment (the "Project").

Pursuant to Section 67.12(12)(e)2., Wisconsin Statutes, since the purpose and the amount of the borrowing have been approved by the electors, general obligation promissory notes may be issued without any additional approval by the electors.

Pursuant to a resolution adopted by the Board on March 17, 2025, the District awarded the sale of \$14,000,000 General Obligation Promissory Notes, dated April 24, 2025 (the "2025 Notes"), to provide financing for a portion of the Project. The 2025 Notes maturing on and after March 1, 2041 are callable at par on March 1, 2033 or any date thereafter.

The proceeds from the sale of the Notes will be used to provide financing for the remaining \$25,600,000 portion of the cost of the Project.

REDEMPTION PROVISIONS

Optional Redemption

The Notes maturing on March 1, 2035 and thereafter are subject to call and prior redemption, at the option of the District, on March 1, 2034 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity, at a price of par plus accrued interest to the date of redemption.

Mandatory Redemption

All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder as provided in the Official Notice of Sale.

Such term bonds shall be subject to mandatory sinking fund redemption. Such term bonds shall have a stated maturity or maturities of March 1, in such years as determined by the successful bidder. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity of 100% of the principal amount thereof, plus accrued interest to the redemption date or dates and in amounts consistent with the maturity schedule on the inside cover of this Official Statement.

ESTIMATED SOURCES AND USES*

Sources of Funds

Par Amount of Notes	\$25,600,000.00
Reoffering Premium	2,470,702.35
Total Sources of Funds:	<u>\$28,070,702.35</u>

Uses of Funds

Deposit to Project Construction Fund	\$25,600,000.00
Costs of Issuance (Including Underwriter's Discount)	473,325.00
Bid Premium for Deposit to Debt Service Fund	1,997,377.35
Total Uses of Funds:	<u>\$28,070,702.35</u>

**Preliminary, subject to change.*

CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS

The Constitution and the laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

Purpose

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of said bonds. The Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such notes or bonds.

Refunding Bonds

In addition to being authorized to issue bonds, the District is authorized to borrow money using refunding bonds for refunding existing debt. To evidence such indebtedness, the District must issue to the lender its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the District. Refunding bonds are not subject to referendum.

Promissory Notes

The District is also authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding twenty years following the date of said notes. Such notes constitute a general obligation of the District. Notes issued by the District to refinance or refund outstanding promissory notes issued by the District must be payable within ten years and no later than twenty years following the original date of such notes.

Bond or Note Anticipation Notes

In anticipation of issuing general obligation bonds or notes, the District is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be a general obligation of the District, and do not constitute an indebtedness of the District, nor a charge against its general credit or taxing power. The

bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due, and (b) proceeds to be derived from the issuance and sale of general obligation bonds or promissory notes which proceeds constitute a special trust fund to be held and expended solely for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

Temporary Borrowing

The Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the then current school year. No such loan or loans shall be made to extend beyond November 1 of the following year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the District for the current school year in which the loan is made.

Debt Limit

The District has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed five percent of the equalized value of taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption "INDEBTEDNESS OF THE DISTRICT - Debt Limit," herein.

THE RESOLUTIONS

The following are summaries of certain provisions of the Resolutions adopted by the Board pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

The Initial Resolution; Referendum Election; Project Financing to Date

By way of a resolution adopted on August 19, 2024 (the "Initial Resolution"), the Board authorized the issuance of general obligation bonds in an amount not to exceed \$39,600,000 for the public purpose of paying the cost of the Project.

By way of a resolution also adopted on August 19, 2024, the Board provided for a referendum election to be held on November 5, 2024. The District gave notice to the electors relating to the bond referendum at which time the electors would vote to approve or reject the Initial Resolution.

On November 5, 2024, a referendum was held in the District on the proposition of whether the Initial Resolution should be approved at which 1,447 votes were cast "Yes" for approval of the Initial Resolution and 1,241 votes were cast "No" for rejection of the Initial Resolution.

By way of a resolution adopted on March 17, 2025, the Board awarded the sale of the 2025 Notes to provide financing for a portion of the Project.

The Award Resolution

By way of a resolution to be adopted on March 16, 2026 (the "Award Resolution"), the Board will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Notes, in accordance with the bid specifications, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of the District to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrepealable taxes levied for collection in the years 2027 through 2046 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of the District a debt service fund with respect to payment of principal of and interest on the Notes.

THE DISTRICT

The administration of the District is exercised by a Board. The Board consists of seven members who are elected at large for staggered three-year terms of office. The Board elects a President, Vice President, Clerk and Treasurer from among its members for one-year terms. The Board is empowered to employ a District Administrator to conduct the affairs and programs of the District.

Common school districts hold an annual meeting, which will incorporate a public hearing, prior to adopting the budget for the ensuing year. The Board shall present at the annual meeting a full, itemized written report. The report shall state all receipts and expenditures of the District since the last annual meeting, the current cash balance of the District, the amount of the deficit and the bills payable of the District, the amount necessary to be raised by taxation for the support of the schools of the District for the ensuing year and the amount required to pay the principal and interest of any debt due during the ensuing year. The report shall also include the budget summary. The Board has the power and duty, among other things, to make rules for the organization, gradation, and government of the schools of the District, enter into agreements with other governmental units, tax for operation and maintenance, engage employees, including a District Administrator, and purchase school equipment.

The Board

Name	Expiration of Term
Mike Meeusen, President	April, 2027
Sarah Tegen, Vice President	April, 2028
Erica Spatz, Clerk	April, 2026*
Grant Stecker, Treasurer	April, 2027
Sarah Rudnick, Member	April, 2028
Chad Kraus, Member	April, 2026*
Amanda Gebert, Member	April, 2027

**Erica Spatz and Chad Kraus are seeking re-election and both are running unopposed in April 2026.*

Source: The District.

Administration

Name	Title	Years of Service
Dr. Adam Englebretson	District Administrator	4
Ryan Faris	High School Principal	10
Chris Petrie	Middle School Principal	16*
Alicia Schwinn	Elementary School Principal	2*

**Chris Petrie was previously a Teacher and Assistant Principal for the District Elementary/Middle School for 11 years before assuming the Principal position, and Alicia Schwinn was previously the Principal at Cleveland Elementary School for the Sheboygan Area School District.*

Source: The District.

District Facilities

Facility	Year of Construction	Years of Additions
High School	1966	1977, 2015
Elementary/Middle School	1938	1956, 1957, 1977, 1989

Source: The District.

School Enrollments

<u>Year</u>	<u>Pre-K through 12th Grade Total*</u>
2021-22	460
2022-23	479
2023-24	511
2024-25	514
2025-26	520
2026-27**	513
2027-28**	515
2028-29**	516
2029-30**	527
2030-31**	515

**Headcount.*

***Projected enrollments are based on the cohort survival method.*

Source: The District.

Employment Relations

<u>Department</u>	<u>Number of Employees*</u>
Teachers	44
Administration	4
Instructional Aides	8
Administrative Assistants/Secretaries	5
Custodians	2
Food Service	2
Technology	2
Child Care	4
TOTAL	<u>71</u>

**Headcount.*

Source: The District.

The District currently has no organized labor groups. The District considers its relationship with its employees to be excellent.

Source: The District.

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit⁽¹⁾.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. Accordingly, the Board approved Employee Handbooks, which set forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbooks' terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

(1) On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

Pension Plan

All eligible employees in the District are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. 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 ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

District employees are required to contribute half of the actuarially determined contributions, and the District may not pay the employees' required contribution. During the fiscal years ended June 30, 2023, June 30, 2024 and June 30, 2025 ("Fiscal Year 2025") the District's portion of contributions to WRS (not including any employee contributions) totaled \$257,837, \$264,328 and \$276,601, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2025, the District reported a liability of \$330,964 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.02014188% of the aggregate WRS net pension liability as of December 31, 2024.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees.

For more detailed information regarding the WRS and such actuarial assumptions, see Note 7 in "Appendix A – Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

Other Post-Employment Benefits

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 7 retirees receiving benefits and 55 active eligible plan members as of June 30, 2023, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). The most recent actuarial study for the plan was prepared in accordance with GASB 74/75 by Foster & Foster Consulting Actuaries, Inc. (the "Actuary") in May 2024 with an actuarial valuation date of June 30, 2023. The Actuary completed a table updates report in January 2025 with a measurement date of June 30, 2024. The District is in the process of having a new actuarial study completed.

For Fiscal Year 2025, District contributions to the plan totaled \$123,646. The District's current funding practice is to make annual contributions to the plan in the amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

For Fiscal Year 2025 (measured as of June 30, 2024), the plan's total OPEB liability was \$632,306 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$632,306.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 8 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

The District also participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2025, the District's portion of contributions to the LRLIF totaled \$1,133. For Fiscal Year 2025, the District reported a liability of \$210,894 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2024 based on the District's share of contributions to the LRLIF relative to the contributions of all participating employers. The District's proportion was 0.053906% of the aggregate LRLIF net OPEB liability as of December 31, 2024.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of

the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 9 in "Appendix A – Basic Financial Statements and Related Notes for the Year Ended June 30, 2025" attached hereto.

GENERAL INFORMATION

Location

The District, encompassing 58 square miles, is located Sheboygan County. The District serves the entire Villages of Elkhart Lake and Glenbeulah as well as portions of the Towns of Greenbush, Herman, Plymouth, Rhine and Russell. The District is approximately 21 miles northwest of the City of Sheboygan and 26 miles northeast of the City of Fond du Lac.

Education

The District offers a comprehensive educational program for students in pre-kindergarten through the twelfth grade. The District facilities consist of one combined elementary/middle school and one high school building. Enrollment for the 2025-26 school year is 520 students. The District has a 2024 estimated population of 3,731* and employs 71 people.

*Source: U.S. Census Bureau.

Post Secondary Education

Secondary education can be obtained at three facilities within Sheboygan County. The University of Wisconsin - Green Bay, Sheboygan Campus offers the Associate of Arts and Sciences degree designed as preparation for a bachelor's degree. Lakeland University, located north of the City of Sheboygan, is a private, liberal arts college. In addition to four-year degree programs, Lakeland University offers adult continuing education. Lakeshore Technical College, located in the Village of Cleveland, offers associate degree programs, vocational diploma and certificate programs.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	The District	Sheboygan County	Village of Elkhart Lake	Village of Glenbeulah	Town of Rhine
Estimate, 2025	(1)	119,353	1,113	456	2,155
Estimate, 2024	3,731	118,465	1,021	457	2,149
Estimate, 2023	3,713	118,204	962	458	2,147
Estimate, 2022	3,716	118,776	960	462	2,157
Census, 2020	3,722	118,034	941	451	2,139

(1) 2024 and 2025 data is not yet available.

Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Census Bureau.

Adjusted Gross Income Per Tax Return

	State of Wisconsin	Sheboygan County	Village of Elkhart Lake	Village of Glenbeulah	Town of Rhine
2024	\$76,638	\$74,264	\$93,651	\$75,033	\$255,100
2023	73,001	70,378	80,994	67,812	118,310
2022	70,548	66,292	88,138	69,964	114,183
2021	66,369	62,823	85,474	68,655	121,074
2020	61,518	59,529	77,467	65,322	78,334

Source: Wisconsin Department of Revenue, Division of Research and Policy.

Unemployment Rate

	State of Wisconsin	Sheboygan County
December, 2025 ⁽¹⁾	3.0%	2.6%
December, 2024	2.9	2.3
Average, 2024 ⁽¹⁾	3.0%	2.5%
Average, 2023	2.8	2.3
Average, 2022	2.8	2.4
Average, 2021	3.8	3.1
Average, 2020	6.4	5.8

⁽¹⁾Preliminary.

Source: Wisconsin Department of Workforce Development.

Building Permit Valuations – Residential Only

	Village of Elkhart Lake		Village of Glenbeulah		Town of Rhine	
Year	Number	Valuation	Number	Valuation	Number	Valuation
2025 ⁽¹⁾	8	\$3,593,000	0	\$0	4	\$1,505,600
2024	78	21,410,000	1	180,000	5	1,759,000
2023	14	16,209,852	0	0	7	3,747,000
2022	9	3,955,327	0	0	7	1,913,121
2021	10	7,100,000	2	484,600	13	5,413,135
2020	11	4,085,000	4	1,001,200	10	4,275,000

⁽¹⁾As of December 2025.

Source: U.S. Census Bureau.

Largest Employers

Because of the District's proximity to Cities of Sheboygan and Fond du Lac, many District residents commute for employment. The largest employers in Sheboygan include Acuity Mutual Insurance, insurance company, with 1,700 employees, Aurora Medical, hospital and clinic, with 1,362 employees and Sheboygan Area School District, education, with 1,263 employees. The largest employers in Fond du Lac include Mercury Marine, outboard motor manufacturing, with 3,100 employees, SSM Health (St. Agnes Hospital) with 1,497 employees and, and Fond du Lac County, government, with 949 employees.

Source: City of Sheboygan Final Official Statement dated August 28, 2025 and City of Fond du Lac Final Official Statement dated September 2, 2025.

The largest employers in the District are listed below.

Employer	Type of Business	Number of Employees
Osthoff Resort	Resort	119
Sohn Manufacturing, Inc.	Physicians and surgeons equipment and supply manufacturer	100
The District	Education	71
KEES	Metal goods manufacturer	60
Sargento Foods, Inc.	Cheese wholesaler	52
Siebkens Resort	Hotels and motels	50
Quit Qui Oc Golf Club Inc.	Restaurant and golf course	50
PLYCO/Trimline	Hardware manufacturer	49
Village of Elkhart Lake	Government	31
Lake Street Café	Restaurant	20

Source: Village of Elkhart Lake Final Official Statement dated December 10, 2025 and the District.

Largest Taxpayers

Name	Type of Property	2025 Assessed Valuation	2025 Equalized Valuation
Elkhart Lake SL Property LLC	Assisted Living and Senior Community	\$8,878,300	\$12,705,100
Sargento Cheese Inc.	Cheese manufacturer	8,749,000	12,556,300
Individual	Residential	5,514,000	7,890,700
Osthoff North Development Corp Inc. ⁽¹⁾	Commercial/Hotel/Conference center	5,227,600	7,480,800
Whitetail Ridge Elkhart Lake LLC	Apartments	5,001,300	7,157,000
Individual	Residential and agricultural	6,592,100	6,396,700
Elkhart Lake Beach Resort LLC	Resort	4,151,200	5,942,000
Individual	Residential	4,068,500	5,822,100
Individual	Residential	3,632,300	5,197,900
Gencap Danna Elkhart Lake 50 LLC	Affordable housing	3,370,200	4,822,900
TOTAL		<u>\$55,184,500</u>	<u>\$75,971,500</u>

The above taxpayers represent 5.20% of the District's 2025 Equalized Value (TID IN) (\$1,460,172,640).

⁽¹⁾The valuations for this taxpayer do not include a significant number of parcels that are condominium units located on the Osthoff Resort property owned by other individual taxpayers.

Source: Sheboygan County.

TAX LEVIES, RATES AND COLLECTIONS

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 20 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023. Since, in practice, all delinquent real estate taxes are withheld from the county's share of taxes, the District receives 100 percent of the real estate taxes it levies.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District.

Levy Year	Collection Year	District Tax Rate	District Levy	Uncollected Taxes As of August 20 th of Each Year	Percent of Levy Collected
2025	2026	\$7.16	\$9,573,330	-In process of collection-	
2024	2025	5.70	6,547,190	-0-	100.00%
2023	2024	6.51	6,700,451	-0-	100.00
2022	2023	6.85	6,129,472	-0-	100.00
2021	2022	7.50	6,157,092	-0-	100.00

Source: Wisconsin Department of Public Instruction.

**2025-26 Proportionate Amounts of Local Tax Revenue
Per Municipality Based on 2025 Equalized Valuation**

Municipality	2025 Equalized Valuation (TID OUT)	Percent of Levy	Amount of Levy
Town of Greenbush	\$69,677,116	5.2077498%	\$498,555
Town of Herman	4,975,634	0.3718847	35,602
Town of Plymouth	346,969	0.0259329	2,483
Town of Rhine	599,135,776	44.7801139	4,286,948
Town of Russell	28,312,045	2.1160756	202,579
Village of Elkhart Lake	573,953,500	42.8979609	4,106,763
Village of Glenbeulah	61,549,500	4.6002822	440,400
TOTAL	\$1,337,950,540	100.0000000%	\$9,573,330

Source: Wisconsin Department of Revenue.

EQUALIZED VALUATIONS

The State of Wisconsin, Department of Revenue, Supervisor of Assessments Office determines all equalized valuations of property in the State of Wisconsin. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Residential and commercial properties located within the District are assessed annually by the local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2021 through 2025. The District's equalized valuation (TID IN) has increased by 69.11 percent since 2021 with an average annual increase of 14.04 percent.

Year	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2025	\$1,460,172,640	\$1,337,950,540
2024	1,216,688,303	1,147,830,803
2023	1,090,208,060	1,029,197,460
2022	944,793,841	895,353,441
2021	863,445,008	821,444,108

Source: Wisconsin Department of Revenue.

Tax Increment Districts

The Village of Elkhart Lake and Village of Glenbeulah have created Tax Increment Districts ("TIDs") under Wisconsin Statutes 66.1105. TID valuations totaling \$122,222,100 have been excluded from the District's tax base for 2025.

Municipality	TID #	Base Year	Base Value	2025 Value	Increment
Village of Elkhart Lake	2	2013	\$10,561,600	\$67,338,500	\$56,776,900
Village of Elkhart Lake	3	2013	1,699,300	11,077,700	9,378,400
Village of Elkhart Lake	4	2015	6,219,600	58,507,900	52,288,300
Village of Glenbeulah	1	2005	1,862,900	5,641,400	3,778,500
				TOTAL	<u>\$122,222,100</u>

Source: Wisconsin Department of Revenue.

INDEBTEDNESS OF THE DISTRICT

Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the District, including principal and interest payments due on existing debt, as well as debt service on the Notes. Interest on the Notes has been estimated using an average rate of 4.77 percent. The bond years are 249,178.33 years and the average life is 9.734 years.

Year	Outstanding Bonds and Notes		The Notes		Total Debt Service Requirements*
	Principal	Interest	Principal*	Interest*	
2026	\$1,415,000	\$1,388,848			\$2,803,848
2027	0	536,063	\$580,000	\$1,684,775	2,800,838
2028	0	536,063	1,185,000	1,192,375	2,913,438
2029	0	536,063	1,290,000	1,130,500	2,956,563
2030	0	536,063	1,355,000	1,064,375	2,955,438
2031	0	536,063	1,425,000	994,875	2,955,938
2032	0	536,063	1,500,000	921,750	2,957,813
2033	0	536,063	1,575,000	844,875	2,955,938
2034	0	536,063	1,655,000	764,125	2,955,188
2035	0	536,063	1,740,000	679,250	2,955,313
2036	0	536,063	1,830,000	590,000	2,956,063
2037	0	536,063	1,925,000	496,125	2,957,188
2038	0	536,063	2,025,000	397,375	2,958,438
2039	0	536,063	2,125,000	293,625	2,954,688
2040	0	536,063	2,235,000	184,625	2,955,688
2041	2,085,000	493,059	255,000	122,375	2,955,434
2042	2,445,000	399,628	0	116,000	2,960,628
2043	2,565,000	294,694	0	116,000	2,975,694
2044	2,685,000	181,453	0	116,000	2,982,453
2045	2,805,000	61,359	0	116,000	2,982,359
2046	0	0	2,900,000	58,000	2,958,000
	14,000,000	10,323,916	25,600,000	11,883,025	61,806,941
Less 2026 Payments	(1,415,000)	(1,388,848)	0	0	(2,803,848)
TOTAL	<u>\$12,585,000</u>	<u>\$8,935,068</u>	<u>\$25,600,000</u>	<u>\$11,883,025</u>	<u>\$59,003,094</u>

*Preliminary, subject to change.

Other Financings

The District previously established a line of credit available to draw upon for short-term cash flow purposes in the past five fiscal years as shown below:

Amount	Fiscal Year
\$1,000,000	2023-24
1,200,000	2022-23
1,200,000	2021-22
1,000,000	2020-21

The District has not established such a line of credit for the current fiscal year, and the District does not expect to borrow for short-term cash flow purposes in the foreseeable future.

Future Financing

Over the next twelve months, the District does not intend to issue any additional general obligation debt.

Default Record

The District has no record of default on any prior debt repayment obligations.

Overlapping and Underlying Indebtedness

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

Name of Entity	Amount of Debt (Net of 2026 Principal Payments)	Percent Chargeable to District	Outstanding Debt Chargeable to District
Lakeshore Technical College District	\$28,420,000	5.18%	\$1,472,156
Sheboygan County*	27,365,000	8.40	2,298,660
Village of Elkhart Lake	16,043,840	100.00	16,043,840
Village of Glenbeulah	498,848	100.00	498,848
Total Towns	593,993	Varies	169,498
Total Sanitary Districts	350,000	Varies	272,405
TOTAL	<u>\$73,271,681</u>		<u>\$20,755,407</u>

NOTE: This summary may not reflect all of the District's outstanding overlapping and underlying indebtedness.

**Sheboygan County anticipates issuing approximately \$14,800,000 General Obligation Promissory notes to be dated April 20, 2026. This amount is included in the total above.*

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](https://emma.msrb.org), the Wisconsin Department of Revenue 2024 Municipal Debt Margins report and direct inquiries.

Statistical Summary

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2026 principal payments.

2025 Equalized Valuation as certified by Wisconsin Department of Revenue	\$1,460,172,640
Direct Bonded Indebtedness Including the Notes	\$38,185,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Notes	\$58,940,407
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	2.62%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	4.04%
Population of District (2024 Estimate)*	3,731
Direct Bonded Indebtedness Per Capita	\$10,234.52
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$15,797.48

*U.S. Census Bureau.

Debt Limit

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS—Debt Limit," the total indebtedness of the District may not exceed five percent of the equalized value of property in the District. The table below reflects direct bonded indebtedness as of the date of the closing of the Notes and is a comparison of the outstanding indebtedness of the District as a percentage of the applicable debt limit.

Equalized Valuation (2025) as certified by Wisconsin Department of Revenue	\$1,460,172,640
Legal Debt Percentage Allowed*	<u>5.00%</u>
Legal Debt Limit	\$73,008,632
Direct Bonded Indebtedness Outstanding Including the Notes	<u>\$38,185,000</u>
Unused Margin of Indebtedness	\$ 34,823,632
Percent of Legal Debt Incurred	52.30%
Percentage of Legal Debt Available	47.70%

**The Wisconsin Statutes provide that the aggregate amount of indebtedness of any school district that offers no less than grades 1 to 12 and that at the time of incurring the debt is eligible to receive state aid under s. 121.08 may not exceed 10 percent of the equalized value of the taxable property located in the school district. For the current fiscal year, the District is not eligible to receive such aid, and therefore, the District's total indebtedness may not exceed five percent of the equalized value of property in the District.*

FINANCIAL INFORMATION

The financial operations of the District are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

Budgeting Process

The District is required by State law to annually formulate a budget and to hold an annual meeting thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each department, activity and reserve account of the District during the ensuing year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the teachers and departmental administrators of each school to their respective principals, who thereafter review and revise such requests and submit them, with their recommendations, to the District Administrator of the District. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full Board, at which time the proposed budget is reviewed with the District's administrative staff. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by the Board after the annual meeting is held and finalized in October.

Financial Statements

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor (defined herein), to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

**GENERAL FUND SUMMARY
FOR YEARS ENDED JUNE 30**

	2026 BUDGET ⁽¹⁾	2025 ACTUAL ⁽¹⁾	2024 ACTUAL ⁽¹⁾	2023 ACTUAL ⁽¹⁾	2022 ACTUAL ⁽¹⁾
Revenues					
Local Sources	\$7,063,857	\$6,845,467	\$6,783,024	\$6,118,997	\$6,107,167
Interdistrict Sources	1,689,992	1,407,535	1,321,673	1,224,562	1,020,973
Intermediate Sources	2,537	2,537	5,102	5,138	2,767
State Sources	874,350	875,424	873,286	862,656	883,139
Federal Sources	282,876	285,910	340,954	683,040	631,597
Other Sources	17,500	14,640	48,544	24,239	15,135
Total revenues	<u>9,931,112</u>	<u>9,431,513</u>	<u>9,372,583</u>	<u>8,918,632</u>	<u>8,660,778</u>
Expenditures					
Instruction	4,205,756	4,884,489	4,735,352	4,713,735	4,550,759
Support Service	4,765,240	3,344,486	3,467,294	3,419,648	3,628,052
Non-Program	918,910	0	0	0	0
Total Expenditures	<u>9,889,906</u>	<u>8,228,975</u>	<u>8,202,646</u>	<u>8,133,383</u>	<u>8,178,811</u>
Excess of revenues over (under) expenditures	41,206	1,202,538	1,169,937	785,249	481,967
Other financing sources (uses)					
Operating transfers out	(41,206)	0	0	0	0
Transfer to capital improvement fund	0	(201,000)	0	0	0
Transfer to food service fund	0	(28,636)	0	0	0
Compensation for fixed assets	0	0	0	18,087	0
Net other financing sources (uses)	<u>(41,206)</u>	<u>(229,636)</u>	<u>0</u>	<u>18,087</u>	<u>0</u>
Excess of revenue and other sources Over (under) expenditures and other uses	0	972,902	1,169,937	803,336	481,967
Fund balances - beginning of year	<u>5,851,609</u>	<u>4,878,707</u>	<u>3,708,770</u>	<u>2,905,434</u>	<u>2,423,467</u>
Fund balances - end of year	<u>\$5,851,609</u>	<u>\$5,851,609</u>	<u>\$4,878,707</u>	<u>\$3,708,770</u>	<u>\$2,905,434</u>

⁽¹⁾The figures reflect the District's adoption of Statement No. 54 of the Governmental Accounting Standards Board, which includes what was previously separately identified as the special education fund within the general fund.

The amounts shown for the fiscal years ended June 30, 2022 through June 30, 2025 are excerpts from audit reports which have been prepared by Corson, Peterson & Hamann S.C., Certified Public Accountants, Sheboygan, Wisconsin (the "Auditor"). The amounts shown for the fiscal year ending June 30, 2026 are shown on a budgetary basis, and such amounts have been provided by the District. The comparative statement of revenues and expenditures should be read in conjunction with the other financial statements and notes thereto appearing in Appendix A to this Official Statement.

UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom _____ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the inside cover page of this Official Statement plus accrued interest from April 22, 2026, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the "Financial Advisor" or "Baird") in connection with the issuance of the Notes. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird's compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

RATING

This issue has been assigned a "AA-" (stable outlook) rating by S&P Global Ratings, a division of S&P Global. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

REVENUE LIMITS ON WISCONSIN SCHOOL DISTRICTS

The Wisconsin Statutes impose revenue limits on Wisconsin school districts, including the District. The Wisconsin Statutes generally have allowed for some annual per pupil increases without voter approval in certain, but not all years. For example, the Wisconsin Statutes provided for increases of average revenue per pupil by \$175 per pupil in the 2019-20 school year and \$179 per pupil in the 2020-21 school year without the need for voter approval; however, for the 2015-16 through 2018-19 school years and the 2021-22 and 2022-23 school years, school districts were prohibited from increasing their revenue limit without voter approval. The current Wisconsin Statutes provide for an increase of average revenue per pupil by \$325 per pupil for the 2023-24 and 2024-25 school years without the need for voter approval, which amount is continued under the current Wisconsin Statutes until the year 2425. These provisions of the Wisconsin Statutes may change in the future.

The revenue limit is increased by funds needed for payment of debt service on general obligation debt authorized before the effective date of the revenue limit statutes (August 12, 1993) (the "Effective Date") and debt service on obligations issued to refund such debt. Debt authorized after the Effective Date is exempt from the revenue limits if approved at a referendum, as is debt service on obligations issued to refund such debt.

The Notes were approved at referendum. Accordingly, the payment of debt service on the Notes is not subject to the revenue limits.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Original Issue Discount

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined

by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

Bond Premium

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall NOT be "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”), pursuant to the Securities Exchange Act of 1934 (the “Rule”), the District shall covenant pursuant to the Award Resolution to be adopted by the Board to enter into an undertaking (the “Undertaking”) for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District’s fiscal year ends June 30th.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access (“EMMA”) system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

In the previous five years, the District has not failed to comply in all material respects with any previous undertakings under the Rule.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership

interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the District taken with respect to the issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel. Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

Quarles & Brady LLP has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Notes. Although, as Disclosure Counsel to the District, Quarles & Brady LLP has assisted the District with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

Quarles & Brady LLP from time to time serves as counsel to the Financial Advisor with respect to issuers other than the District and transactions other than the issuance of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities (including school districts such as the District) are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

MISCELLANEOUS

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the District Clerk has been duly authorized by the District.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

AUTHORIZATION

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its President and Clerk, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the adoption of the Award Resolution and at the time of delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

SCHOOL DISTRICT OF ELKHART LAKE-GLENBEULAH

By /s/ _____
District Clerk

APPENDIX A

BASIC FINANCIAL STATEMENTS AND RELATED NOTES

SCHOOL DISTRICT OF ELKHART LAKE-GLENBEULAH SHEBOYGAN COUNTY, WISCONSIN

For Year Ended June 30, 2025

**Corson, Peterson & Hamann S.C.
Certified Public Accountants
Sheboygan, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

School District of Elkhart Lake-Glenbeulah

Elkhart Lake, Wisconsin

Financial Statements

Year ended June 30, 2025

School District of Elkhart Lake-Glenbeulah
Financial Statements
Year ended June 30, 2025

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Financial Statements
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CORSON, PETERSON & HAMANN S.C.

CERTIFIED PUBLIC ACCOUNTANTS

GREG PETERSON, C.P.A.
DAVID HAMANN, C.P.A.

2203 SOUTH MEMORIAL PLACE
SHEBOYGAN, WISCONSIN 53081

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
School District of Elkhart Lake-Glenbeulah
Elkhart Lake, 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 School District of Elkhart Lake-Glenbeulah as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Elkhart Lake-Glenbeulah's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Elkhart Lake-Glenbeulah as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 School District of Elkhart Lake-Glenbeulah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Elkhart Lake-Glenbeulah's basic financial statements. The accompanying combining nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of the School District of Elkhart Lake-Glenbeulah'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 School District of Elkhart Lake-Glenbeulah's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Elkhart Lake-Glenbeulah's internal control over financial reporting and compliance.

Corson, Peterson & Hamann S.C.

Sheboygan, Wisconsin
November 20, 2025

Management's Discussion and Analysis

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

The discussion and analysis of the School District of Elkhart Lake-Glenbeulah's 2024-2025 financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on school district financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is available. This discussion and analysis should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the 2024-2025 fiscal year by \$12,031,512 (net position). For the 2024-2025 year, net position increased by \$279,373.

Total District revenues were \$10,133,965, including \$6,556,303 of property and other taxes and \$614,209 of state aid not restricted for any specific purpose. Total District expenditures were \$9,854,592, including \$5,272,268 for direct instruction.

The following financial events took place during the 2024-2025 fiscal year:

- The 2024 total tax levy decreased by \$153,261 (\$6,700,451 in 2023 to \$6,547,190 in 2024). This amount included the first year of a four-year operational referendum.
- The District received \$742 in per pupil state categorical aid. There were no increases to this allocation for the 2024-2025 school year.
- The District borrowed \$14 million, the first portion, on the District's \$39.6 million referendum project.
- The District started a long-term capital improvement trust fund with a \$201,000 transfer from the general fund to establish the fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The *statement of net position* and *statement of activities* provide information on a district-wide basis. The statements present an aggregate view of the District's finances. Government-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the government-wide statements.

The *notes to the financial statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

Major features of the government-wide and fund financial statements

The major features of the District's financial statements, including the activities reported and the type of information contained, is shown in the following table.

	Government-Wide Financial Statements	Fund Financial Statements
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as instruction, support services, debt service, capital projects, food service and community services
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances
Basis of accounting and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital and short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

Government-Wide Financial Statements

The government-wide financial statements are the *statement of net position* and the *statement of activities*. These statements provide both long-term and short-term information about the District's overall financial status and are designed to provide readers with a broad overview of the District's finances in a manner similar to private-sector business.

- The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the differences reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the fiscal year. This statement reports the cost of governmental functions and how those functions were financed for the fiscal year.
- The government-wide financial statements are shown on pages 14 to 15 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has the following type of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as they are reported on the government-wide statements. Therefore, an explanation of the differences between governmental funds and the government-wide statements is included either at the bottom of the governmental funds statements or as a separate statement.
- *Governmental funds* include the District's five permanent funds (general, special revenue trust, debt service, food service and community service) and individual capital project funds as needed. In the current fiscal year, the District had two capital project funds.
- The governmental fund financial statements are shown on pages 16 and 18 of this report.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

FINANCIAL ANALYSIS

The District as a Whole

Net position. Table 1, below, provides a summary of the District's net position for the year ended June 30, 2025 compared to 2024.

Table 1
Condensed Statement of Net Position
June 30, 2025 and 2024

	Governmental Activities		Increase (Decrease)
	2025	2024	2025-2024
Assets			
Current assets	\$20,437,939	\$ 5,888,597	\$14,549,342
Non-current assets			
Capital assets - net	<u>7,281,015</u>	<u>6,694,685</u>	<u>586,330</u>
Total assets	<u>\$27,718,954</u>	<u>\$12,583,282</u>	<u>\$15,135,672</u>
Deferred outflows of resources	<u>\$ 2,211,949</u>	<u>\$ 3,098,560</u>	<u>\$ (886,611)</u>
Liabilities			
Long-term liabilities	\$15,697,583	\$ 1,238,812	\$14,458,771
Other liabilities	<u>753,817</u>	<u>409,500</u>	<u>344,317</u>
Total liabilities	<u>\$16,451,400</u>	<u>\$ 1,648,312</u>	<u>\$14,803,088</u>
Deferred inflows of resources	<u>\$ 1,447,991</u>	<u>\$ 2,176,469</u>	<u>\$ (728,478)</u>
Net position			
Net investment in capital assets	\$ 5,998,932	\$ 6,694,685	\$ (695,753)
Restricted	628,839	370,494	258,345
Unrestricted	<u>5,403,741</u>	<u>4,791,882</u>	<u>611,859</u>
Total net position	<u>\$12,031,512</u>	<u>\$11,857,061</u>	<u>\$ 174,451</u>

- Current assets increased \$14,549,342 due to unspent promissory note proceeds. Current assets mainly consist of cash and investments and taxes receivable.
- Total liabilities increased \$14,803,088 due to issuing promissory notes of \$14,000,000.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

Change in net position. Table 2 shows the change in net position for the years ended June 30, 2025 and 2024.

Table 2 Change in Net Position Years ended June 30, 2025 and 2024			
	Governmental Activities		Increase (Decrease)
	2025	2024	2025-2024
Revenues			
Program revenues			
Charges for services	\$ 1,856,740	\$ 1,759,364	\$ 97,376
Operating grants and contributions	810,044	955,974	(145,930)
Capital grants and contributions	3,616	65,263	(61,647)
General Revenues			
Property and other taxes	6,556,303	6,710,121	(153,818)
General state aid	614,209	597,731	16,478
Other	293,053	215,817	77,236
Total revenues	<u>\$10,133,965</u>	<u>\$10,304,270</u>	<u>\$ (170,305)</u>
Expenses			
Instruction	\$ 5,272,268	\$ 4,993,783	\$ 278,485
Pupil and instructional staff services	685,862	801,857	(115,995)
Administration and business services	1,105,692	1,034,852	70,840
Operations and maintenance	715,130	757,570	(42,440)
Pupil transportation	271,652	271,452	200
Food service	177,556	153,711	23,845
Community service	152,819	165,936	(13,117)
Interest and related expense on debt	643,110	4,834	638,276
Other	830,503	818,069	12,434
Total expenses	<u>\$ 9,854,592</u>	<u>\$ 9,002,064</u>	<u>\$ 852,528</u>
Change in net position	\$ 279,373	\$ 1,302,206	\$ (1,022,833)
Net position - Beginning of year	11,857,061	10,554,855	1,302,206
Restatement	(104,922)	-	(104,922)
Net position - End of year	<u>\$12,031,512</u>	<u>\$11,857,061</u>	<u>\$ 174,451</u>

- Program revenues, in the form of charges for services and operating and capital grants and contributions, totaled \$2,670,400. In total, program revenues decreased \$110,201 compared to 2024.
- General revenues, including property and other taxes and general state aid totaled \$7,463,565. General revenues account for approximately 74% of all revenues.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

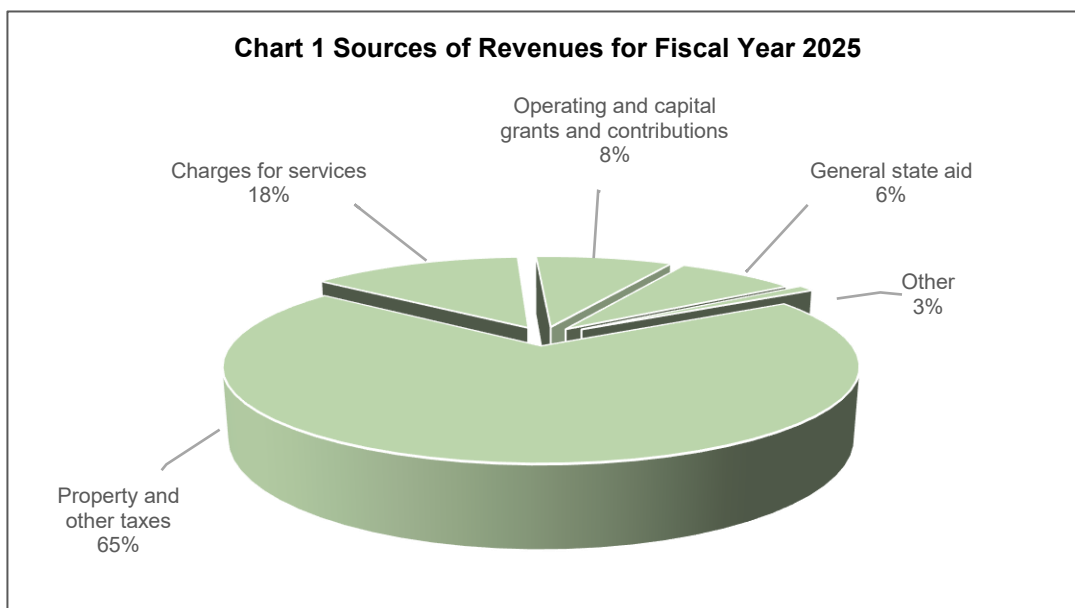
Net cost of governmental activities. Table 3 reports the cost of nine major District activities for the years ended June 30, 2025 and 2024. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 Net Cost of Governmental Activities Years ended June 30, 2025 and 2024				
	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$ 5,272,268	\$ 4,993,783	\$ 3,332,378	\$ 3,104,313
Pupil and instructional staff services	685,862	801,857	389,444	489,005
Administration and business services	1,105,692	1,034,852	1,100,063	1,027,889
Operations and maintenance	715,130	757,570	693,141	675,615
Pupil transportation	271,652	271,452	250,255	246,254
Food service	177,556	153,711	53,976	23,046
Community service	152,819	165,936	(60,190)	(70,657)
Interest and related expense on debt	643,110	4,834	643,110	4,834
Other	830,503	818,069	782,015	721,164
Total	<u>\$ 9,854,592</u>	<u>\$ 9,002,064</u>	<u>\$ 7,184,192</u>	<u>\$ 6,221,463</u>

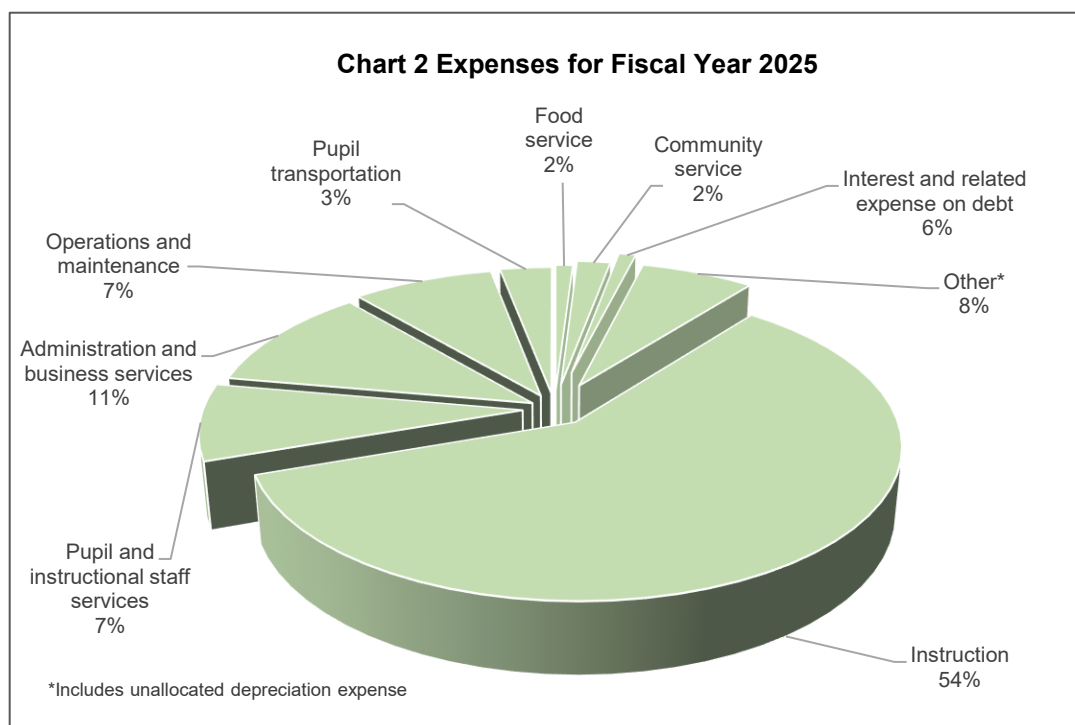
- The total cost of all governmental activities for the year was \$9,854,592, an increase of \$852,528 from the prior year.
- Individuals, other governments and others who directly participated in or benefited from a program paid \$1,856,740 of the costs.
- Governmental and other operating and capital grants and contributions accounted for \$813,660 of the costs.
- Net cost of governmental activities were financed with general revenues, which consist of property and other taxes, general state aid, interest income and miscellaneous items.
- The "other" category includes central services, insurance and judgements, other support services and unallocated depreciation expense.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

- Property and other taxes account for the greatest portion of revenues for the District as illustrated in Chart 1.



- Expenses by major function are illustrated in Chart 2.



School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

Financial Aspects of the District's Funds

The District completed the year with a total governmental fund balance of \$19,928,403, which was \$14,449,306 more than last year's ending fund balance of \$5,479,097. The increase in fund balance is mainly due to unspent proceeds from long-term debt in the capital projects fund. The following table provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Table 4
Fund Balances
June 30, 2025 and 2024

	Governmental Activities		Increase (Decrease)
	2025	2024	2025-2024
General fund	\$ 5,851,609	\$ 4,878,707	\$ 972,902
Special revenue trust fund	323,990	352,383	(28,393)
Debt service fund	12,801	-	12,801
Long-term capital improvement trust fund	201,008	-	201,008
Capital projects fund	13,233,339	-	13,233,339
Food service fund	-	18,161	(18,161)
Community service fund	305,656	229,846	75,810
Total fund balances	<u>\$19,928,403</u>	<u>\$ 5,479,097</u>	<u>\$14,449,306</u>

Budgetary Highlights

Consistent with current state statutes and regulations an original budget is adopted in October following determination of official enrollment and certification of state aids. Generally, the original budget is not significantly modified. There were no modifications to the District's original budget in 2024-2025. Budgetary comparison schedules for the general fund and special education fund are shown on pages 52 to 53 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested over \$14.9 million in a broad range of capital assets, including land, site improvements, buildings, building improvements, furniture and equipment and construction in progress (see Table 5). Accumulated depreciation on these assets totaled \$7,682,902. Detailed information about the District's capital assets can be found in Note 4.

- Asset acquisitions during the year totaled \$1,091,530.
- For the year ended June 30, 2025 the District recognized depreciation expense of \$476,589.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

Capital Assets - Continued

Table 5
Capital Assets
June 30, 2025 and 2024

	Governmental Activities		Increase (Decrease)
	2025	2024	2025-2024
Land	\$ 175,590	\$ 175,590	\$ -
Site improvements	1,251,679	1,231,536	20,143
Buildings and building improvements	9,821,989	9,699,289	122,700
Furniture and equipment	2,820,677	2,905,818	(85,141)
Construction in progress	<u>893,982</u>	<u>-</u>	<u>893,982</u>
	\$14,963,917	\$14,012,233	\$ 951,684
Accumulated depreciation	<u>(7,682,902)</u>	<u>(7,317,548)</u>	<u>(365,354)</u>
Total	<u>\$ 7,281,015</u>	<u>\$ 6,694,685</u>	<u>\$ 586,330</u>

Long-Term Debt

At year end, the District had \$14,523,419 in promissory notes payable and other long-term obligations - an increase of \$14,418,497 from the prior year. Detailed information about the District's long-term obligations can be found in Note 6.

Table 6
Outstanding Long-Term Debt Obligations
June 30, 2025 and 2024

	Total School District		Increase (Decrease)
	2025	2024	2025-2024
Promissory notes	\$14,000,000	\$ -	\$14,000,000
Debt premium	411,531	-	411,531
Compensated absences*	<u>111,888</u>	<u>104,922</u>	<u>6,966</u>
Total	<u>\$14,523,419</u>	<u>\$ 104,922</u>	<u>\$14,418,497</u>

* Prior year balance restated for GASB Statement No. 101 implementation.

School District of Elkhart Lake-Glenbeulah
Management's Discussion and Analysis
Year ended June 30, 2025

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

District Enrollment

- For the 2024-2025 school year, District enrollment increased by 2 FTE (full-time equivalency). The District's three-year rolling average, on which the revenue limits are based, increased by 9 FTE. An increase of the average may continue for the next few years, which will increase how much revenue the District is able to raise through the revenue limit formula to support the District's budget. Due to this year's pupil count the District was ineligible for a declining enrollment exemption.

Open Enrollment

- The District continues to increase the number of students attending through open enrollment. The District had 158 students open enroll in with 80 students choosing to open enroll out. These counts are based on the third Friday count and may change throughout the year.

Referendums

- The District passed a four-year, \$7 million operational referendum in April of 2024. The District will collect \$1,750,000 from the referendum each year.
- The district also passed a \$39.6 million capital referendum in November of 2024. This referendum is for the purpose of paying the cost of a school building and facility improvement projects consisting of:
 - construction of additions and renovations at the High School building, including for a middle school wing, gymnasium, commons and music area and a secure entrance and office;
 - renovations at the current Middle School building for relocation of elementary school students;
 - demolition of a portion of the existing Elementary School building;
 - district-wide capital maintenance, building infrastructure and site improvements; and acquisition of furnishings, fixtures and equipment.

Equalized Property Value

- The District's equalized property values rose \$190,119,737 or 16.5% compared to the prior year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers 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 the District Administrator or the Administrative Business Assistant, at the School District of Elkhart Lake-Glenbeulah, 201 North Lincoln Street, Elkhart Lake, WI 53020.

Basic Financial Statements

School District of Elkhart Lake-Glenbeulah
Statement of Net Position
June 30, 2025

	Governmental <u>Activities</u>
Assets	
Cash and investments	\$ 18,378,595
Taxes receivable	1,890,780
Accounts receivable	28,519
Due from other governments	115,644
Prepaid expenses	24,401
Capital assets	
Land and construction in progress	1,069,572
Other capital assets (net of accumulated depreciation)	<u>6,211,443</u>
Total assets	<u>\$ 27,718,954</u>
Deferred outflows of resources	
Deferred outflows related to pension	\$ 1,808,379
Deferred outflows related to OPEB - Defined benefit health care plan	326,856
Deferred outflows related to OPEB - LRLIF	<u>76,714</u>
Total deferred outflows of resources	<u>\$ 2,211,949</u>
Liabilities	
Accounts payable	\$ 11,313
Construction contracts payable	101,167
Accrued payroll and related items	375,084
Accrued interest payable	244,281
Due to other governments	20,257
Unearned revenues	1,715
Long-term obligations	
Due within one year	1,441,312
Due in more than one year	13,082,107
Net pension liability	330,964
Total OPEB liability - Defined benefit health care plan	632,306
Net OPEB liability - LRLIF	<u>210,894</u>
Total liabilities	<u>\$ 16,451,400</u>
Deferred inflows of resources	
Deferred inflows related to pension	\$ 973,670
Deferred inflows related to OPEB - Defined benefit health care plan	312,572
Deferred inflows related to OPEB - LRLIF	<u>161,749</u>
Total deferred inflows of resources	<u>\$ 1,447,991</u>
Net position	
Net investment in capital assets	\$ 5,998,932
Restricted for	
Other instructional expenses	71,253
Student activities	195,640
Post secondary scholarships	57,047
Long-term capital improvements	201,008
Capital projects	103,891
Unrestricted	<u>5,403,741</u>
Total net position	<u><u>\$ 12,031,512</u></u>

School District of Elkhart Lake-Glenbeulah
Statement of Activities
Year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 3,663,218	\$ 1,143,320	\$ 69,491	\$ -
Vocational instruction	296,428	117,907	1,439	-
Special instruction	647,184	26,913	179,592	-
Other instruction	665,438	289,526	111,702	-
Total instruction	\$ 5,272,268	\$ 1,577,666	\$ 362,224	\$ -
Support services				
Pupil services	\$ 262,155	\$ -	\$ 137,828	\$ -
Instructional staff services	423,707	-	158,590	-
General administration services	405,717	-	5,629	-
Building administration services	554,458	-	-	-
Business services	145,517	-	-	-
Operations and maintenance	715,130	13,943	4,430	3,616
Pupil transportation	271,652	-	21,397	-
Food service	177,556	75,823	47,757	-
Central services	221,925	-	-	-
Insurance and judgements	103,138	-	-	-
Community service	152,819	189,308	23,701	-
Interest and related expense on debt	643,110	-	-	-
Other support services	140,485	-	48,488	-
Depreciation - unallocated*	364,955	-	-	-
Total support services	\$ 4,582,324	\$ 279,074	\$ 447,820	\$ 3,616
Total governmental activities	\$ 9,854,592	\$ 1,856,740	\$ 810,044	\$ 3,616
General revenues				
Taxes				
Property taxes - levied for general purposes				\$ 6,547,190
Payment in lieu of taxes				9,113
State aid not restricted to specific purposes				614,209
Interest and investment earnings				306,924
Loss on disposal of fixed assets				(28,611)
Miscellaneous				14,740
Total general revenues				\$ 7,463,565
Change in net position				\$ 279,373
Net position - Beginning of year, as previously reported				\$ 11,857,061
Restatement - Implementation of GASB Statement No. 101				(104,922)
Net position - Beginning of year, as restated				\$ 11,752,139
Net position - End of year				\$ 12,031,512

*This amount excludes the depreciation that is included in the direct expenses of the various functions.

School District of Elkhart Lake-Glenbeulah
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Assets					
Cash and investments	\$ 4,425,581	\$ 12,801	\$ 13,334,506	\$ 605,707	\$ 18,378,595
Taxes receivable	1,890,780	-	-	-	1,890,780
Accounts receivable	612	-	-	27,907	28,519
Due from other funds	-	-	-	200,000	200,000
Due from other governments	114,876	-	-	768	115,644
Prepaid expenses	<u>24,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,401</u>
Total assets	<u>\$ 6,456,250</u>	<u>\$ 12,801</u>	<u>\$ 13,334,506</u>	<u>\$ 834,382</u>	<u>\$ 20,637,939</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 11,224	\$ -	\$ -	\$ 89	\$ 11,313
Construction contracts payable	-	-	101,167	-	101,167
Accrued payroll and related items	373,160	-	-	1,924	375,084
Due to other funds	200,000	-	-	-	200,000
Due to other governments	20,257	-	-	-	20,257
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,715</u>	<u>1,715</u>
Total liabilities	<u>\$ 604,641</u>	<u>\$ -</u>	<u>\$ 101,167</u>	<u>\$ 3,728</u>	<u>\$ 709,536</u>
Fund balances					
Nonspendable	\$ 24,401	\$ -	\$ -	\$ -	\$ 24,401
Restricted	-	12,801	13,233,339	524,948	13,771,088
Assigned	314,672	-	-	305,706	620,378
Unassigned	<u>5,512,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,512,536</u>
Total fund balances	<u>\$ 5,851,609</u>	<u>\$ 12,801</u>	<u>\$ 13,233,339</u>	<u>\$ 830,654</u>	<u>\$ 19,928,403</u>
Total liabilities and fund balances	<u>\$ 6,456,250</u>	<u>\$ 12,801</u>	<u>\$ 13,334,506</u>	<u>\$ 834,382</u>	<u>\$ 20,637,939</u>

School District of Elkhart Lake-Glenbeulah
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Total fund balances - governmental funds	\$ 19,928,403
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$ 14,963,917	
Governmental accumulated depreciation	<u>(7,682,902)</u>	7,281,015

Some deferred outflows and inflows of resources reflect changes in long-term obligations and are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position include:

Deferred outflows of resources	\$ 2,211,949	
Deferred inflows of resources	<u>(1,447,991)</u>	763,958

Long-term obligations, including long-term debt, are not due in the current period and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position include:

Promissory notes payable	\$ 14,000,000	
Debt premium	411,531	
Compensated absences	111,888	
Net pension liability	330,964	
Total OPEB liability - Defined benefit health care plan	632,306	
Net OPEB liability - LRLIF	210,894	
Accrued interest on long-term debt	<u>244,281</u>	<u>(15,941,864)</u>

Total net position - governmental activities	<u>\$ 12,031,512</u>
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School District of Elkhart Lake-Glenbeulah
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Revenues					
Property taxes	\$ 6,547,190	\$ -	\$ -	\$ -	\$ 6,547,190
Other local sources	298,277	99	103,891	555,515	957,782
Interdistrict sources	1,407,535	-	-	-	1,407,535
Intermediate sources	2,537	-	-	-	2,537
State sources	875,424	-	-	24,684	900,108
Federal sources	285,910	-	-	46,774	332,684
Other sources	14,640	-	-	100	14,740
Total revenues	\$ 9,431,513	\$ 99	\$ 103,891	\$ 627,073	\$ 10,162,576
Expenditures					
Instruction					
Regular instruction	\$ 3,537,195	\$ -	\$ -	\$ 32,687	\$ 3,569,882
Vocational instruction	263,376	-	-	865	264,241
Special instruction	627,294	-	-	-	627,294
Other instruction	456,624	-	-	195,993	652,617
Total instruction	\$ 4,884,489	\$ -	\$ -	\$ 229,545	\$ 5,114,034
Support services					
Pupil services	\$ 256,834	\$ -	\$ -	\$ -	\$ 256,834
Instructional staff services	409,765	-	-	-	409,765
General administration services	393,236	-	-	-	393,236
Building administration services	536,882	-	-	-	536,882
Business services	141,546	-	-	-	141,546
Operations and maintenance	894,805	-	870,552	7,771	1,773,128
Pupil transportation	244,260	-	-	10,018	254,278
Food service	-	-	-	170,467	170,467
Central services	213,894	-	-	-	213,894
Insurance and judgements	103,138	-	-	-	103,138
Community service	-	-	-	149,282	149,282
Principal, interest and related expense	-	408,803	-	-	408,803
Other support services	150,126	-	-	59,362	209,488
Total support services	\$ 3,344,486	\$ 408,803	\$ 870,552	\$ 396,900	\$ 5,020,741
Total expenditures	\$ 8,228,975	\$ 408,803	\$ 870,552	\$ 626,445	\$ 10,134,775
Excess (deficiency) of revenues over expenditures	\$ 1,202,538	\$ (408,704)	\$ (766,661)	\$ 628	\$ 27,801
Other financing sources (uses)					
Long-term debt issued	\$ -	\$ -	\$ 14,000,000	\$ -	\$ 14,000,000
Premium on long-term debt issued	-	421,505	-	-	421,505
Transfer to capital improvement fund	(201,000)	-	-	201,000	-
Transfer to food service fund	(28,636)	-	-	28,636	-
Net other financing sources (uses)	\$ (229,636)	\$ 421,505	\$ 14,000,000	\$ 229,636	\$ 14,421,505
Net change in fund balances	\$ 972,902	\$ 12,801	\$ 13,233,339	\$ 230,264	\$ 14,449,306
Fund balances - Beginning of year	4,878,707	-	-	600,390	5,479,097
Fund balances - End of year	\$ 5,851,609	\$ 12,801	\$ 13,233,339	\$ 830,654	\$ 19,928,403

School District of Elkhart Lake-Glenbeulah
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Government-Wide Statement of Activities
Year ended June 30, 2025

Net change in fund balances - total governmental funds \$ 14,449,306

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

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

Capital outlay	\$ 1,091,530	
Depreciation expense	<u>(476,589)</u>	614,941

In the statement of activities, the gain or loss on the sale, trade or disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. In the current period, these amounts are:

Loss on disposal of capital assets		(28,611)
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In governmental funds, pension contributions are reported as an expenditure when paid or payable. However, in the statement of activities, pension expense is measured by the amounts earned during the year. In the current period, these amounts are:

Change in net pension liability and related items		(157,549)
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In governmental funds, OPEB contributions are reported as an expenditure when paid or payable. However, in the statement of activities, OPEB expense is measured by the amounts earned during the year. In the current period, these amounts are:

Change in total OPEB liability and related items - Defined benefit health care plan	\$ 79,490	
Change in net OPEB liability and related items - LRLIF	<u>(15,426)</u>	64,064

In governmental funds, compensated absences are reported as an expenditure when paid or payable. However, in the statement of activities, compensated absences are measured by the amounts earned and more likely than not to be used in a subsequent year. In the current period, these amounts are:

Change in compensated absences		(6,966)
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Debt proceeds are reported in the governmental funds as other financing sources, but are reported as an increase in long-term debt in the statement of net position and does not affect the statement of activities. In the current period, these amounts are:

Proceeds from long-term debt		(14,000,000)
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In governmental funds, premiums associated with the issuance of long-term debt is reported as other financing sources when the debt is issued, but this item is deferred and amortized over the life of the debt issue and included in interest expense in the statement of activities. In the current period, these amounts are:

Debt issuance premium	\$ (421,505)	
Amortization of debt issuance premium	<u>9,974</u>	(411,531)

In governmental funds interest payments on long-term debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred. In the current period, these amounts are:

Accrued interest on long-term debt		<u>(244,281)</u>
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Change in net position - governmental activities		<u>\$ 279,373</u>
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School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies

The financial statements of the School District of Elkhart Lake-Glenbeulah (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the District are described below.

A. Reporting Entity

The School District of Elkhart Lake-Glenbeulah is organized as a common school district governed by a seven member elected school board. The District operates grades pre-kindergarten through grade 12 and is comprised of all or parts of seven taxing districts. As required by accounting principles generally accepted in the United States of America, these financial statements present the District as the primary government.

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 School District of Elkhart Lake-Glenbeulah is not a component unit of another reporting entity nor does it have any component units.

B. Basis of Presentation

Government-Wide Financial 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. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through property taxes, intergovernmental revenues and other nonexchange transactions. The District does not report any business-type or fiduciary activities.

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

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

B. Basis of Presentation - Continued

Fund Financial Statements

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

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. It is also used to account for financial activity associated with providing educational programs for students with disabilities.

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities. The debt service fund includes only referendum debt.

Capital Projects Fund - This fund accounts for activities associated with the design, construction and related costs of the District's building and renovation referendum projects.

The District also reports the following nonmajor governmental funds:

Special Revenue Trust Fund - This fund is used to account for the proceeds of non-trust revenues of which the expenditures are limited to specific purposes related to District operations. The most common source of funds include gifts and donations.

Long-Term Capital Improvement Trust Fund - This fund accounts for the resources accumulated for the District's long-term capital improvement plan. The trust was established with a transfer from the general fund, after the approval of a 10 year capital improvement plan. The District is prohibited from removing money deposited in the fund for a period of 5 years after the fund is created. After the initial 5 year wait period is over, funds may be used only for the purposes identified in the approved long-term capital improvement plan.

Food Service Fund - This fund is used to account for all revenues and expenditures related to the District's food service program.

Community Service Fund - This fund is used to account for activities such as adult education, community recreation programs, day care services and other programs which are not elementary and secondary educational programs but have the primary function of serving the community.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

C. Measurement Focus and Basis of Accounting

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate accounts.

Wisconsin state statutes permit the District to invest available cash balances in the following:

1. Time deposits in any credit union, bank, savings bank or trust company which is authorized to transact business in the State of Wisconsin.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the State. Also bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

D. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources - Continued

Cash and Investments - Continued

4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

All investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Determination of fair value for investments in the local government investment pool is based on information provided by the State of Wisconsin Investment Board.

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town and village treasurers or clerks who then make proportional settlement with the School District and County Treasurer for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the County Treasurer who then makes settlement with the city, town, village and school districts before retaining any taxes for County purposes.

The District's property taxes are levied on or before October 31st on the equalized property valuation certified by the Wisconsin Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31st and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th and by the 20th of each subsequent month thereafter. On or before August 20th, the 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. The 2024 tax levy is used to finance operations of the District's fiscal year ended June 30, 2025. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable

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 it is believed that such allowance would not be material.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

D. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources - Continued

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the fund financial statements a portion of fund balance has been categorized as nonspendable to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets

Capital assets are reported at actual cost or estimated historical cost, based on appraisals conducted by an independent third-party professional appraisal firm. Donated capital assets are reported at estimated fair value at the time received. Maintenance and repair costs are charged to expenses as incurred and betterments are capitalized as assets.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Site improvements	\$5,000	Straight-line	20 Years
Buildings and building improvements	5,000	Straight-line	20-50 Years
Furniture and equipment	5,000	Straight-line	5-20 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the governmental fund upon acquisition.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position and or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Deferred inflows of resources represent an acquisition of net position and or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that future time.

In the statement of net position, the District reports deferred outflows of resources and deferred inflows of resources for its pension and other post-employment benefit related items. See Notes 7 through 9 for further details.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

E. Interfund Transactions

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due from other funds" and "due to other funds" in the fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

F. Compensated Absences

District employees earn varying amounts of sick leave and may accumulate up to ninety six days of sick leave, however, the District's policy does not allow accumulated sick leave to vest. Unused accumulated sick leave is forfeited upon retirement or termination of employment.

Eligible employees of the District earn two days of personal leave each fiscal year. District employees may accumulate up to three days of personal leave, however, the District's policy does not allow accumulated personal leave to vest. Unused accumulated personal leave is forfeited upon retirement or termination of employment.

Accumulated unpaid sick leave and personal leave for employees that has not been used, is attributable to services already rendered and is more likely than not to be used for time off or otherwise paid in cash is recorded as an expense and liability in the government-wide statements. Compensated absences accrued in the government-wide statements is calculated at the pay rate in effect for each employee as of June 30th of each fiscal year.

G. Pensions

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 for more details.

H. Other Post-Employment Benefits (OPEB) - Defined Benefit Health Care Plan

The District provides health insurance coverage for certain retired employees who meet the qualifications stated in the Teacher Handbook or by other School Board approval. See Note 8 for more details.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

I. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund

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 following:

- Net OPEB Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
- OPEB Expense (Revenue)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for more details.

J. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations of the District consist primarily of promissory notes, other postemployment benefit obligations and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

K. Net Position

In the government-wide financial statements, net position is displayed in the following three components:

- Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by any debt (excluding unspent debt proceeds) that remains outstanding that was used for the acquisition, construction or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments or laws through constitutional provisions or enabling legislation.
- Unrestricted net position - Consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

L. Fund Balances

In the governmental fund financial statements, fund balances are displayed in the following five categories:

- Nonspendable - Amounts that cannot be spent either because they are not in a spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed - Amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education. The Board of Education is the highest level of decision making authority for the District. The formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period.
- Assigned - Amounts that are constrained by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The District's assigned fund balance policy authorizes and directs the District Administrator to assign amounts of fund balance for specific purposes. Assignments may take place after the end of the reporting period.
- Unassigned - The residual classification of the District's general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. Additionally, when an expenditure is incurred for which committed, assigned or unassigned funds are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, unless the School Board or District Administrator has provided otherwise in their commitment or assignment actions.

In the general fund it is the policy of the District to maintain a minimum unassigned fund balance that will maintain working capital to meet the cash flow needs of the District thus reducing the need for short-term borrowing, serve as a safeguard for unanticipated expenditures and show fiscal responsibility.

M. Use of Estimates

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

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 1. Summary of Significant Accounting Policies - Continued

N. Change in Accounting Principle

Effective July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 was issued to provide guidance on the accounting and financial reporting for compensated absences. As a result of adopting GASB Statement No. 101, the District has made changes to the way it recognizes and measures its compensated absence liabilities and an adjustment was made to the beginning net position in the government-wide financial statements.

Note 2. Explanation of Differences Between Governmental Fund Statements and Government-Wide Statements

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

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

Differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

a. Long-Term Revenues/Expenses

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported on the following page recognize the change in compensated absences, pension and other post-employment benefits.

b. Capital Related Items

Capital related differences include (1) the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale or disposal of assets as reported on the statement of activities and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and capitalization and recording depreciation expense on those items as recorded in the statement of activities.

c. Long-Term Debt Transactions

Long-term debt transaction differences occur because long-term debt proceeds are recorded as other financing sources and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred and principal payments are recorded as a reduction of liabilities.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 2. Explanation of Differences Between Governmental Fund Statements and Government-Wide Statements - Continued

	Total Governmental Funds	(a) Long-term Revenues/ Expenses	(b) Capital Related Items	(c) Long-term Debt Transactions	Total Statement of Activities
<u>Revenues and other sources</u>					
Taxes					
Property taxes	\$ 6,547,190	\$ -	\$ -	\$ -	\$ 6,547,190
Other local sources					
Interest income	306,924	-	-	-	306,924
Charges for services	449,205	-	-	-	449,205
Operating grants and contributions	198,037	-	-	-	198,037
Capital grants and contributions	3,616	-	-	-	3,616
Interdistrict sources					
Charges for services	1,407,535	-	-	-	1,407,535
Intermediate sources					
Operating grants and contributions	2,537	-	-	-	2,537
State sources					
General state aids	614,209	-	-	-	614,209
Payment in lieu of taxes	9,113	-	-	-	9,113
Operating grants and contributions	276,786	-	-	-	276,786
Federal sources					
Operating grants and contributions	332,684	-	-	-	332,684
Other sources					
Miscellaneous	14,740	-	-	-	14,740
Other financing sources					
Compensation for fixed assets	-	-	(28,611)	-	(28,611)
Long-term debt issued	14,000,000	-	-	(14,000,000)	-
Premium on long-term debt issued	421,505	-	-	(421,505)	-
Total revenues and other sources	\$ 24,584,081	\$ -	\$ (28,611)	\$ (14,421,505)	\$ 10,133,965
<u>Expenditures/expenses</u>					
Regular instruction	\$ 3,569,882	\$ 74,289	\$ 19,047	\$ -	\$ 3,663,218
Vocational instruction	264,241	6,582	25,605	-	296,428
Special instruction	627,294	19,379	511	-	647,184
Other instruction	652,617	10,988	1,833	-	665,438
Pupil services	256,834	5,024	297	-	262,155
Instructional staff services	409,765	7,505	6,437	-	423,707
General administration services	393,236	8,566	3,915	-	405,717
Building administration services	536,882	17,576	-	-	554,458
Business services	141,546	3,971	-	-	145,517
Operations and maintenance	1,773,128	5,945	(1,063,943)	-	715,130
Pupil transportation	254,278	176	17,198	-	271,652
Food service	170,467	3,655	3,434	-	177,556
Central services	213,894	5,941	2,090	-	221,925
Insurance and judgements	103,138	-	-	-	103,138
Community service	149,282	3,537	-	-	152,819
Principal, interest and related expense	408,803	-	-	234,307	643,110
Other support services	209,488	(72,683)	3,680	-	140,485
Depreciation - unallocated	-	-	364,955	-	364,955
Total expenditures/expenses	\$ 10,134,775	\$ 100,451	\$ (614,941)	\$ 234,307	\$ 9,854,592
Net change for year	\$ 14,449,306	\$ (100,451)	\$ 586,330	\$ (14,655,812)	\$ 279,373

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 3. Cash and Investments

The District's cash and investments, as shown on the District's statement of net position, were comprised of the following:

Cash on deposit with financial institutions	\$ 247,017
Certificates of deposit	26,753
Wisconsin Local Government Investment Pool	4,770,319
Wisconsin Investment Series Cooperative	
Cash Management Series	13,231,298
Investment Series	<u>103,208</u>
Total cash and investments	<u>\$18,378,595</u>

Deposits in each local area bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and non-interest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$1,000,000 per public depository above the amount provided by the FDIC. However, due to the relatively small size of the State Guarantee Fund in relation to the fund's coverage, total recovery of insured losses may not be available.

The Wisconsin Local Government Investment Pool (LGIP) does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2025, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported above. A separate financial report for the SIF can be obtained at <http://www.doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

The Wisconsin Investment Series Cooperative (WISC) is organized by and operated exclusively for Wisconsin public school districts, municipalities, counties and technical colleges. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin Intergovernmental Cooperation Statutes, Wisconsin Statute, Section 66.0301. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. A separate financial report for WISC can be obtained by contacting the Wisconsin Investment Series Cooperative.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 3. Cash and Investments - Continued

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. The District's carrying value for cash on deposit with financial institutions, certificates of deposit and Wisconsin Investment Series Cooperative was \$13,608,276 at June 30, 2025 and the custodians carrying value was \$13,995,872, of which \$1,276,753 was fully insured and \$12,719,119 was uninsured and uncollateralized. The District does not have a formal deposit policy for custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District limits the maturity of any investment to no more than seven years from the date of purchase or in accordance with state statutes.

The Cash Management Series has no minimum investment period, allows check writing privileges and the average weighted maturity is sixty days or less. The Investment Series are pooled funds, investing in U.S. government obligations, agencies and commercial paper. The Investment Series requires a fourteen day minimum investment period and one business day withdrawal notice and the average weighted maturity is sixty days or less. In addition, all of the District's certificates of deposit have maturities of twelve months or less. The District does not have a formal policy regarding interest rate risk.

Credit Risk

Credit risk is the risk that an issuer of a type of an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The Wisconsin Investment Series Cooperative investments were rated as follows:

<u>Investment</u>	<u>Average Credit Quality</u>
Cash Management Series	AAAm
Investment Series	AAAm

The certificates of deposit and investment in the Local Government Investment Pool are not rated.

Fair Value Measurement

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments in the Wisconsin Investment Series Cooperative, Local Government Investment Pool and certificates of deposit are not subject to the fair value hierarchy disclosures.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Balances <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>June 30, 2025</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 175,590	\$ -	\$ -	\$ 175,590
Construction in progress	<u>-</u>	<u>893,982</u>	<u>-</u>	<u>893,982</u>
Total capital assets not being depreciated	<u>\$ 175,590</u>	<u>\$ 893,982</u>	<u>\$ -</u>	<u>\$ 1,069,572</u>
Capital assets being depreciated				
Site improvements	\$ 1,231,536	\$ 47,267	\$ (27,124)	\$ 1,251,679
Buildings and building improvements	9,699,289	122,700	-	9,821,989
Furniture and equipment	<u>2,905,818</u>	<u>27,581</u>	<u>(112,722)</u>	<u>2,820,677</u>
Total capital assets being depreciated	<u>\$ 13,836,643</u>	<u>\$ 197,548</u>	<u>\$ (139,846)</u>	<u>\$ 13,894,345</u>
Less accumulated depreciation for				
Site improvements	\$ (526,751)	\$ (46,718)	\$ 10,850	\$ (562,619)
Buildings and building improvements	(4,758,609)	(308,560)	-	(5,067,169)
Furniture and equipment	<u>(2,032,188)</u>	<u>(121,311)</u>	<u>100,385</u>	<u>(2,053,114)</u>
Total accumulated depreciation	<u>\$ (7,317,548)</u>	<u>\$ (476,589)</u>	<u>\$ 111,235</u>	<u>\$ (7,682,902)</u>
Total capital assets being depreciated, net	<u>\$ 6,519,095</u>	<u>\$ (279,041)</u>	<u>\$ (28,611)</u>	<u>\$ 6,211,443</u>
Governmental activities capital assets, net	<u>\$ 6,694,685</u>	<u>\$ 614,941</u>	<u>\$ (28,611)</u>	<u>\$ 7,281,015</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 19,047
Vocational instruction	25,605
Special instruction	511
Other instruction	20,633
Pupil services	297
Instructional staff services	6,437
General administration	3,915
Operations and maintenance	8,787
Pupil transportation	17,198
Food service	3,434
Central services	2,090
Other support services	3,680
Depreciation - unallocated	<u>364,955</u>
Total depreciation expense for governmental activities	<u>\$ 476,589</u>

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 5. Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements as of June 30, 2025 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Long-Term Capital Improvement Trust Fund	General Fund	<u>\$ 200,000</u>

The principal purpose of these interfund receivable and payable transactions are for interfund loans. In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated.

In addition, the general fund transferred \$201,000 to the long-term capital improvement trust fund to establish this new fund and \$28,636 to the food service fund to cover the fund balance deficit.

Note 6. Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2025 were as follows:

<u>Type</u>	<u>Balances July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2025</u>	<u>Amounts Due Within One Year</u>
General obligation debt					
Promissory notes	\$ -	\$ 14,000,000	\$ -	\$ 14,000,000	\$ 1,415,000
Debt premium	-	421,505	(9,974)	411,531	-
Compensated absences*	<u>104,922</u>	<u>6,966</u>	<u>-</u>	<u>111,888</u>	<u>26,312</u>
Total long-term liabilities	<u>\$ 104,922</u>	<u>\$ 14,428,471</u>	<u>\$ (9,974)</u>	<u>\$ 14,523,419</u>	<u>\$ 1,441,312</u>

* Beginning balance restated for GASB Statement No. 101 implementation.

* The change in compensated absences liability is presented as a net change.

The above long-term liabilities are reported in the governmental activities on the government-wide statements. Promissory note payments are made by the debt service fund.

Total interest paid and accrued during the year on long-term liabilities was as follows:

<u>Description</u>	<u>Paid</u>	<u>Accrued</u>
Promissory notes	<u>\$ -</u>	<u>\$ 244,281</u>

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 6. Long-Term Liabilities - 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, 2025 is comprised of the following individual issue:

<u>Description</u>	<u>Issue Date</u>	<u>Interest Rates (%)</u>	<u>Date of Maturity</u>	<u>Balance June 30, 2025</u>
Promissory notes	04-24-25	4.125%-55.000%	03-01-45	<u>\$ 14,000,000</u>

One of the promissory notes issued has a stated interest rate of 55.000% and is due on March 1, 2026. All other promissory notes have stated interest rates between 4.125% and 4.375%.

General Obligation Debt Limit Calculation

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,216,688,303. The legal debt limit and margin of indebtedness as of June 30, 2025 in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt limit (10% of \$1,216,688,303)	\$ 121,668,830
Deduct long-term debt applicable to debt margin	<u>(14,000,000)</u>
Margin of indebtedness	<u>\$ 107,668,830</u>

Maturities of Long-Term Liabilities

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2025 is as follows:

<u>Year ended June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,415,000	\$ 1,120,816	\$ 2,535,816
2027	-	536,062	536,062
2028	-	536,063	536,063
2029	-	536,063	536,063
2030	-	536,063	536,063
2031-2035	-	2,680,312	2,680,312
2036-2040	-	2,680,312	2,680,312
2041-2045	<u>12,585,000</u>	<u>1,698,225</u>	<u>14,283,225</u>
Total	<u>\$ 14,000,000</u>	<u>\$ 10,323,916</u>	<u>\$ 24,323,916</u>

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 7. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The Wisconsin Retirement System (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.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 7. Defined Benefit Pension Plan - 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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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%
2023	1.6%	(21.0)%
2024	3.6%	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, 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 \$276,601 in contributions from the employer.

Contribution rates as of June 30, 2025 are as follows:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General, Teachers, Executives and Elected Officials	6.95%	6.95%
Protective Occupation with Social Security	6.95%	14.95%
Protective Occupation without Social Security	6.95%	18.95%
Act 4 Protective County Jailers	14.95%	6.95%

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 7. Defined Benefit Pension Plan - Continued

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

At June 30, 2025, the District reported a liability of \$330,964 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. 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 was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.02014188%, which was a decrease of 0.00094197% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$442,189.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 1,027,825	\$ 965,833
Changes in assumptions	98,203	-
Net difference between projected and actual earnings on pension plan investments	502,917	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,997	7,837
District contributions subsequent to the measurement date	<u>175,437</u>	<u>-</u>
Total	<u>\$ 1,808,379</u>	<u>\$ 973,670</u>

\$175,437 reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ended June 30, 2026. 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:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2026	\$ 196,531
2027	684,407
2028	(169,420)
2029	<u>(52,246)</u>
	<u>\$ 659,272</u>

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 7. Defined Benefit Pension Plan - Continued

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2023
Measurement date of net pension liability	December 31, 2024
Experience study	January 1, 2021 - December 31, 2023 (Published November 19, 2024)
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% - 5.7%
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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

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.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 7. Defined Benefit Pension Plan - Continued

Long-Term Expected Return on Plan Assets - Continued

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, 2024

<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	38%	7%	4.3%
Public Fixed Income	27%	6.1%	3.4%
Private Equity/Debt	20%	9.5%	6.7%
Inflation Sensitive	19%	4.8%	2.1%
Real Estate	8%	6.5%	3.8%
Leverage ³	<u>(12)%</u>	3.7%	1.1%
Total Core Fund	<u>100%</u>	7.5%	4.8%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.5%	3.8%
International Equities	<u>30%</u>	7.4%	4.7%
Total Variable Fund	<u>100%</u>	6.9%	4.2%

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

² New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.6%.

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA). 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.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 7. Defined Benefit Pension Plan - Continued

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%, 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 one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current discount 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)	<u>\$ 3,104,878</u>	<u>\$ 330,964</u>	<u>\$(1,639,821)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan

Payables to the pension plan at June 30, 2025 were \$108,965. This represents the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

Note 8. Other Post-Employment Benefits (OPEB) - Defined Benefit Health Care Plan

General Information about the Other Post-Employment Benefit Plan

Plan Description

The District administers a single-employer defined benefit health care plan. The plan provides post-employment health insurance benefits to eligible retired employees and their eligible dependents. The authority to establish and amend benefit provisions is with the Board of Education. The plan is administered by the District and does not issue a publicly available financial report.

Benefits Provided

Benefits and eligibility for teachers, administrators and confidential staff are established and amended by the Board of Education.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 8. Other Post-Employment Benefits (OPEB) - Defined Benefit Health Care Plan - Continued

Benefits Provided - Continued

Current approved benefits for teachers, administrators and confidential staff are as follows:

Tier II - Eligible under early retirement provisions within five years of the end of the 2016-2017 school year, at least age 55 with a minimum of five years of full-time service in the District and thereafter retires from the District:

In return for every five years of service, the District will contribute towards a retiree's medical premiums, up to the annual maximum amount of \$4,000 per single and \$8,000 per family, for a period of one year. The District's contributions, however, will not exceed a period of six years (up to 30 years of service).

Note: Retirees have the option to stay on the District's health insurance plan until his or her retirement benefits are exhausted or until Medicare eligibility (age 65) whichever occurs later.

Tier III - First becomes eligible for retirement after the 2020-2021 school year, at least age 55 with a minimum of five years of full-time service in the District and thereafter retires from the District (except those included in Tier II who elect not to retire until after the 2020-2021 school year):

In return for every five years of service, the District will contribute towards a retiree's medical premiums, up to the annual maximum amount of \$4,000 per single and \$8,000 per family, for a period of one year. The District's contributions, however, will not exceed a period of six years (up to 30 years of service).

Note: Retirees have the option to stay on the District's health insurance plan until his or her retirement benefits are exhausted or until Medicare eligibility (age 65) whichever occurs first.

Administrator - One individually negotiated Administrator retiring June 30, 2022:

The District will pay, on behalf of the Administrator, one hundred percent of the annual cost of health insurance premiums for each of five years beginning July 1, 2022 through June 30, 2027. The Administrator will be covered under the same health insurance option (single or family) in force on the effective date of retirement. The Administrator agrees that as long as the District provides plan options, the Administrator shall select the option with the lowest deductible.

Notes:

In the event of the retiree's death, the District will continue its contributions on behalf of the surviving spouse for any remaining duration. Should a retiree become Medicare-eligible while receiving their District provided benefit, the District's contributions will be applied towards a Medicare carve out plan.

The retiree may elect to obtain insurance from another resource. Should the retiree elect to do so, the District will annually reimburse the retiree under the District's HRA plan for the number of years they are eligible, up to the annual maximum amount. There is an HRA for both the District's health plan as well as for outside providers.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 8. Other Post-Employment Benefits (OPEB) - Defined Benefit Health Care Plan - Continued

Employees Covered by Benefit Terms

At June 30, 2023, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees fully eligible but not receiving benefit payments	9
Active employees not fully eligible	<u>46</u>
Total	<u>62</u>

Total OPEB Liability

The District's total OPEB liability of \$632,306 was measured as of June 30, 2024, and was determined by an actuarial valuation as June 30, 2023.

Actuarial Assumptions and Other Inputs

Actuarial assumptions used to determine the total OPEB liability for the June 30, 2025 reporting period were based on the results of an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020. Key assumptions, applied to all periods included in the measurement, are as follows:

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal - (level percent of salary)
Health care trend	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount rate	4.21%
Municipal bond rate source	S&P Municipal Bond 20 Year High Grade Index
Mortality assumptions	2020 WRS Experience Tables for active employees and healthy retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

The discount rate is based upon all years of projected payments discounted at a 4.21% long-term expected rate of return. This rate is equivalent to the S&P Municipal Bond 20 Year High Grade Index published by the Federal Reserve as of the week of the measurement date.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 8. Other Post-Employment Benefits (OPEB) - Defined Benefit Health Care Plan - Continued

Changes in the Total OPEB Liability

Balance at July 1, 2024	\$ 657,754
Changes for the year:	
Service cost	\$ 34,868
Interest	25,543
Differences between expected and actual experience	30,313
Changes of assumptions or other inputs	(2,755)
Benefit payments	<u>(113,417)</u>
Net changes	\$ <u>(25,448)</u>
Balance at June 30, 2025	<u>\$ 632,306</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District using the discount rate of 4.21%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease to Discount Rate <u>(3.21%)</u>	Current Discount Rate <u>(4.21%)</u>	1% Increase to Discount Rate <u>(5.21%)</u>
Total OPEB liability	<u>\$ 667,361</u>	<u>\$ 632,306</u>	<u>\$ 598,982</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District using a healthcare cost trend rate of 7.0% decreasing to 4.5%, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease 6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB liability	<u>\$ 610,203</u>	<u>\$ 632,306</u>	<u>\$ 657,832</u>

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 8. Other Post-Employment Benefits (OPEB) - Defined Benefit Health Care Plan - Continued

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$44,156.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 155,672	\$ 120,326
Changes of assumptions or other input	47,538	192,246
District contributions subsequent to the measurement date	<u>123,646</u>	<u>-</u>
Total	<u>\$ 326,856</u>	<u>\$ 312,572</u>

\$123,646 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense (revenue) as follows:

Year ended <u>June 30,</u>	Net Deferred Outflows (Inflows) of Resources
2026	\$ (16,255)
2027	(16,255)
2028	(16,255)
2029	(16,252)
2030	(15,038)
Thereafter	<u>(29,307)</u>
	<u>\$ (109,362)</u>

Note 9. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund

General Information about the Other Post-Employment Benefit Plan

Plan Description

The Local Retiree Life Insurance Fund (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.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 9. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund - Continued

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-age 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 member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2025 are as follows:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active).

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 9. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund - Continued

Contributions - Continued

The member contribution rates in effect for the year ended December 31, 2024 are as listed below:

Life Insurance Member Contribution Rates* <u>For the year ended December 31, 2024</u>		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
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 \$1,133 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, 2025, the District reported a liability of \$210,894 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.05390600%, which was a decrease of 0.00425600% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$16,296.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 9. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund - Continued

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

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 21,940
Changes in assumptions	51,748	118,286
Net differences between projected and actual earnings on OPEB plan investments	2,896	-
Changes in proportion and differences between District contributions and proportionate share of contributions	21,578	21,523
District contributions subsequent to the measurement date	<u>492</u>	<u>-</u>
Total	<u>\$ 76,714</u>	<u>\$ 161,749</u>

\$492 reported as deferred outflows of resources 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 in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Year ended June 30,</u>	<u>Net Deferred Outflows (Inflows of Resources)</u>
2026	\$ (2,899)
2027	(13,212)
2028	(23,282)
2029	(26,709)
2030	(9,433)
Thereafter	<u>(9,992)</u>
	<u>\$ (85,527)</u>

Actuarial Assumptions

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 9. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund - Continued

Actuarial Assumptions - Continued

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2024
Measurement date of net OPEB liability	December 31, 2024
Experience study	January 1, 2021 - December 31, 2023 (Published November 19, 2024)
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield*	4.08%
Long-term expected rate of return	4.25%
Discount rate	4.09%
Salary increases	
Wage inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS experience mortality table

* Based on the Bond Buyers GO 20-Bond Municipal index.

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 Financial Group, 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, 2024

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60.00%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 9. Other Post-Employment Benefits (OPEB) - Local Retiree Life Insurance Fund - Continued

Single Discount Rate

A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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 payments 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, 2037.

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 to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 4.09%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
District's proportionate share of the net OPEB liability	<u>\$ 281,890</u>	<u>\$ 210,894</u>	<u>\$ 156,186</u>

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 10. Fund Balances

Details of the District's fund balances as of June 30, 2025 were as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balances					
Nonspendable					
Prepaid expenses	\$ 24,401	\$ -	\$ -	\$ -	\$ 24,401
Restricted for					
Debt service	-	12,801	-	-	12,801
Capital projects	-	-	13,233,339	-	13,233,339
Other instructional expenses	-	-	-	71,253	71,253
Student activities	-	-	-	195,640	195,640
Post secondary scholarships	-	-	-	57,047	57,047
Long-term capital improvements	-	-	-	201,008	201,008
Assigned to					
Technology upgrades	252,866	-	-	-	252,866
Capital improvements - HVAC	61,806	-	-	-	61,806
Other instructional expenses	-	-	-	50	50
Community service	-	-	-	305,656	305,656
Unassigned	<u>5,512,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,512,536</u>
Total fund balances	<u>\$ 5,851,609</u>	<u>\$ 12,801</u>	<u>\$ 13,233,339</u>	<u>\$ 830,654</u>	<u>\$ 19,928,403</u>

Note 11. Limitation of School District Revenues

Wisconsin State Statutes limit the amount of revenues that 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 (including refinanced debt) authorized by either of the following:

- A resolution of the School Board or by referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

Note 12. 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. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

School District of Elkhart Lake-Glenbeulah
Notes to the Basic Financial Statements
Year ended June 30, 2025

Note 13. Commitments and Contingencies

Architect and Construction Contracts

At June 30, 2025, the District had contractual commitments related to construction projects totaling approximately \$35 million for building additions and renovations.

Claims and Judgements

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of District management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

Federal and State Grants

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant agreements. Management believes such disallowances, if any, would be immaterial.

Note 14. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

Note 15. Subsequent Events

Management has evaluated all subsequent events for possible recognition and disclosure through November 20, 2025, which is the date the financial statements were available to be issued. There are no subsequent events that require recognition or disclosure.

Required Supplementary Information

School District of Elkhart Lake-Glenbeulah
Budgetary Comparison Schedule - General Fund
Year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original/Final</u>	<u>Actual</u>	
Revenues			
Property taxes	\$ 6,547,190	\$ 6,547,190	\$ -
Other local sources	175,200	298,277	123,077
Interdistrict sources	1,417,295	1,407,535	(9,760)
Intermediate sources	2,537	2,537	-
State sources	696,275	691,252	(5,023)
Federal sources	107,097	103,571	(3,526)
Other sources	<u>13,550</u>	<u>14,640</u>	<u>1,090</u>
Total revenues	<u>\$ 8,959,144</u>	<u>\$ 9,065,002</u>	<u>\$ 105,858</u>
Expenditures			
Instruction			
Regular instruction	\$ 3,903,851	\$ 3,537,195	\$ 366,656
Vocational instruction	267,471	263,376	4,095
Special instruction	66,705	64,209	2,496
Other instruction	<u>473,328</u>	<u>456,624</u>	<u>16,704</u>
Total instruction	<u>\$ 4,711,355</u>	<u>\$ 4,321,404</u>	<u>\$ 389,951</u>
Support services			
Pupil services	\$ 169,697	\$ 166,530	\$ 3,167
Instructional staff services	324,072	311,305	12,767
General administration services	407,894	393,236	14,658
Building administration services	533,015	536,882	(3,867)
Business services	144,763	139,929	4,834
Operations and maintenance	1,433,821	894,805	539,016
Pupil transportation	262,355	244,260	18,095
Central services	220,101	213,894	6,207
Insurance and judgements	103,657	103,138	519
Other support services	<u>196,800</u>	<u>150,126</u>	<u>46,674</u>
Total support services	<u>\$ 3,796,175</u>	<u>\$ 3,154,105</u>	<u>\$ 642,070</u>
Total expenditures	<u>\$ 8,507,530</u>	<u>\$ 7,475,509</u>	<u>\$ 1,032,021</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 451,614</u>	<u>\$ 1,589,493</u>	<u>\$ 1,137,879</u>
Other financing sources (uses)			
Transfer to special education fund	\$ (415,494)	\$ (386,955)	\$ 28,539
Transfer to capital improvement fund	-	(201,000)	(201,000)
Transfer to food service fund	<u>(36,120)</u>	<u>(28,636)</u>	<u>7,484</u>
Net other financing sources (uses)	<u>\$ (451,614)</u>	<u>\$ (616,591)</u>	<u>\$ (164,977)</u>
Net change in fund balance	\$ -	\$ 972,902	\$ 972,902
Fund balance - Beginning of year	<u>4,878,707</u>	<u>4,878,707</u>	<u>-</u>
Fund balance - End of year	<u>\$ 4,878,707</u>	<u>\$ 5,851,609</u>	<u>\$ 972,902</u>

School District of Elkhart Lake-Glenbeulah
 Budgetary Comparison Schedule - Special Education Fund
 Year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original/Final</u>	<u>Actual</u>	
Revenues			
State sources	\$ 189,988	\$ 184,172	\$ (5,816)
Federal sources	<u>190,083</u>	<u>182,339</u>	<u>(7,744)</u>
Total revenues	<u>\$ 380,071</u>	<u>\$ 366,511</u>	<u>\$ (13,560)</u>
Expenditures			
Instruction			
Special instruction	<u>\$ 582,043</u>	<u>\$ 563,085</u>	<u>\$ 18,958</u>
Support services			
Pupil services	\$ 101,395	\$ 90,304	\$ 11,091
Instructional staff services	100,477	98,460	2,017
Business services	1,650	1,617	33
Pupil transportation	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total support services	<u>\$ 213,522</u>	<u>\$ 190,381</u>	<u>\$ 23,141</u>
Total expenditures	<u>\$ 795,565</u>	<u>\$ 753,466</u>	<u>\$ 42,099</u>
Excess (deficiency) of revenues over expenditures	\$ (415,494)	\$ (386,955)	\$ 28,539
Other financing sources (uses)			
Transfer from general fund	<u>415,494</u>	<u>386,955</u>	<u>(28,539)</u>
Net change in fund balance	\$ -	\$ -	\$ -
Fund balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School District of Elkhart Lake-Glenbeulah
Schedules of the District's Proportionate Share of the Net Pension
Liability (Asset) and District Contributions - Wisconsin Retirement System
Last Ten Fiscal Years
June 30, 2025

Schedule of District's Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System

<u>WRS Year-End Date</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/15	0.02016494%	\$ 327,676	\$ 2,881,491	11.37%	98.20%
12/31/16	0.02038703%	168,038	3,016,785	5.57%	99.12%
12/31/17	0.02060331%	(611,736)	3,068,009	19.94%	102.93%
12/31/18	0.02065030%	734,672	3,142,186	23.38%	96.45%
12/31/19	0.02052995%	(661,979)	3,281,286	20.17%	102.96%
12/31/20	0.02061612%	(1,287,092)	3,488,096	36.90%	105.26%
12/31/21	0.02098433%	(1,691,375)	3,712,352	45.56%	106.02%
12/31/22	0.02143745%	1,135,692	3,966,724	28.63%	95.72%
12/31/23	0.02108385%	313,475	3,887,196	8.06%	98.85%
12/31/24	0.02014188%	330,964	4,008,699	8.26%	98.79%

Schedule of District Contributions - Wisconsin Retirement System

<u>WRS Year-End Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 195,942	\$ 195,942	\$ -	\$ 2,881,491	6.80%
12/31/16	199,108	199,108	-	3,016,785	6.60%
12/31/17	208,624	208,624	-	3,068,009	6.80%
12/31/18	210,528	210,528	-	3,142,186	6.70%
12/31/19	214,926	214,926	-	3,281,286	6.55%
12/31/20	235,447	235,447	-	3,488,096	6.75%
12/31/21	250,584	250,584	-	3,712,352	6.75%
12/31/22	257,837	257,837	-	3,966,724	6.50%
12/31/23	264,328	264,328	-	3,887,196	6.80%
12/31/24	276,601	276,601	-	4,008,699	6.90%

**The amounts presented for each year in each schedule were determined as of the calendar year-end that occurred within the District's fiscal year.*

School District of Elkhart Lake-Glenbeulah
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Defined Benefit Health Care Plan
Last Ten Fiscal Years*
June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability					
Service cost	\$ 34,868	\$ 40,471	\$ 49,704	\$ 54,894	\$ 44,502
Interest	25,543	31,185	19,746	17,385	24,629
Changes of benefit terms	-	-	-	64,272	-
Differences between expected and actual experience	30,313	(82,133)	8,072	204,563	-
Changes of assumptions or other inputs	(2,755)	(35,185)	(77,203)	(171,152)	58,734
Benefit payments	<u>(113,417)</u>	<u>(111,962)</u>	<u>(75,360)</u>	<u>(49,564)</u>	<u>(78,554)</u>
Net change in total OPEB liability	\$ (25,448)	\$ (157,624)	\$ (75,041)	\$ 120,398	\$ 49,311
Total OPEB liability - beginning	<u>657,754</u>	<u>815,378</u>	<u>890,419</u>	<u>770,021</u>	<u>720,710</u>
Total OPEB liability - ending	<u>\$ 632,306</u>	<u>\$ 657,754</u>	<u>\$ 815,378</u>	<u>\$ 890,419</u>	<u>\$ 770,021</u>
Covered employee payroll	\$ 3,694,542	\$ 3,694,542	\$ 2,880,386	\$ 2,880,386	\$ 3,113,947
Total OPEB liability as a percentage of covered employee payroll	17.11%	17.80%	28.31%	30.91%	24.73%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 55,503	\$ 57,641	\$ 57,641
Interest	29,645	28,200	27,730
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(120,157)	-	-
Changes of assumptions or other inputs	34,099	(13,439)	-
Benefit payments	<u>(82,318)</u>	<u>(90,719)</u>	<u>(53,166)</u>
Net change in total OPEB liability	\$ (83,228)	\$ (18,317)	\$ 32,205
Total OPEB liability - beginning	<u>803,938</u>	<u>822,255</u>	<u>790,050</u>
Total OPEB liability - ending	<u>\$ 720,710</u>	<u>\$ 803,938</u>	<u>\$ 822,255</u>
Covered employee payroll	\$ 3,113,947	\$ 2,840,542	\$ 2,252,347
Total OPEB liability as a percentage of covered employee payroll	23.14%	28.30%	36.51%

**The amounts presented for each fiscal year were determined as of the prior fiscal year. The District is required to present the above information for the ten most recent years. However, until a full ten year trend is compiled the District will only report information for those years for which information is available.*

School District of Elkhart Lake-Glenbeulah
Schedules of the District's Proportionate Share of the Net OPEB
Liability and District Contributions - Local Retiree Life Insurance Fund
Last Ten Fiscal Years*
June 30, 2025

Schedule of District's Proportionate Share of the Net OPEB Liability - Local Retiree Life Insurance Fund

<u>LRLIF Year-End Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/17	0.04233100%	\$ 127,356	\$ 1,780,140	7.15%	44.81%
12/31/18	0.04360200%	112,508	1,963,000	5.73%	48.69%
12/31/19	0.04445500%	189,298	2,186,000	8.66%	37.58%
12/31/20	0.04966700%	273,204	2,248,000	12.15%	31.36%
12/31/21	0.05777100%	341,448	2,493,000	13.70%	29.57%
12/31/22	0.05878400%	223,957	2,703,000	8.29%	38.81%
12/31/23	0.05816200%	267,583	2,817,000	9.50%	33.90%
12/31/24	0.05390600%	210,894	2,833,000	7.44%	37.20%

Schedule of District Contributions - Local Retiree Life Insurance Fund

<u>LRLIF Year-End Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/17	\$ 803	\$ 803	\$ -	\$ 1,780,140	0.05%
12/31/18	840	840	-	1,963,000	0.04%
12/31/19	803	803	-	2,186,000	0.04%
12/31/20	990	990	-	2,248,000	0.04%
12/31/21	1,182	1,182	-	2,493,000	0.05%
12/31/22	1,179	1,179	-	2,703,000	0.04%
12/31/23	1,185	1,185	-	2,817,000	0.04%
12/31/24	1,133	1,133	-	2,833,000	0.04%

**The amounts presented for each year in each schedule were determined as of the calendar year-end that occurred within the District's fiscal year. The District is required to present the above information for the ten most recent years. However, until a full ten year trend is compiled the District will only report information for those years for which information is available.*

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note. 1 Budgetary Accounting

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction.

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

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

GASB Statement No. 34 requires that both the originally adopted budget and final budget, as amended by School Board resolution, be presented for the general fund and any major special revenue funds in the accompanying financial statements. The School Board did not amend the budget during the year and accordingly, only one budget amount is presented.

Note 2. Excess of Actual Expenditures Over Budget in Individual Funds

The following functions, on the budgetary basis, had an excess of actual expenditures over budget for the year ended June 30, 2025.

<u>General Fund</u>	<u>Excess Expenditures</u>
Building administration services	\$ 3,867
Transfer to capital improvement fund	201,000

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note 3. Explanation of Differences Between the Budgetary Basis and GAAP Revenues and Expenditures

The District is required by the State of Wisconsin to maintain and budget separately for the special education fund. Generally accepted accounting principles (GAAP) requires that the special education fund be combined with the general fund in the basic financial statements. Due to the perspective differences in budgeting, the required supplementary information reports the budgetary comparison information separately for the general fund and the special education fund.

	General Fund	Special Education Fund
<u>Revenues</u>		
Actual amounts (budgetary basis) total revenues from the budgetary comparison schedules	\$ 9,065,002	\$ 366,511
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	<u>366,511</u>	<u>(366,511)</u>
General fund total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 9,431,513</u>	<u>\$ -</u>
<u>Expenditures</u>		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedules	\$ 7,475,509	\$ 753,466
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	<u>753,466</u>	<u>(753,466)</u>
General fund total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 8,228,975</u>	<u>\$ -</u>

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note 4. Defined Benefit Pension Plan - Wisconsin Retirement System

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

Changes of assumptions: The assumptions used to measure the total pension liability for the pension plan are summarized below.

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the Employee Trust Funds Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2021, including the following:

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

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

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

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note 4. Defined Benefit Pension Plan - Wisconsin Retirement System - Continued

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

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
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%	5.4%	5.4%
Weighted based on assumed rate for					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	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.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	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%).

*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.

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note 4. Defined Benefit Pension Plan - Wisconsin Retirement System - Continued

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

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
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 2015 valuation pursuant to an experience study of the period 2012- 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012- 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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.
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 adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience 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.

*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.

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note 5. OPEB - Defined Benefit Health Care Plan

Funded Status of the Plan: The District has no assets in a trust or equivalent arrangement to pay the related other post-employment health care benefits.

Changes of benefit terms: There were no changes in benefit terms.

Changes of assumptions: The assumptions used to measure the total OPEB liability for the OPEB plan are summarized below.

In the June 30, 2023 actuarial valuation, changes of assumptions included updated Wisconsin Retirement System decrement assumptions, assumed discount rate, health care trend and future participation assumption changes including the addition of a COBRA self-pay assumption.

In the June 30, 2021 actuarial valuation, changes of assumptions included updated Wisconsin Retirement System retirement assumptions to age 75, future retiree participation assumptions and the assumed number of dependents coverage under family coverage used in calculating the expected per capita claims cost.

The following are the discount rates used in each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.50%
2019	3.75%
2020	3.50%
2021	2.25%
2022	2.25%
2023	4.00%
2024	4.13%
2025	4.21%

Note 6. OPEB - Local Retiree Life Insurance Fund

Benefit terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes, 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, included 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.

School District of Elkhart Lake-Glenbeulah
Notes to Required Supplementary Information
Year ended June 30, 2025

Note 6. OPEB - Local Retiree Life Insurance Fund - Continued

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, included 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 Supplementary Information

School District of Elkhart Lake-Glenbeulah
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue <u>Trust</u>	Long-Term Capital Improvement <u>Trust</u>	Food Service <u>Service</u>	Community Service <u>Service</u>	<u>Total</u>
Assets					
Cash and investments	\$ 323,740	\$ 1,008	\$ 1,706	\$ 279,253	\$ 605,707
Accounts receivable	250	-	-	27,657	27,907
Due from other funds	-	200,000	-	-	200,000
Due from other governments	<u>-</u>	<u>-</u>	<u>768</u>	<u>-</u>	<u>768</u>
Total assets	<u>\$ 323,990</u>	<u>\$ 201,008</u>	<u>\$ 2,474</u>	<u>\$ 306,910</u>	<u>\$ 834,382</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 89	\$ 89
Accrued payroll and related items	-	-	759	1,165	1,924
Unearned revenues	<u>-</u>	<u>-</u>	<u>1,715</u>	<u>-</u>	<u>1,715</u>
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,474</u>	<u>\$ 1,254</u>	<u>\$ 3,728</u>
Fund balances					
Restricted	\$ 323,940	\$ 201,008	\$ -	\$ -	\$ 524,948
Assigned	<u>50</u>	<u>-</u>	<u>-</u>	<u>305,656</u>	<u>305,706</u>
Total fund balances	<u>\$ 323,990</u>	<u>\$ 201,008</u>	<u>\$ -</u>	<u>\$ 305,656</u>	<u>\$ 830,654</u>
Total liabilities and fund balances	<u>\$ 323,990</u>	<u>\$ 201,008</u>	<u>\$ 2,474</u>	<u>\$ 306,910</u>	<u>\$ 834,382</u>

School District of Elkhart Lake-Glenbeulah
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2025

	Special Revenue <u>Trust</u>	Long-Term Capital Improvement <u>Trust</u>	Food <u>Service</u>	Community <u>Service</u>	<u>Total</u>
Revenues					
Other local sources	\$ 278,203	\$ 8	\$ 75,913	\$ 201,391	\$ 555,515
State sources	-	-	983	23,701	24,684
Federal sources	-	-	46,774	-	46,774
Other sources	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total revenues	<u>\$ 278,303</u>	<u>\$ 8</u>	<u>\$ 123,670</u>	<u>\$ 225,092</u>	<u>\$ 627,073</u>
Expenditures					
Instruction					
Regular instruction	\$ 32,687	\$ -	\$ -	\$ -	\$ 32,687
Vocational instruction	865	-	-	-	865
Other instruction	<u>195,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,993</u>
Total instruction	<u>\$ 229,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,545</u>
Support services					
Operations and maintenance	\$ 7,771	\$ -	\$ -	\$ -	\$ 7,771
Pupil transportation	10,018	-	-	-	10,018
Food service	-	-	170,467	-	170,467
Community service	-	-	-	149,282	149,282
Other support services	<u>59,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,362</u>
Total support services	<u>\$ 77,151</u>	<u>\$ -</u>	<u>\$ 170,467</u>	<u>\$ 149,282</u>	<u>\$ 396,900</u>
Total expenditures	<u>\$ 306,696</u>	<u>\$ -</u>	<u>\$ 170,467</u>	<u>\$ 149,282</u>	<u>\$ 626,445</u>
Excess (deficiency) of revenues over expenditures	\$ (28,393)	\$ 8	\$ (46,797)	\$ 75,810	\$ 628
Other financing sources (uses)					
Transfer from general fund	<u>-</u>	<u>201,000</u>	<u>28,636</u>	<u>-</u>	<u>229,636</u>
Net change in fund balances	\$ (28,393)	\$ 201,008	\$ (18,161)	\$ 75,810	\$ 230,264
Fund balances - Beginning of year	<u>352,383</u>	<u>-</u>	<u>18,161</u>	<u>229,846</u>	<u>600,390</u>
Fund balances - End of year	<u>\$ 323,990</u>	<u>\$ 201,008</u>	<u>\$ -</u>	<u>\$ 305,656</u>	<u>\$ 830,654</u>

Federal Awards and State Financial Assistance

School District of Elkhart Lake-Glenbeulah
Schedule of Expenditures of Federal Awards
Year ended June 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Receivable July 1, 2024</u>	<u>Revenues Grantor Reimbursements</u>	<u>Expenditures Grantor</u>	<u>Receivable June 30, 2025</u>	<u>Subrecipient Awards</u>
<u>U.S. Department of Agriculture</u>							
Passed through Wisconsin Department of Public Instruction							
<i>Child Nutrition Cluster</i>							
National School Lunch Program	10.555	2025-591631-DPI-NSL-547	\$ 4,734	\$ 41,502	\$ 37,536	\$ 768	\$ -
Food Donations - Noncash	10.555	N/A	-	9,238	9,238	-	-
Total U.S. Department of Agriculture			<u>\$ 4,734</u>	<u>\$ 50,740</u>	<u>\$ 46,774</u>	<u>\$ 768</u>	<u>\$ -</u>
<u>U.S. Department of Education</u>							
Rural Education Achievement Program	84.358A	N/A	\$ 200	\$ 63,719	\$ 65,142	\$ 1,623	\$ -
Passed through Wisconsin Department of Public Instruction							
Title I Grants to Local Educational Agencies	84.010A	2025-591631-DPI-TI-A-141	-	16,714	16,714	-	-
<i>Special Education Cluster (IDEA)</i>							
Special Education Grants to States	84.027A	2025-591631-DPI-FLOW-341	52,918	84,839	132,792	100,871	-
Special Education Preschool Grants	84.173A	2025-591631-DPI-PRESCH-347	-	7,292	7,292	-	-
Total Special Education Cluster (IDEA)			\$ 52,918	\$ 92,131	\$ 140,084	\$ 100,871	\$ -
Supporting Effective Instruction State Grants	84.367A	2025-591631-DPI-TII-A-365	-	7,029	7,029	-	-
Student Support and Academic Enrichment Program	84.424A	2025-591631-DPI-TIV-A-381	-	1,000	10,000	9,000	-
Education Stabilization Fund							
COVID-19 Elementary and Secondary School Emergency Relief III	84.425U	2024-591631-DPI-LETRS-165	4,225	4,225	-	-	-
Total U.S. Department of Education			<u>\$ 57,343</u>	<u>\$ 184,818</u>	<u>\$ 238,969</u>	<u>\$ 111,494</u>	<u>\$ -</u>
<u>U.S. Department of Health and Human Services</u>							
Passed through Wisconsin Department of Health Services							
<i>Medicaid Cluster</i>							
Grants to States for Medicaid - School Based Services	93.778	44219500	\$ -	\$ 46,941	\$ 46,941	\$ -	\$ -
Total Federal Awards			<u>\$ 62,077</u>	<u>\$ 282,499</u>	<u>\$ 332,684</u>	<u>\$ 112,262</u>	<u>\$ -</u>

School District of Elkhart Lake-Glenbeulah
Schedule of State Financial Assistance
Year ended June 30, 2025

<u>State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>State I.D. Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Receivable July 1, 2024</u>	<u>Revenues Grantor Reimbursements</u>	<u>Expenditures Grantor</u>	<u>Receivable June 30, 2025</u>	<u>Subrecipient Awards</u>
<u>Wisconsin Department of Public Instruction</u>							
Special Education and School Age Parents	255.101	591631-100	\$ -	\$ 180,728	\$ 180,728	\$ -	\$ -
State School Lunch Aid	255.102	591631-107	-	983	983	-	-
Common School Fund Library Aid	255.103	591631-104	-	34,123	34,123	-	-
Pupil Transportation Aid	255.107	591631-102	-	11,284	11,284	-	-
<i>General Aids Cluster</i>							
Special Adjustment Aid	255.203	591631-118	-	96,118	96,118	-	-
High Cost Special Education Aid	255.210	591631-119	-	601	601	-	-
Sparsity Aid	255.212	591631-162	-	170,886	170,886	-	-
School Based Mental Health Services	255.297	591631-177	-	13,315	13,315	-	-
Early College Credit Program	255.445	591631-178	-	294	294	-	-
Educator Effectiveness Program	255.940	591631-154	-	3,992	3,992	-	-
Per Pupil Aid	255.945	591631-113	-	316,092	316,092	-	-
Career and Technical Education Incentive Grants	255.950	591631-152	-	4,372	4,372	-	-
Assessments of Reading Readiness	255.956	591631-166	-	-	550	550	-
Aid for Special Education Transition Grant BBL	255.960	591631-168	-	2,843	2,843	-	-
Total Wisconsin Department of Public Instruction			\$ -	\$ 835,631	\$ 836,181	\$ 550	\$ -
<u>Wisconsin Department of Revenue</u>							
Tax Exempt Computer Aid	xxx-xxx	-	\$ 2,832	\$ 2,832	\$ 2,832	\$ 2,832	\$ -
Personal Property Aid	xxx-xxx	-	-	28,281	28,281	-	-
Total Wisconsin Department of Revenue			\$ 2,832	\$ 31,113	\$ 31,113	\$ 2,832	\$ -
<u>Wisconsin Department of Natural Resources</u>							
Aid in Lieu of Taxes	xxx-xxx	-	\$ -	\$ 9,113	\$ 9,113	\$ -	\$ -
Total State Financial Assistance			\$ 2,832	\$ 875,857	\$ 876,407	\$ 3,382	\$ -

School District of Elkhart Lake-Glenbeulah
Notes to the Schedules of Expenditures of
Federal Awards and State Financial Assistance
Year ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") include the federal and state award activity of the School District of Elkhart Lake-Glenbeulah and are presented in accordance with the requirements of the *2025 Wisconsin Public School District Audit Manual* issued by the Wisconsin Department of Public Instruction. Because the Schedules present only a selected portion of the operations of the School District of Elkhart Lake-Glenbeulah, they are not intended to and do not present the financial position or changes in net position of the School District of Elkhart Lake-Glenbeulah.

Note 2. Summary of Significant Accounting Policies

Revenues and expenditures reported on the Schedules are reported on the modified accrual basis of accounting.

Note 3. Food Donations

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received. Commodities received during the year that are included in the federal expenditures are valued by the federal agency.

Note 4. Oversight Agencies

The District's federal oversight agency for the audit is the U.S. Department of Education and the state oversight agency is the Wisconsin Department of Public Instruction.

CORSON, PETERSON & HAMANN S.C.

CERTIFIED PUBLIC ACCOUNTANTS

GREG PETERSON, C.P.A.
DAVID HAMANN, C.P.A.

2203 SOUTH MEMORIAL PLACE
SHEBOYGAN, WISCONSIN 53081

TELEPHONE
(920) 457-3641

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
School District of Elkhart Lake-Glenbeulah
Elkhart Lake, 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 School District of Elkhart Lake-Glenbeulah, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Elkhart Lake-Glenbeulah's basic financial statements and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District of Elkhart Lake-Glenbeulah'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 School District of Elkhart Lake-Glenbeulah's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District of Elkhart Lake-Glenbeulah's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District of Elkhart Lake-Glenbeulah'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*.

School District of Elkhart Lake-Glenbeulah's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District of Elkhart Lake-Glenbeulah's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District of Elkhart Lake-Glenbeulah's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Corson, Peterson & Hamann S.C.

Sheboygan, Wisconsin
November 20, 2025

CORSON, PETERSON & HAMANN S.C.

CERTIFIED PUBLIC ACCOUNTANTS

GREG PETERSON, C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

To the Board of Education
School District of Elkhart Lake-Glenbeulah
Elkhart Lake, Wisconsin

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the School District of Elkhart Lake-Glenbeulah's compliance with the types of compliance requirements identified as subject to audit in the *2025 Wisconsin School District Audit Manual*, issued by the Wisconsin Department of Public Instruction, that could have a direct and material effect on each of the School District of Elkhart Lake-Glenbeulah's major state programs for the year ended June 30, 2025. The School District of Elkhart Lake-Glenbeulah's major state programs are identified in the summary of auditor's results section in the accompanying schedule of findings and questioned costs.

In our opinion, the School District of Elkhart Lake-Glenbeulah 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 state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Wisconsin Department of Public Instruction in the *2025 Wisconsin School District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District of Elkhart Lake-Glenbeulah 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 state program. Our audit does not provide a legal determination of the School District of Elkhart Lake-Glenbeulah'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 School District of Elkhart Lake-Glenbeulah's state programs.

Auditor's Responsibilities for 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 School District of Elkhart Lake-Glenbeulah's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2025 Wisconsin School District Audit Manual* 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 School District of Elkhart Lake-Glenbeulah's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2025 Wisconsin School District Audit Manual*, 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 School District of Elkhart Lake-Glenbeulah'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 School District of Elkhart Lake-Glenbeulah'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 *2025 Wisconsin School District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of the School District of Elkhart Lake-Glenbeulah'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 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 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the School District of Elkhart Lake-Glenbeulah's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. School District of Elkhart Lake-Glenbeulah's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2025 Wisconsin School District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Corson, Peterson & Hamann S.C.

Sheboygan, Wisconsin
November 20, 2025

School District of Elkhart Lake-Glenbeulah
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

State Awards

Internal control over major state programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified? X Yes None reported

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

Any audit findings disclosed that are required to be reported in
accordance with the 2025 Wisconsin School District Audit Manual? Yes X No

Identification of major state programs:

State ID Number	Name of State Program or Cluster
255.101	Special Education and School Age Parents
255.945	Per Pupil Aid

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

School District of Elkhart Lake-Glenbeulah
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Section II - Financial Statement Findings

Finding No. 2025-001 - Segregation of Duties

Condition and Criteria - Financial accounting duties should be segregated among appropriate employees to enhance the design of the internal control process to ensure the proper safeguarding of assets.

Cause - Limited staff hinder the District's ability to adequately segregate financial accounting duties among employees.

Effect - Financial accounting duties are not segregated among District employees to sufficiently reduce the risk of error and to properly safeguard the District's assets.

Auditor's Recommendation - The administration and Board of Education should continue to be aware of this control deficiency and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable for an effective system of internal control. Under these conditions, the most effective controls lie in the Administrator's and Board of Education's knowledge of matters relating to the District's operations.

Management's Response - See management's corrective action plan on page 78.

Finding No. 2025-002 - Preparation of the Financial Statements

Condition and Criteria - An ideal system of internal control includes an adequate system for the preparation of the financial statements. The District does not have an internal control system designed to provide for the preparation of the government-wide financial statements and footnotes being audited. Currently the auditor prepares the necessary entries to convert fund balance statements to the government-wide financial statements and drafts the financial statements and related notes.

Cause - The additional costs associated with hiring additional staff experienced in preparing a complete set of financial statements and footnotes outweigh the derived benefits.

Effect - Inadequate controls over financial reporting of the District results in more than a remote likelihood that the District would not be able to draft the government-wide financial statements and accompanying notes to the financial statements that are materially correct without the assistance of the auditors.

Auditor's Recommendation - This circumstance is not unusual in a District of your size. While it may not be cost beneficial to hire additional staff to prepare the financial statements and accompanying notes, a thorough review by management is necessary to obtain an adequate understanding of the District's financial report.

Management's Response - See management's corrective action plan on page 78.

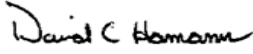
Section III - Major State Program Findings and Questioned Costs

Finding No. 2025-001 noted in Section II above also applies to internal control procedures over major state programs.

School District of Elkhart Lake-Glenbeulah
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Section IV - Other Issues

1. Does the auditor's report or the notes to the financial statements include a disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? Yes X No
2. Does the auditor's report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness or significant deficiencies) related to state awards with pass-through entities that require audits to be in accordance with the *2025 Wisconsin School District Audit Manual*:

Department of Public Instruction X Yes No
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? X Yes No
4. Name and signature of partner 
David C. Hamann, CPA
5. Date of report November 20, 2025

School District of Elkhart Lake-Glenbeulah
Summary Schedule of Prior Audit Findings
Year ended June 30, 2025

Finding No. 2024-001 - Segregation of Duties

Condition and Criteria - Financial accounting duties should be segregated among appropriate employees to enhance the design of the internal control process to ensure the proper safeguarding of assets.

Auditor's Recommendation - The administration and Board of Education should continue to be aware of this control deficiency and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable for an effective system of internal control. Under these conditions, the most effective controls lie in the Administrator's and Board of Education's knowledge of matters relating to the District's operations.

Current Status - This condition has not changed; however, management continues to be closely involved with the day to day operations to provide monitoring of accounting procedures. These procedures involve reviewing monthly financial reports and comparing actual revenues and expenses to budgeted amounts. The School Board also reviews and approves monthly receipts, disbursements and financial reports.

Finding No. 2024-002 - Preparation of the Financial Statements

Condition and Criteria - An ideal system of internal control includes an adequate system for the preparation of the financial statements. The District does not have an internal control system designed to provide for the preparation of the government-wide financial statements and footnotes being audited. Currently the auditor prepares the necessary entries to convert fund balance statements to the government-wide financial statements and drafts the financial statements and related notes.

Auditor's Recommendation - This circumstance is not unusual in a District of your size. While it may not be cost beneficial to hire additional staff to prepare the financial statements and accompanying notes, a thorough review by management is necessary to obtain an adequate understanding of the District's financial report.

Current Status - This condition has not changed; however, management continues to carefully review the draft of the financial statements and footnotes prior to approving them and accepting responsibility for their content and presentation.

School District of Elkhart Lake-Glenbeulah
Corrective Action Plan
Year ended June 30, 2025

Finding No. 2025-001 - Segregation of Duties

Auditor's Recommendation - The administration and Board of Education should continue to be aware of this control deficiency and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable for an effective system of internal control. Under these conditions, the most effective controls lie in the Administrator's and Board of Education's knowledge of matters relating to the District's operations.

Action Taken - Management continues to be closely involved with the day to day operations to provide monitoring of accounting procedures. These procedures involve reviewing monthly financial reports and comparing actual revenues and expenses to budgeted amounts. The School Board also reviews and approves monthly receipts, disbursements and financial reports.

Anticipated Completion Date - We feel the cost of hiring additional accounting staff is not feasible for a District of our size. Contact Adam Englebreton, District Administrator, 920-876-3381.

Finding No. 2025-002 - Preparation of the Financial Statements

Auditor's Recommendation - This circumstance is not unusual in a District of your size. While it may not be cost beneficial to hire additional staff to prepare the financial statements and accompanying notes, a thorough review by management is necessary to obtain an adequate understanding of the District's financial report.

Action Taken - Management believes the cost of additional staff time and training to prepare the financial statements and footnotes outweigh the benefits received. The District will carefully review the draft of the financial statements and footnotes prior to approving them and accepting responsibility for their content and presentation. The District will also meet with the auditor to review the financial statements in detail.

Anticipated Completion Date - This review process has already been implemented. Contact Adam Englebreton, District Administrator, 920-876-3381.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the School District of Elkhart Lake-Glenbeulah, Sheboygan County, Wisconsin (the "Issuer") in connection with the issuance of \$25,600,000 General Obligation Promissory Notes, dated April 22, 2026 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on August 19, 2024 and March 16, 2026 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated March 16, 2026 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the School Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the School District of Elkhart Lake-Glenbeulah, Sheboygan County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the District Administrator of the Issuer who can be contacted at 201 North Lincoln Street, Elkhart Lake, Wisconsin 53020, phone (920) 876-3381, fax (920) 876-3511.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year ending June 30, 2026, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements, adopted annual budget and/or current general fund budget summary and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF THE DISTRICT - Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 22nd day of April, 2026.

(SEAL)

Michael Meeusen
District President

Erica Spatz
District Clerk

APPENDIX C

FORM OF LEGAL OPINION

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

April 22, 2026

Re: School District of Elkhart Lake-Glenbeulah, Wisconsin ("Issuer")
\$25,600,000 General Obligation Promissory Notes,
dated April 22, 2026 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$ 580,000	___%
2028	1,185,000	___
2029	1,290,000	___
2030	1,355,000	___
2031	1,425,000	___
2032	1,500,000	___
2033	1,575,000	___
2034	1,655,000	___
2035	1,740,000	___
2036	1,830,000	___
2037	1,925,000	___
2038	2,025,000	___
2039	2,125,000	___
2040	2,235,000	___
2041	255,000	___
2042-2045	--	--
2046	2,900,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2027.

The Notes maturing on March 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2034 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within

each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX D

OFFICIAL NOTICE OF SALE

FOR

**SCHOOL DISTRICT OF ELKHART LAKE-GLENBEULAH
Sheboygan County, Wisconsin**

\$25,600,000 General Obligation Promissory Notes

Sale Data:

Sale Date and Time: Monday, March 16, 2026
10:00 a.m. Central Time

Place: Robert W. Baird & Co. Incorporated
Public Finance Department
777 East Wisconsin Avenue, 25th Floor
Milwaukee, Wisconsin 53202

Attention: Ms. Danielle Olson
Phone: (414) 298-2657

Bids will be accepted electronically via
PARITY

OFFICIAL NOTICE OF SALE

\$25,600,000
SCHOOL DISTRICT OF ELKHART LAKE-GLENBEULAH
SHEBOYGAN COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED APRIL 22, 2026 (THE "NOTES")

NOTICE IS HEREBY GIVEN that bids will be received by the School Board of the School District of Elkhart Lake-Glenbeulah, Sheboygan County, Wisconsin (the "District") for the purchase of all but no part of its Notes electronically via PARITY (as described below) or at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated, Public Finance Department, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 ("Baird"), Attention: Danielle Olson (414) 298-2657, until 10:00 a.m. (Central Time) on:

March 16, 2026

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above or submitted electronically via PARITY, as described below. Bid forms are available from Baird upon request. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for School District of Elkhart Lake-Glenbeulah Notes". A meeting of the School Board will be held on said date for the purpose of taking action on such bids as may be received. Bids will only be considered by the School Board if the required good faith deposit has been received in accordance with the requirements set forth below.

Dates and Maturities: The Notes will be dated April 22, 2026 and will mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>
2027	\$580,000
2028	1,185,000
2029	1,290,000
2030	1,355,000
2031	1,425,000
2032	1,500,000
2033	1,575,000
2034	1,655,000
2035	1,740,000

* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial maturities of the Notes. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. The aggregate principal amount of the Notes will remain the same.

<u>Year</u>	<u>Principal Amount*</u>
2036	1,830,000
2037	1,925,000
2038	2,025,000
2039	2,125,000
2040	2,235,000
2041	255,000
2042-2045	--
2046	2,900,000

Interest: Interest on the Notes will be payable semi-annually on March 1 and September 1 of each year, commencing on March 1, 2027 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day of the calendar month next preceding each interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes maturing on March 1, 2035 and thereafter will be subject to redemption prior to maturity, at the option of the District, on March 1, 2034 or on any date thereafter. Said Notes will be redeemable as a whole or in part, and if in part, from maturities selected by the District, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Term Bonds at Bidder's Option: Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Mandatory Redemption: Any term bonds specified shall be subject to mandatory sinking fund redemption in part prior to their scheduled maturity dates on March 1 of certain years, as more fully described in the Dates and Maturities section herein, at a price of par plus accrued interest to the date of redemption.

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the public purpose of paying the remaining portion of the cost of a school building and facility improvement project consisting of: construction of additions and renovations at the High School building, including for a middle school wing, gymnasium, commons and music area and a secure entrance and office; renovations at the current Middle School building for relocation of elementary school students; demolition of a portion of the

* Preliminary, subject to change. The District reserves the right, after bids are opened and prior to the award, to increase or reduce the principal amount of the individual serial maturities of the Notes. Any such increase or reduction will be made in multiples of \$5,000 within any of the maturities. The aggregate principal amount of the Notes will remain the same.

existing Elementary School building; district-wide capital maintenance, building infrastructure and site improvements; and acquisition of furnishings, fixtures and equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by Associated Trust Company, National Association, Green Bay, Wisconsin, the District's fiscal agent with respect to the Notes (the "Fiscal Agent"). The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the close of business on the 15th day of the calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

Not Qualified Tax-Exempt Obligations: The Notes shall not be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but all Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$25,600,000) nor more than One Hundred Six Percent (106%) of the principal amount of the Notes (\$27,136,000) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District, as calculated prior to any adjustments as described above.

The underwriter shall be responsible for paying all costs of issuance on behalf of the District. These costs include the financial advisor fee, fiscal agent fee, attorney fees, rating agency fee, and the fees for preparing and printing the Preliminary and Final Official Statement and other miscellaneous expenses of the District incurred in connection with the offering and delivery of the Notes. The total of these costs is \$204,535.

Type of Bid: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written

form of bid form (if any). All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of bid form (if any).

Good Faith Deposit: A cashier's check in the amount of \$512,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$512,000 shall be made by the winning bidder by federal wire transfer as directed by the District Clerk or District Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (March 16, 2026) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's electronic transmission of the bid or the bid form (if any). Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of DTC, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin ("Bond Counsel"). A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but

neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Establishment of Issue Price: (a) The winning bidder shall assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must specify one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule"). The form of the Underwriter's Certificate will be modified to reflect compliance with the requirements of the rule selected by the underwriter.

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the District, Bond Counsel and Baird the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Notes or until all of the Notes of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a

member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven business days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement and any addenda to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the School Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated; Attention: Danielle Olson at (414) 298-2657, Emily Timmerman at (414) 298-7856 or the undersigned.

Adam Englebreton
District Administrator
School District of Elkhart Lake-Glenbeulah
201 North Lincoln Street
Elkhart Lake, Wisconsin 53020
Phone: (920) 876-3381

Exhibit A
(to Official Notice of Sale)

School District of Elkhart Lake-Glenbeulah, Wisconsin ("District")
\$25,600,000
General Obligation Promissory Notes,
dated April 22, 2026

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

[2. *Bond Insurance.*

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

(b) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(c) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

____. ***Defined Terms.***

(a) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is March 16, 2026.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Notes.

[UNDERWRITER]

By: _____

Name: _____

Dated: April 22, 2026

SCHEDULE A
TO
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B
TO
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)