

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 18, 2023

SALE DATE AND TIME:

January 23, 2023

10:00 A.M. CST

**NEW ISSUE – BOOK-ENTRY ONLY
– NON BANK QUALIFIED**

RATING⁺: MOODY'S "APPLIED FOR"

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 Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Bonds 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) for taxable years beginning after December 31, 2022. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The Bonds shall not be "qualified tax-exempt obligations." The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

\$35,000,000*

**SCHOOL DISTRICT OF HOLMEN
LA CROSSE COUNTY, WISCONSIN**

GENERAL OBLIGATION SCHOOL FACILITY IMPROVEMENT BONDS, SERIES 2023

Dated: Date of Issuance

Due: April 1, as set forth on the inside cover page

The General Obligation School Facility Improvement Bonds, Series 2023 (the "Bonds") of the School District of Holmen, La Crosse County, Wisconsin (the "District"), are issuable as fully registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only. Beneficial owners of the Bonds will not receive physical delivery of bond certificates. The Bonds are issued in fully registered form in denominations of \$5,000 or any integral multiple thereof and will bear interest payable on April 1 and October 1 of each year, with October 1, 2023 as the first interest payment date. Associated Trust Company, National Association, Green Bay, Wisconsin will act as bond registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year of twelve 30-day months.

Proceeds of the Bonds will be used (i) for the public purpose of paying a portion of the cost of a school facility improvement project at the elementary and middle school buildings consisting of: renovations, building infrastructure, capital maintenance, safety and site improvements; construction of an addition at Evergreen Elementary School; reconstruction of an older portion of the Middle School; and acquisition of furnishings, fixtures and equipment, and (ii) to pay certain costs associated with the issuance of the Bonds.

The Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The Bonds will be general obligations of 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. See "THE BONDS – Security and Payment" herein.

The Bonds are subject to optional redemption prior to maturity in the manner, at the times and at the redemption price described herein under "THE BONDS – Optional Redemption".

The Bonds are being offered at public sale, subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP is also acting as Disclosure Counsel to the District. Delivery of the Bonds will be through the facilities of DTC on or about February 13, 2023.



AS FINANCIAL ADVISOR

The date of this Official Statement is January __, 2023.

*Preliminary, subject to change.

+See "RATING" herein.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, 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.

MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

\$35,000,000* General Obligation School Facility Improvement Bonds, Series 2023

<u>Maturity (April 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP⁽¹⁾ (436308)</u>
2030	730,000			
2031	2,260,000			
2032	2,365,000			
2033	2,460,000			
2034	2,560,000			
2035	2,665,000			
2036	2,775,000			
2037	2,885,000			
2038	3,005,000			
2039	3,125,000			
2040	3,255,000			
2041	3,390,000			
2042	3,525,000			

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of each maturity of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 bond.

(1) CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

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 School District of Holmen, La Crosse County, Wisconsin (the “District”), from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter (defined herein). 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 Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

PMA Securities, LLC, Milwaukee, Wisconsin, is serving as financial advisor (the “Financial Advisor”) to the District in connection with the issuance of the Bonds. 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.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or 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 such estimate will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District’s beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter is required to review the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

Certain persons participating in this offering may engage in transactions that maintain or otherwise affect the price of the Bonds. Specifically, the Underwriter may over allot in connection with the offering, may bid for, and purchase, the Bonds in the open market. The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

**SCHOOL DISTRICT OF HOLMEN
La Crosse County, Wisconsin
1019 McHugh Road
Holmen, Wisconsin 54636
(608) 526-6610**

* * * * *

School Board

Jennifer Dieck, President
Chris Lau, Vice President
Brian Wopat, Clerk
Gary Dunlap, Treasurer
Barb Wuensch, Member
Bridget Todd- Robbins, Member
Maggie Smith, Member

Superintendent

Dr. Kristin Mueller

Executive Director of Finance and Operations

Julie Holman

* * * * *

Paying Agent/Registrar

Associated Trust Company, National Association
200 North Adams Street
Green Bay, Wisconsin 54301

Independent Auditors

Hawkins Ash CPAs, LLP
500 2nd Street S,
La Crosse, Wisconsin 54601

Financial Advisor

PMA Securities, LLC
770 North Jefferson Street, Suite 200
Milwaukee, Wisconsin 53202

Bond Counsel & Disclosure Counsel

Quarles & Brady LLP
411 East Wisconsin Avenue, Suite 2400
Milwaukee, Wisconsin 53202

Underwriter

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Appendices:

- A. Form of Legal Opinion of Bond Counsel
- B. Financial Statements with Independent Auditors' Report for the Fiscal Year Ended June 30, 2022
- C. Form of Continuing Disclosure Certificate
- D. Official Notice of Sale and Bid Form

\$35,000,000*
School District of Holmen
La Crosse County, Wisconsin
General Obligation School Facility Improvement Bonds, Series 2023

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning the School District of Holmen, La Crosse County, Wisconsin (the “District”), in connection with the offering and sale of its \$35,000,000* General Obligation School Facility Improvement Bonds, Series 2023 (the “Bonds”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

The Bonds will be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and the interest on the Bonds will be payable by Associated Trust Company, National Association, Green Bay, Wisconsin, as paying agent and bond registrar (the “Registrar” or “Paying Agent”).

The Bonds will be dated as of the date of issuance thereof and will mature as shown on the inside cover page of this Official Statement. Interest will be payable on each April 1 and October 1, beginning October 1, 2023.

The Bonds are subject to optional redemption prior to maturity in the manner, at the times and at the redemption price described herein under “Optional Redemption.”

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the calendar month next preceding each interest payment date (the “Record Date”).

Registration and Exchange

The Registrar shall keep books for the registration and for the transfer of the Bonds (the “Register”). The District may treat and consider DTC or its nominee (the “Depository”) as the absolute owner of the Bonds for the purpose of receiving payment of, or on account of, the principal of and interest on the Bonds and for all other purposes whatsoever.

The Bonds are transferable only through the Register upon surrender of a Bond to the Registrar by the registered owner in person or his duly authorized attorney, only in the event that the Depository

* Preliminary, subject to change.

does not continue to act as securities depository for the Bonds. The Registrar shall not be obliged to make any transfer of the Bonds during the period after the close of business on the Record Date and before the opening of business on the related interest payment date.

Upon transfer, the Registrar shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and maturity, upon the payment of a charge sufficient to reimburse the District for any tax, fee or other governmental charge required to be paid with respect to such registration. The Registrar shall record the name of each transferee in the Register. The Registrar shall cancel any Bond surrendered for transfer. The District shall cooperate in any such transfer, and the Registrar is authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Authority and Summary of Resolutions

Initial Resolution; Referendum

By way of a resolution adopted on August 22, 2022 (the “Initial Resolution”), the School Board (the “Board”) authorized the issuance of general obligation bonds in an amount not to exceed \$74,750,000 for the public purpose of paying the costs of a school facility improvement project at the elementary and middle school buildings consisting of: renovations, building infrastructure, capital maintenance, safety and site improvements; construction of an addition at Evergreen Elementary School; reconstruction of an older portion of the Middle School; and acquisition of furnishings, fixtures and equipment (the “Project”).

By way of a resolution also adopted on August 22, 2022, the Board provided for a referendum election held on November 8, 2022 (the “Referendum”). 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 8, 2022, the Referendum was held in the District on the proposition of whether the Initial Resolution should be approved at which 6,257 votes (60.2%) were cast in favor of approval of the Initial Resolution and 4,130 votes (39.8%) were cast against approval of the Initial Resolution.

The Bonds constitute \$35,000,000* of the \$74,750,000 (the “Referendum-Approved Amount”) approved by voters of the District for the Project. Concurrently with the Bonds, the District expects to issue its \$15,000,000* Taxable General Obligation Promissory Notes, Series 2023 (the “Notes”) to finance an additional portion of the Project. After the issuance of the Bonds and the Notes, the District will have \$24,750,000* in borrowing authority remaining pursuant to the Initial Resolution and Referendum approval for the Project. For more information, see “INDEBTEDNESS OF THE DISTRICT – Future Financing” herein.

* Preliminary, subject to change.

Award Resolution

By way of a resolution to be adopted on January 23, 2023 (the “Award Resolution”), the District will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Bonds, provide the details and form of the Bonds 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 and interest on the Bonds. Pursuant to the Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2023 through 2042 which will be sufficient to meet the principal and interest payments on the Bonds 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 and interest on the Bonds. Reference is made to the Award Resolution for a complete recital of its terms.

Security and Payment

The Bonds will be general obligations of 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 District is authorized and required by law to levy on all property taxable by the District such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon. The tax will be levied under the Award Resolution for collection in each of the years 2023 through 2042 (or monies to pay such debt service will otherwise be appropriated).

Optional Redemption

The Bonds due on and after April 1, 2031 are subject to redemption prior to maturity, at the option of the District, in whole or in part, from maturities selected by the District and within each maturity by lot, in integral multiples of \$5,000, on April 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Redemption Procedures

Unless waived by any holder of the Bonds to be redeemed, notice of the call for any redemption shall be given by the Registrar on behalf of the District by mailing the redemption notices by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or any other manner required by DTC not less than 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All notices of redemption shall state (1) the redemption date, (2) the redemption price, (3) in the case of partial redemption of the Bonds, the respective principal amounts of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon the Bonds or portion thereof called for redemption, and interest thereon shall cease to accrue from and after said date, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office maintained for the purpose of the Registrar, and (6) such other information then required by custom, practice or industry standard.

Moneys sufficient to pay the redemption price of the Bonds to be redeemed shall be deposited by the District with the Registrar prior to any redemption date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in payment of redemption price), such Bonds or portion of Bonds shall cease to bear or accrue interest. Neither the failure to mail such redemption notices, nor any defect in any notice

so mailed, to any particular owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice.

THE PROJECT

The proceeds of the Bonds will be used (i) for the public purpose of paying a portion of the cost of the Project, and (ii) to pay costs associated with the issuance of the Bonds. The District anticipates the portion of the Project being financed by the Bonds to be completed by January 1, 2025 and the entire Project to be completed by December 1, 2025.

SOURCES AND USES

The sources and uses of funds with respect to the Bonds are estimated as follows:

Estimated Sources of Funds

Par Amount of the Bonds.....	
[Net] Original Issue Premium/Discount.....	
Total Sources.....	\$ -

Estimated Uses of Funds

Deposit into the Project Construction Fund.....	
Costs of Issuance ⁽¹⁾	
Total Uses	\$ -

(1) Includes Underwriter’s Discount, Financial Advisor fee, Disclosure Counsel fee, Bond Counsel fee, rating agency fee, and other costs of issuance.

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

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

General Obligation Bonds

The principal amount (with interest) 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 20 years immediately following the date of said bonds. The Board is required to levy a direct, annual, irrepealable 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.

Refunding Bonds

The District is authorized to borrow money using refunding bonds for refunding existing debt. Refunding bonds must be payable within a period not exceeding 20 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. Promissory notes must be payable within a period not exceeding 10 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 notes issued by the District must be payable no later than 20 years following the original date of such notes, or 10 years, whichever is less.

Bond Anticipation Notes

In anticipation of issuing general obligation bonds or notes, the District is authorized to borrow money using bond anticipation notes. The bond anticipation notes are not 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 anticipation notes are payable only from (a) proceeds of the bond anticipation notes set aside for payment of interest on the bond 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 anticipation notes. The maximum term of any bond anticipation notes (including any refunding) is five years.

Temporary Borrowing

The Board of the District 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 10% of the equalized value of taxable property within the District. For information with respect to the District's percent of legal debt incurred, see "INDEBTEDNESS OF THE DISTRICT – Debt Statement" herein.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each maturity of the Bonds, 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, as amended. 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"). S&P Global Ratings has assigned DTC its rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bonds 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 the Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 detailed information from the District or Registrar, 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 Registrar, 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 Registrar, 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 Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond 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 DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

THE DISTRICT

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

Common school districts are required to formulate annual budgets and hold public hearings thereon. See "FINANCIAL INFORMATION – Budgeting Process" herein. 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 Superintendent and purchase school equipment.

The School Board of the District

The present members of the Board and the expiration of their respective terms of office are as follows:

Title	Name	Current Term Expires (April)
President.....	Jennifer Dieck.....	2024
Vice President.....	Chris Lau.....	2024
Clerk.....	Brian Wopat.....	2023
Treasurer.....	Gary Dunlap.....	2023
Member.....	Barb Wuensch.....	2025
Member.....	Bridget Todd-Robbins.....	2023
Member.....	Maggie Smith.....	2023

Administration

The Board is empowered to employ a Superintendent to conduct the affairs and programs of the District. The present Superintendent is Dr. Kristin Mueller, who has been with the District since 2015. Other members of the Administrative Staff are as follows:

Name	Title	Year Started with the District
Nick Bakke.....	High School Associate Principal.....	2018
Kimberly Edwards.....	Executive Director of Instructional Services.....	2017
Sue Eitland.....	FLC/4 Yr Kdg Principal.....	1996
Jason Lulloff.....	Activity Director.....	2009
Rachel Fawver.....	Evergreen Elementary Principal.....	2014
Ben Tashner ⁽¹⁾	Middle School Associate Principal and Activities Director.....	2022
Gregory Krueger.....	Executive Director of Information & Technology.....	2015
Jill Mason.....	Executive Director of Student Services.....	2016
Vacant ⁽²⁾	Sand Lake Elementary Principal.....	-
Wayne Sackett.....	High School Principal.....	2014
Bonnie Striegel.....	Viking Elementary Principal.....	2004
Dr. Nick Weber.....	Prairie View Elementary Principal.....	2006
Ryan Vogler.....	Middle School Principal.....	2011
Sarah Thompson ⁽³⁾	Middle School Associate Principal.....	2022
Benjamin Johrendt.....	High School Associate Principal.....	2020
Julie Holman.....	Executive Director of Finance and Operations.....	2015

(1) Prior to his role at Holmen School District, Ben Tashner was a grade 6th-8th instructional coach.

(2) Position is currently vacant. A permanent replacement will be hired by July 1, 2023.

(3) Prior to her role at Holmen School District, Sarah Thompson was an education program coordinator and interim administrator.

District Facilities

Facility	Grades Served	Current Enrollment	Capacity Enrollment	Constructed	Years of Additions/Renovations
Evergreen Elementary.....	K-5	343	405	1980	1993
Prairie View Elementary.....	K-5	463	540	2009	N/A
Sand Lake Elementary.....	K-5	388	540	1999	N/A
Viking Elementary.....	EC, 4K-5	583	600	1972	1976, 1998, 2010, 2020
Holmen Middle School.....	6-8	897	1,120	1955	1968, 1985, 2000, 2005, 2018
Holmen High School.....	9-12	1,215	1,704	1993	1999, 2009, 2018, 2021
TMT.....	N/A	N/A	N/A	1978	2004, 2006
Administrative Building.....	N/A	N/A	N/A	2005	2017

School Enrollments

Year	Enrollment	Year	Projected Enrollment ⁽¹⁾
2018-19	3,990	2023-24	3,836
2019-20	3,911	2024-25	3,792
2020-21	3,855	2025-26	3,723
2021-22	3,902	2026-27	3,685
2022-23	3,889	2027-28	3,605

(1) Projected by the District, based on forecasting data to perform multiple year regression analysis. The results of such analysis are compared to a University of Wisconsin Applied Research Institute population forecast and building permit data for municipalities located within the District.

Employee Relations

Department	Number of Employees
Teachers.....	349
Educational Assistants.....	114
Drivers.....	42
Custodial/Maintenance/Tech.....	48
Nutritional Services.....	33
Secretarial.....	25
Administrative/Supervisor.....	26
Total.....	637

The District employees are represented by the following collective bargaining group.

Organization	Employee Groups Represented	Contract Expiration ⁽¹⁾
Holmen Education Association (HEA)	Teachers	June 30, 2023

(1) Pursuant to the Act, defined below, unions can negotiate base wages only. An employee handbook replaced the prior collective bargaining agreement for all other matters.

The District considers its relationship with the organization and its employees to be collaborative.

All eligible District personnel are covered by the Municipal Employment Relations Act (“MERA”) of the Wisconsin Statutes. Pursuant to that law, employees have limited 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.

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. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, 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 has approved an Employee Handbook for teachers and support staff, which sets forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbook’s terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration by the unions. However, individual employees will be 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.

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 generally required to contribute half of the actuarially determined contributions, and the District generally may not pay the employees’ required contribution. The total retirement plan contributions (not including any employee contributions) for the fiscal years ended June 30, 2020 (“Fiscal Year 2020”), June 30, 2021 (“Fiscal Year 2021”) and June 30, 2022 (“Fiscal Year 2022”) totaled \$1,785,151, \$1,942,168, and \$1,975,524 respectively.

The District implemented Governmental Accounting Standards Board Statement No. 68 (“GASB 68”) for the fiscal year ended June 30, 2015.

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, 2021, the total pension liability of the WRS was calculated as \$133.79 billion and the fiduciary net position of the WRS was calculated as \$141.85 billion, resulting in a net pension asset of \$8.06 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 2022, the District reported an asset of \$13,683,899 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2021 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 0.16977155% of the aggregate WRS net pension asset as of December 31, 2021.

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 5 in “Appendix B – Financial Statements with Independent Auditors’ Report for the Fiscal Year Ended June 30, 2022” 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 plan. Membership of the plan consisted of 58 retirees receiving benefits and 472 active eligible plan members as of June 30, 2022.

OPEB calculations are required to be updated every two years and prepared in accordance with Statements No. 74 and 75 of the Governmental Accounting Standards Board (“GASB 74/75”). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefit Concepts, LLC in July, 2021 with an actuarial valuation date of June 30, 2020. The District will have a new actuarial study prepared in 2023.

For Fiscal Year 2022, benefit payments for the plan totaled \$340,029. The District’s current funding practice is to fully fund the cost of retiree benefits in a given year on a “pay-as-you-go” basis, with no invested plan assets accumulated for payment of future benefits.

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.

As of June 30, 2022, the total OPEB liability of the plan was \$3,018,154 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$3,018,154.

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 6 in “Appendix B – Financial Statements with Independent Auditors’ Report for the Fiscal Year Ended June 30, 2022.”

GENERAL INFORMATION

Location

The District is located in La Crosse County (the “County”), Wisconsin adjacent to the City of La Crosse. The District serves the Village of Holmen (the “Village”), the Town of Holland and portions of the Towns of Farmington, Hamilton, Onalaska and the City of Onalaska.

Education

The District offers a comprehensive educational program for students in Pre-K through twelfth grade. The District has four elementary schools, one middle school, one high school and a family learning center. The District has an enrollment of 3,889 students for the 2022-2023 school year.

Post-Secondary Education

Post-secondary education is available nearby at Western Technical College, which offers vocational, technical and adult educational training to full and part-time students in a variety of career programs. Post-secondary education is also available at Viterbo University, a four-year liberal arts institution located in the City of La Crosse, and the University of Wisconsin-La Crosse, which offers Bachelor and Graduate Degree programs in a variety of fields.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	The District	The Village	The County
2010 Census.....	19,240	9,005	114,638
Estimate, 2018.....	N/A	10,147	119,193
Estimate, 2019.....	N/A	10,204	119,484
2020 Census.....	22,332	10,661	120,784
Estimate, 2021.....	N/A	11,167	120,331
Estimate, 2022.....	N/A	11,560	122,126

Source: Wisconsin Department of Administration, Demographic Services Center

Per Return Adjusted Gross Income

Tax Year	The Village	The County	The State
2017.....	\$ 53,924	\$ 56,217	\$ 56,698
2018.....	56,380	57,861	59,423
2019.....	57,110	58,753	61,003
2020.....	62,433	61,070	61,518
2021.....	68,268	66,928	66,369

Source: Wisconsin Department of Revenue

Income & Housing

The following data sets forth the comparative income and home value levels for the District, the Village, the County, the State and the United States.

	The District	The Village	The County	The State	United States
Median Home Value.....	\$245,400	\$216,600	\$197,000	\$200,400	\$244,900
Median Household Income.....	91,532	73,821	62,817	67,080	69,021
Median Family Income.....	106,325	99,651	86,624	85,623	85,028
Per Capita Income.....	40,680	36,892	36,560	36,754	37,638

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-year Estimates

Building Permits

New residential building permits for the Village are listed below:

<u>Year</u>	<u>Number of Permits</u>	<u>Construction Cost</u>
2017.....	63	\$ 13,085,352
2018.....	53	11,833,000
2019.....	93	27,231,850
2020.....	96	26,663,400
2021.....	115	55,114,741
2022 ⁽¹⁾	79	29,173,000

(1) Through November, reported only.

Source: U.S. Census Bureau

Unemployment Rate

	<u>The County</u>	<u>The State</u>
Average, 2017.....	2.9	3.3
Average, 2018.....	2.6	3.0
Average, 2019.....	2.8	3.2
Average, 2020 ⁽¹⁾	5.4	6.3
Average, 2021 ⁽²⁾	3.0	3.8
November, 2021.....	2.0	2.4
November, 2022 ⁽²⁾	2.2	2.6

(1) Amounts reflect increase in unemployment as a result of the COVID-19 pandemic. See “IMPACT OF THE SPREAD OF COVID-19” herein.

(2) Preliminary.

Source: State of Wisconsin Department of Workforce Development

Larger Employers

The larger employers in the Village are listed below:

Company Name	Product or Service	Approximate employees at location
The District.....	Education.....	637
The Village.....	Government.....	176
Festival Foods.....	Grocery Store.....	150
Mayo Clinic Health Systems - Franciscan.....	Health Clinic.....	87
McDonald's.....	Restaurant.....	86
Features.....	Full-Service Restaurant.....	80
Drugan's Castle Mound.....	Golf Course and Country Club.....	60
D Lux Screen Printing.....	Custom Decal and Window Clings Printer.....	50
River City Lawscapres.....	Landscaping Services and Farm Supply.....	49
Northern Engraving Corporation.....	Naemplates and Decorative Trim Manufacturer....	46

Source: The District and the Final Official Statement dated February 11, 2022 for the Village's General Obligation Corporate Purpose Bonds, Series 2022A, dated March 1, 2022.

Largest Taxpayers

Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

Taxpayer	Type of Property or Business	2022 Equalized Valuation
Individual.....	Rentals.....	\$ 18,335,500
Holmen Cheese LLC.....	Industrial.....	15,792,320
Premier Holmen Locust 1.....	Rentals (Field of Dreams).....	11,608,500
SCF RC Funding IV LLC.....	Legal Services.....	10,286,300
Premier North Court Holmen.....	Rentals (Field of Dreams).....	9,940,480
WI Development LLC.....	Rentals.....	8,072,000
Brott Property Management.....	Rentals.....	7,186,100
Kwik Trip Inc.....	Convenience Store.....	6,954,770
Helfrich Enterprises.....	Rentals.....	6,298,900
Angel Townhomes LLC.....	Rentals.....	5,844,700
	Total.....	<u>\$ 100,319,570</u>
2022 Equalized Valuation of the Village (TID IN).....		\$ 1,119,211,000
Percentage of 2022 Equalized Valuation of the City (TID IN).....		8.96%
2022 Equalized Valuation of the District (TID IN).....		\$ 2,676,667,956
Percentage of 2022 Equalized Valuation of the District (TID IN).....		3.75%

Source: The Village and the Wisconsin Department of Revenue

TAX LEVIES, RATES AND COLLECTIONS

Personal property taxes, 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. 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 of equalized valuation on all taxable property within the District as well as a history of collections in the last five levy years.

<u>Levy Year</u>	<u>Collection Year</u>	<u>School District Tax Rate</u>	<u>School District Levy</u>	<u>Uncollected Taxes as of August 20 Each Year</u>	<u>Percent of Levy Collected</u>
2018	2019	\$ 10.56	\$ 18,463,428	\$ -	100%
2019	2020	10.34	19,620,532	-	100%
2020	2021	9.77	19,534,548	-	100%
2021	2022	8.35	18,614,286	-	100%
2022	2023	7.93	19,967,582	In Process	

Source: Wisconsin Department of Public Instruction and the District

PROPORTIONATE LEVY AMOUNTS

Municipality	2022 Equalized Valuation (TID OUT)	Percent of Levy	Amount of Levy
Town of Farmington.....	\$ 21,677,241	0.860750%	171,871
Town of Hamilton.....	13,626,276	0.541066%	108,038
Town of Holland.....	573,337,100	22.765805%	4,545,781
Town of Onalaska.....	716,381,142	28.445732%	5,679,925
The Village.....	963,505,500	38.258432%	7,639,284
City of Onalaska.....	229,886,197	9.128215%	1,822,684
Total.....	\$ 2,518,413,456	100.000000%	\$ 19,967,582

Please note that totals may not equal 100.0% due to rounding.
Source: Wisconsin Department of Revenue

EQUALIZED VALUATIONS

All equalized valuations of property in the State are determined by the State of Wisconsin, Department of Revenue and Supervisor of Assessments Office. Equalized valuations are the State’s estimate of full market value.

The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the District for the last five years.

Year	Equalized Valuation (TID IN)	Year-Over- Year Change	Equalized Valuation (TID OUT)	Year-Over- Year Change
2018	\$ 1,798,625,640	8.58%	\$ 1,748,593,540	6.95%
2019	1,952,875,585	8.58%	1,897,908,385	8.54%
2020	2,087,232,934	6.88%	1,999,167,034	5.34%
2021	2,345,576,430	12.38%	2,230,154,930	11.55%
2022	2,676,667,956	14.12%	2,518,413,456	12.93%

Source: Wisconsin Department of Revenue

TAX INCREMENTAL DISTRICTS

The Village and the City of Onalaska created Tax Incremental Districts (“TIDs”) under Section 66.1105 of the Wisconsin Statutes. TID valuations as shown below have been excluded from the District’s tax base for 2022.

<u>The Village</u>	<u>Creation</u>	<u>Base Value</u>	<u>2022 Value</u>	<u>Increment</u>
TID #2	2009	\$ 2,647,000	\$ 82,656,000	\$ 80,009,000
TID #3	2015	37,362,300	113,058,800	75,696,500
<u>The City of Onalaska</u>	<u>Creation</u>	<u>Base Value</u>	<u>2022 Value</u>	<u>Increment</u>
TID #6	2020	\$ 15,535,100	\$ 18,084,100	\$ 2,549,000
Total.....				<u>\$ 158,254,500</u>

Source: Wisconsin Department of Revenue

INDEBTEDNESS OF THE DISTRICT

Summary of Outstanding Debt

Shown below is a summary of the outstanding general obligation debt of the District as of the closing of the Bonds and the Notes, to be issued concurrently with the Bonds.

Issue Description	Dated Date	Original Amount Of Issue	Amount Outstanding	Final Maturity Date
General Obligation School Improvement Bonds, Series 2019...	04/01/19	\$ 23,500,000	\$ 16,295,000	04/01/30
General Obligation Refunding Bonds, Series 2020.....	05/11/20	8,620,000	4,695,000	04/01/24
The Notes.....	02/13/23	15,000,000 *	15,000,000 *	04/01/29
The Bonds.....	02/13/23	35,000,000 *	<u>35,000,000 *</u>	04/01/42
Total.....			<u>\$ 70,990,000 *</u>	

*Preliminary, subject to change.

Direct Long-Term Indebtedness

Shown below is the maturity schedule for the long-term direct general obligation debt of the District as of the closing of the Bonds and the Notes.

Calendar Year	Principal Due	The Notes*	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2023	\$ 3,270,000	\$ -	\$ -	\$ 3,270,000	\$ 3,270,000	4.6
2024	3,525,000	4,390,000	-	7,915,000	11,185,000	15.8
2025	2,075,000	3,235,000	-	5,310,000	16,495,000	23.2
2026	2,525,000	1,530,000	-	4,055,000	20,550,000	28.9
2027	2,630,000	1,905,000	-	4,535,000	25,085,000	35.3
2028	2,725,000	2,005,000	-	4,730,000	29,815,000	42.0
2029	2,805,000	1,935,000	-	4,740,000	34,555,000	48.7
2030	1,435,000	-	730,000	2,165,000	36,720,000	51.7
2031	-	-	2,260,000	2,260,000	38,980,000	54.9
2032	-	-	2,365,000	2,365,000	41,345,000	58.2
2033	-	-	2,460,000	2,460,000	43,805,000	61.71
2034	-	-	2,560,000	2,560,000	46,365,000	65.31
2035	-	-	2,665,000	2,665,000	49,030,000	69.07
2036	-	-	2,775,000	2,775,000	51,805,000	72.98
2037	-	-	2,885,000	2,885,000	54,690,000	77.04
2038	-	-	3,005,000	3,005,000	57,695,000	81.27
2039	-	-	3,125,000	3,125,000	60,820,000	85.67
2040	-	-	3,255,000	3,255,000	64,075,000	90.26
2041	-	-	3,390,000	3,390,000	67,465,000	95.03
2042	-	-	3,525,000	3,525,000	70,990,000	100.00
	<u>\$ 20,990,000</u>	<u>\$15,000,000</u>	<u>\$35,000,000</u>	<u>\$ 70,990,000</u>		

*Preliminary, subject to change.

Short Term Financings

The District has not borrowed for short-term cash flow purposes in the past five years and does not anticipate doing so in the foreseeable future.

Future Financing

The District expects to issue the Notes concurrently with the Bonds. The District currently anticipates using the remaining referendum-approved amount by issuing \$24,750,000* general obligation debt in 2025.

Default Record

The District has no record of default in the payment of the principal or interest on its debt obligations.

Overlapping Indebtedness

Information relating to the outstanding overlapping indebtedness of the District is set forth in the table below:

Name	Amount of Debt	Percent	Outstanding
	Outstanding (Net of 2023 Sinking Funds)	Allocable to the District	Debt Allocable to the District
Town of Holland.....	\$ 215,059	100.00%	\$ 215,059
The Village.....	23,726,871	100.00%	23,726,871
City of Onalaska	38,747,065	8.88%	3,440,739
The County.....	55,300,000	19.61%	10,844,330
Western Technical College District..	85,154,000	9.53%	8,115,176
Total.....			<u>\$ 46,342,176</u>

Note: This summary may not reflect all of the District's outstanding and underlying indebtedness. Responses from certain entities were not received at the time of printing this Official Statement. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

Source: Wisconsin Department of Revenue, information provided by each municipal entity through publicly available disclosure documents available on EMMA, the Wisconsin Department of Public Instruction and direct inquiries.

* Preliminary, subject to change.

Debt Statement

(As of the Closing of the Bonds and the Notes)

Existing General Obligation Debt.....	\$20,990,000
The Bonds.....	\$35,000,000 *
The Notes.....	\$15,000,000 *
Total General Obligation Debt.....	\$70,990,000 *
Overlapping Debt.....	\$46,127,117
General Obligation Debt and Overlapping Debt.....	\$117,117,117 *
2022 Equalized Valuation (TID IN).....	\$2,676,667,956
Statutory Debt Limit (10% of Equalized Valuation).....	\$267,666,796
Statutory Debt Margin.....	\$196,676,796 *

*Preliminary, subject to change.

Debt Ratios

(As of the Closing of the Bonds and the Notes)

2022 Equalized Valuation (TID IN).....	\$2,676,667,956
2021 Estimated Population.....	22,267
General Obligation Debt to Equalized Valuation (TID IN).....	2.65% *
General Obligation Debt and Overlapping Debt to Equalized Valuation (TID IN)..	4.38% *
General Obligation Debt Per Capita.....	\$3,188.13 *
General Obligation Debt and Overlapping Debt Per Capita.....	\$5,259.67 *

*Preliminary, subject to change.

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 a public hearing 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

Superintendent 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 a public hearing preceded by at least 10 days prior notice which describes the time and place of the hearing, a summary of the proposed budget, and how to obtain the budget in detail for inspection.

General Fund Summary
(For Years Ending June 30)

The figures below 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.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Receipts.....	\$ 52,458,866	\$ 53,676,277	\$ 53,402,443	\$ 54,647,295	\$ 56,543,406
Disbursements.....	<u>51,122,946</u>	<u>51,656,772</u>	<u>51,478,826</u>	<u>53,262,265</u>	<u>54,959,746</u>
Net Surplus (Deficit).....	1,335,920	2,019,505	1,923,617	1,385,030	1,583,660
Other Financing Sources....	-	-		(10,000)	(210,000)
Beginning Fund Balance....	<u>11,125,348</u>	<u>12,461,268</u>	<u>14,480,773</u>	<u>16,404,390</u>	<u>17,779,420</u>
Ending Fund Balance.....	<u>\$ 12,461,268</u>	<u>\$ 14,480,773</u>	<u>\$ 16,404,390</u>	<u>\$ 17,779,420</u>	<u>\$ 19,153,080</u>

Source: Compiled from the District’s Financial Statements with Independent Auditors’ Report for fiscal years ended June 30, 2018-2022.

Financial Statements

A copy of the District’s Financial Statements with Independent Auditors’ Report for the Fiscal Year Ended June 30, 2022 is included as Appendix B to this Official Statement. Potential purchasers should read Appendix B in its entirety for more complete information concerning the District’s financial position.

The Financial Statements with Independent Auditors’ Report contained in this Official Statement as Appendix B, including the independent auditor’s report accompanying such financial statements, have been audited by Hawkins Ash CPAs, LLP, La Crosse, Wisconsin (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 Bonds, the District will represent and warrant 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.

Budget Summary

<u>Fund</u>	<u>Fund Balances</u>			<u>Projected</u>
	<u>June 30, 2022</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balances</u>
				<u>June 30, 2023</u>
General Fund.....	\$ 19,153,083	\$ 53,046,160	\$ 55,873,127	\$ 16,326,116 ⁽¹⁾
Special Revenue Trust Fund.....	1,233,105	993,465	993,465	1,233,105
Special Education Fund.....	-	9,882,808	9,882,808	-
Referendum Debt Service Fund.....	3,197,783	7,859,319	5,642,500	5,414,602
Capital Projects Fund.....	220,037	250,000	-	470,037
Food Service Fund.....	1,688,199	3,283,803	3,578,960	1,393,042
Community Service Fund.....	<u>70,871</u>	<u>200,000</u>	<u>100,000</u>	<u>170,871</u>
Total Governmental Funds	<u>\$ 25,563,078</u>	<u>\$ 75,515,555</u>	<u>\$ 76,070,860</u>	<u>\$ 25,007,773</u>

(1) Budgeted use of fund balance for certain one-time capital expenditures, as well as wage and benefit increases and budgeted inflationary increases on certain costs in order to reduce excess fund balance.

Source: The District

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 Bonds under existing law substantially in the following form:

“The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds 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 Bonds 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) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. 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 Bonds.”

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

Prospective purchasers of the Bonds should be aware that ownership of the Bonds 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 Bonds 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 Bonds. 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 Bonds may be enacted. Prospective purchasers of the Bonds 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 AND BOND PREMIUM

Original Issue Discount

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds (“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 Bonds is more than the principal amount payable at maturity, such Bonds (“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.

LITIGATION

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

IMPACT OF THE SPREAD OF COVID-19

In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets.

The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. The extent to which the coronavirus impacts the District and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the District, including the duration of the outbreak and measures taken to address the outbreak.

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) provides for federal payments from the Elementary and Secondary School Emergency Relief Fund (“ESSER”) to K-12 school districts to defray certain eligible costs related to the COVID-19 pandemic incurred on or after March 13, 2020. Districts are required to apply to Wisconsin Department of Public Instruction (“DPI”)

in order to receive ESSER grants, and there are ongoing reporting requirements that will be required to document eligible expenses. The District received an allocation of \$209,007 from the DPI for ESSER grants. DPI has approved the District's ESSER grants. On December 27, 2020, former President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act, which includes an additional \$54.3 billion to be allocated to public K-12 schools to address costs related to the COVID-19 pandemic. The District's allocation is \$1,134,399. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which includes a \$122.8 billion Elementary and Secondary Schools Emergency Relief Fund for purposes related to the COVID-19 pandemic, with half received in 2021 and half received in 2022. The District's allocation is \$2,985,916. The District also received allocations from the State totaling \$499,113 for certain programming and expenses during the COVID-19 period.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond rating of "___" to the Bonds. This rating reflects only the view of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by Moody's, if, in its judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertake responsibility to bring to the attention of the owners of the Bonds 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 previously allowed for some annual per pupil increases without voter approval, but for the 2015-16 through 2018-19 school years, school districts were prohibited from increasing their revenue limit without voter approval. The current Wisconsin Statutes provided for increases of average revenues 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. Under the current Wisconsin Statutes, there is currently no per pupil adjustment under the revenue limits for the 2021-22 school year or beyond without the need for voter approval. 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 Bonds were approved at referendum. Accordingly, the payment of debt service on the Bonds is not subject to the revenue limits.

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 Bonds 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 Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds 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 Bonds.

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 Bonds would not occur.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Commission, pursuant to the 1934 Act (the “Rule”), the District shall covenant pursuant to the Award Resolution adopted by the Board to enter into an undertaking (the “Undertaking”) for the benefit of holders including beneficial holders of the Bonds 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 details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of reportable events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Bonds are delivered. Such Certificate will be in substantially the form attached hereto as Appendix C.

The District's operating data filing for the fiscal year ended June 30, 2017 did not separately include debt ratios calculations as required by a continuing disclosure undertaking for one of the District's then-outstanding bonds. Except to the extent the preceding is deemed to be material, the District has not failed to comply in the previous five years in all material respects with any previous undertaking under the Rule. The Undertaking includes two new reportable events effective February 27, 2019 under the Rule. The District has reviewed its continuing disclosure responsibilities, including the two new reportable events, in order to help ensure compliance in the future. The District has retained PMA Securities, LLC, Milwaukee, Wisconsin, to act as the District's Dissemination Agent for its continuing disclosure filings. A failure by the District to comply with the Undertaking will not constitute an event of default on the Bonds (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 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin ("Quarles & Brady"), Bond Counsel to the District. In its capacity as Bond Counsel, Quarles & Brady has supplied the information herein under the heading "TAX EXEMPTION" and has provided the form of Bond Counsel opinion included herein as Appendix A.

Quarles & Brady has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although, as Disclosure Counsel to the District, Quarles & Brady has assisted the District with certain disclosure matters, Quarles & Brady has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds 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 makes no representation as to the suitability of the Bonds for any investor.

UNDERWRITING

The Bonds were offered for sale by the District at a public, competitive sale on January 23, 2023. The best bid submitted at the sale was submitted by _____, _____, _____ (the "Underwriter"). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____. The Underwriter has represented to the District that the Bonds have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. Based on the initial offering yields set forth on the inside cover, the aggregate underwriting fee equals \$ _____. The Underwriter will pay certain costs of issuance for the Bonds from its underwriting fee.

FINANCIAL ADVISOR

PMA Securities, LLC of Milwaukee, Wisconsin, has been retained as financial advisor (the “Financial Advisor” or “PMA”) in connection with the issuance of the Bonds. 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.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including financial advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, an investment adviser registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

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 Bonds and also from the investment of Bond proceeds. PMA’s compensation for serving as financial advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

The District has approved this Official Statement for distribution to the Underwriter of the Bonds.

The District's officials will provide at the time of delivery of the Bonds, a certificate confirming that, to the best of their knowledge and belief, the Preliminary Official Statement and Official Statement, with respect to the Bonds, at the time of the sale and delivery of the Bonds, 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.

/s/
Executive Director of Finance and Operations
School District of Holmen
La Crosse County, Wisconsin

January __, 2023

Form of Legal Opinion of Bond Counsel

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

February 13, 2023

Re: School District of Holmen, Wisconsin ("Issuer")
\$35,000,000 General Obligation School Facility Improvement Bonds, Series
2023,
dated February 13, 2023 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. 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 Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2030	\$730,000	___%
2031	2,260,000	___
2032	2,365,000	___
2033	2,460,000	___
2034	2,560,000	___
2035	2,665,000	___
2036	2,775,000	___
2037	2,885,000	___
2038	3,005,000	___
2039	3,125,000	___
2040	3,255,000	___
2041	3,390,000	___
2042	3,525,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2023.

The Bonds maturing on April 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2030 or on any date thereafter. Said Bonds 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 Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, 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 Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds 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 Bonds 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) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. 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 Bonds.

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

The rights of the owners of the Bonds 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

Financial Statements with Independent Auditors' Report for the Fiscal Year Ended June 30, 2022

The Financial Statements with Independent Auditors' Report for the Fiscal Year Ended June 30, 2022 of the District contained in this Official Statement as Appendix B, including the independent auditor's report accompanying such financial statements, have been audited by Hawkins Ash CPAs, LLP, LA Crosse, Wisconsin (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 Bonds, the District will represent and warrant 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. For specific questions or inquiries relating to the financial information of the District since the date of the audited financial statements, please contact Julie Holman, Executive Director of Finance and Operations of the District.

**SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

JUNE 30, 2022

SCHOOL DISTRICT OF HOLMEN

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SCHOOL DISTRICT OF HOLMEN

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MEMBERS OF THE BOARD OF EDUCATION

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Vice President	Chris Lau
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District Administrator	Dr. Kristin Mueller
Executive Director of Finance & Operations	Julie Holman
Director of Business Services	Krystal Matt



INDEPENDENT AUDITORS' REPORT

To the Board of Education
School District of Holmen
Holmen, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Holmen, Wisconsin, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District of Holmen's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Holmen, as of June 30, 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District of Holmen 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.

Responsibilities of Management for the Financial Statements

The School District of Holmen's 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 Holmen's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District of Holmen'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 Holmen'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, Wisconsin Retirement System Pension Schedules, OPEB Healthcare Defined Benefit Plan Schedules, and budgetary comparison 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 Holmen's basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* and *State Single Audit Guidelines* are presented for purposes of additional analysis and are also not a required part of the basic financial statements. The information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, on our consideration of School District of Holmen'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 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 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 School District of Holmen's internal control over financial reporting and compliance.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 2, 2022

**SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin**

MANAGEMENT'S DISCUSSION AND ANALYSIS

School District of Holmen Management's Discussion and Analysis Year ended June 30, 2022

This section of the School District of Holmen's annual Financial Statements and Independent Auditor's Report presents the District Management's discussion and analysis of the District's financial performance during the year ending June 30, 2022. In addition, it includes discussion on how these statements and report are affected by prior financial decisions and future vision of the District's finances.

While the Financial Statements and Independent Auditor's report includes detailed information on all financial activity of the District, the Management Discussion and Analysis will attempt to summarize those facts that have been determined to be most "Noteworthy Facts" (SECTION I) and the "Required Discussion and Analysis" (SECTION II).

SECTION I Noteworthy Facts

Noteworthiness for this report is determined primarily by: deviation from budget or deviation from past trends and constituency interest. Consequently, this year's Management Discussion and Analysis focus is on two topics:

- A. Budget to Actual Variances**
- B. Focus Area – Fiscal Sustainability**

A. BUDGET TO ACTUAL VARIANCES

In reviewing budget to actual variances, the following criteria have been set to determine variances that will receive further explanation here. Criteria are:

- Line item variance amounts (Final Budget to Actual) that are greater than .5% of the corresponding total budgeted fund revenue or expense amount, OR
- Line item variance amounts (Final Budget to Actual) that are greater than 10% of the corresponding budget for that line item and greater than .1% of total budgeted fund revenue or expense amount.

Based upon these criteria, the following variances, variance causes and variance reduction strategies have been identified.

The criteria the District uses to determine which variances will receive further explanation in the Management Discussion and Analysis represent high standards. These high standards are borne from the high expectations for accuracy and financial credibility in the District. Such high standards are intended to motivate the continuous improvement necessary to achieve excellence. Conversely, it should be understood that adopting criteria that exemplify such high standards are more likely to point out relatively minor deviations from perfection.

While the budgeting process is not an exact science, every attempt has been made to formulate an original budget from the best information available. Revisions to the original budget are made several times during the year. Revisions represent updates to revenue projections by local, state and federal agencies as confirmed throughout the fiscal year. Expenditure revisions are made as the actual costs associated with the following become known: capital improvement projects, enrollment driven staffing, special needs student staffing, leave benefits utilization by staff and benefits elections by staff, utility rates, fuel rates, etc.

General Fund (and Special Education Fund) (See page 47)

The District finished the fiscal year with actual revenues of \$56,543,406, which are \$1,583,660 more than actual expenditures of \$54,959,746. The budgeted surplus was \$1,645,433. The actual \$1,583,660 surplus increases the General Fund balance as of 06/30/22, bringing the total balance to \$19,153,080. Surplus was anticipated and is associated with revenue exceeding expenditures. Both revenue and expenditure actuals exceeded final budget with a combined net variance of (\$61,773). Restricted fund balance is for the operational sinking funds and committed fund balance is for retiree severance obligations. Remaining surplus is added to the assigned and unassigned general fund balances.

Budget Lines	Variance Amounts Favorable (Unfavorable)	Cause of Variances	Variance Reduction Strategies
Revenues			
Other Local	\$45,578	District received more funds than anticipated as school returned to regular operations.	Monitor revenues and adjust budgets accordingly.
Interdistrict	\$27,375	Revenue associated with special education aid transit between districts was underestimated. Special education aid transit and non-open enrollment tuition vary from year to year, making it difficult to estimate.	Monitor and adjust anticipated aid transits and non-open enrollment tuition.
Intermediate	\$17,613	The 21-22 state special education aid transited through CESAs was underestimated.	Monitor and adjust anticipated CESA aid transits.
Other	\$182,195	The budget underestimated revenue associated with prior year refunds and adjustments.	A conservative other source revenue budget will continue to be proposed due to the uncertainty of refunds.
Expenditures			
<u>Total Instruction</u> <i>(includes: Undifferentiated, Regular, Vocational, Special and Other)</i>	\$150,184	Total Instruction had a variance of 0.52%. Within the line items in the budget, Undifferentiated and Regular instruction were slightly under-budgeted, while Vocational, Special and Other Instruction were slightly over-budgeted.	Monitor for vacancies and substitute needs to adjust budgets accordingly.

Total Support Services (includes: Pupil, Instructional, General Administration, Building Administration, Business, Central, Insurance and Other)	(\$377,401)	Total Support Services had a variance of -2.06%. Within the line items in the budget, General Administration, Central, Insurance and Other Services were slightly under-budgeted, while Pupil, Instructional, Building Administration and Business Services were slightly over-budgeted.	Monitor for expenditures relating to increased professional development and training (and related travel expenses), increased costs relating to custodial and facility services, as well as one-time expenses as services have returned to normal.
Non-Program Transactions	(\$216,326)	Non-Program Transaction expenditures were underestimated as instructional needs did not decrease as a result of the pandemic.	Monitor for continued needs relating to Special Education (Fund 27) substitute and contracted instructional services.
Capital Outlay	\$34,467	Capital projects relating to vehicle acquisition and technology were unable to be completed due to supply chain issues, resulting in underspend.	Monitor year-end purchasing for adjustments and resource reallocation.

Debt Service Fund (See Note 4 and the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds page 23).

The Debt Service Fund experienced an increase in fund balance from the 06/30/21 balance of \$3,184,610 to a 06/30/22 balance of \$3,197,783.

Referendum Debt

The actual net change in the Referendum Debt fund balance was a decrease of \$78,133. However, \$91,306 was transferred from the Capital Projects Fund, resulting in a net change of fund balance of \$13,173. The use of fund balance and debt defeasance is a planned strategy based on a predetermined long-term debt schedule.

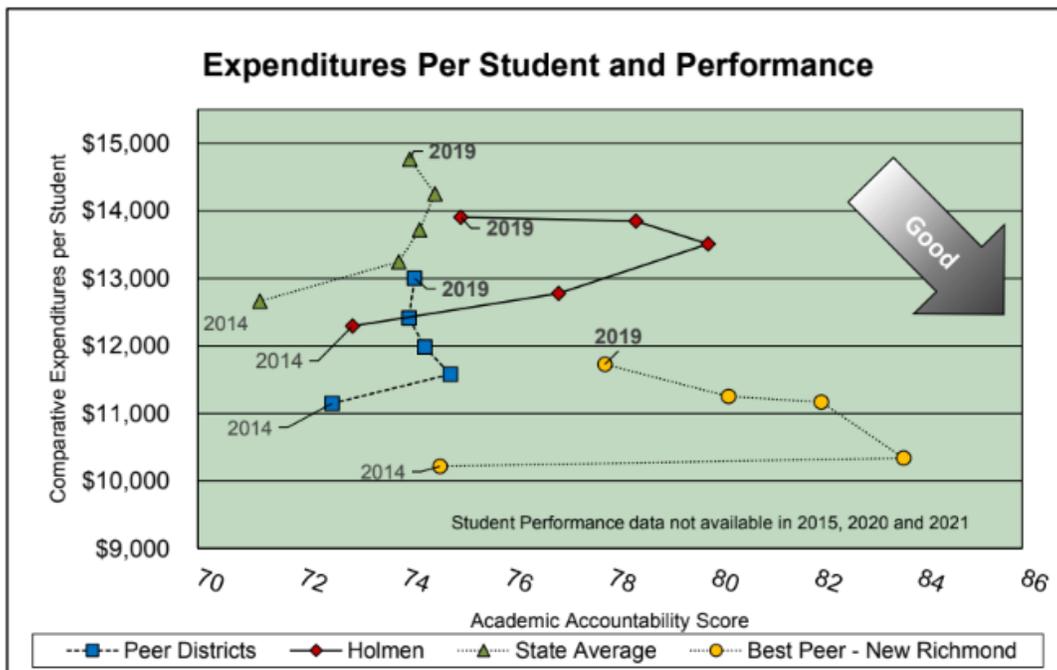
Non-Referendum Debt (No fund activity to report)

Capital Projects Fund - As indicated above, \$91,306 was transferred to Referendum Debt as capital projects were completed, resulting in a \$0 fund balance, with no additional activity to report.

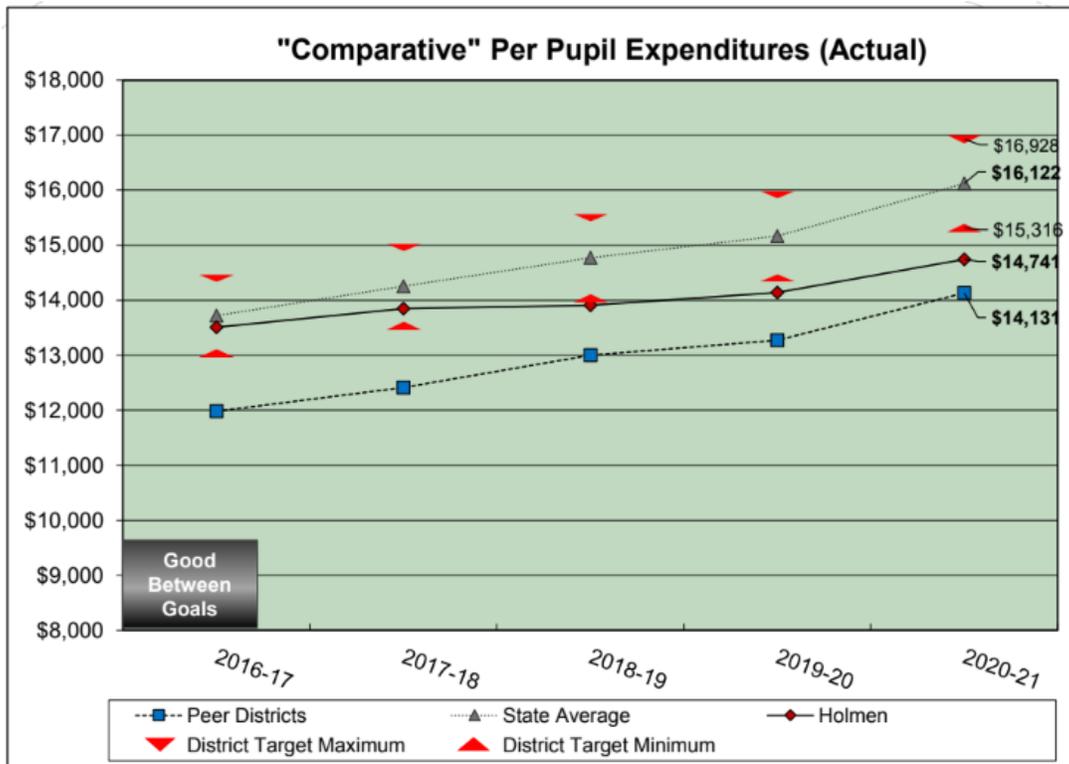
B. FOCUS AREA – FISCAL

Since 2005, specific reporting has taken place on District-defined Financial Performance Results. In 2017-18, the School District of Holmen, along with input from our Board of Education, staff and students, refined what the stakeholders deem as most important to the success of a student in Holmen. As a result, a District Dashboard was developed. The Dashboard communicates our District story by showing areas of strength and opportunities for improvement. The Dashboard is organized by our five focus areas (1) Student Learning, (2) Fiscal, (3) Workforce, (4) Customer/Stakeholder Engagement, and (5) Health and Safety. Several measures for each of these focus areas can be found in the School District of Holmen Annual Report.

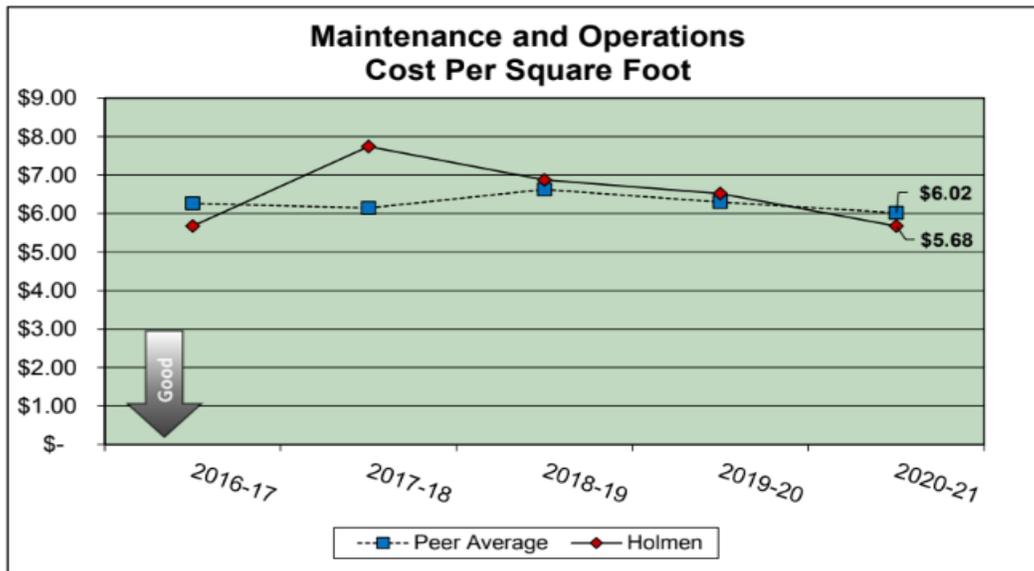
The eight Fiscal Performance Results measures are presented below:



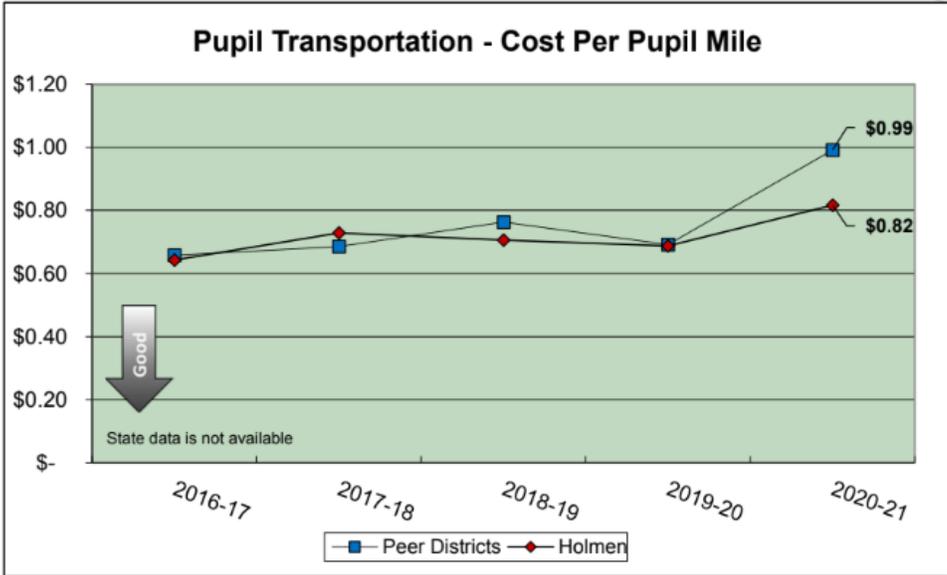
The expenditure per student performance measures both the comparative expenditure per pupil and student performance, using the academic accountability score. These two measures are then examined in relationship to one another. The District's expenditure per student performance can improve due to either our own improvement or the slide in performance by other peer districts. Conversely, our expenditure per student performance can decline due to either a slide in our own performance or an improvement by other peer districts. The comparative nature of the expenditure per student performance requires the District to make more effective choices on how we spend money.



The "Comparative" Per Pupil Expenditures (Actual) is a lagging indicator that measures the financial resources that were applied to deliver services to students. "Comparative" values exclude from the total cost the following expenditures: transportation, capital, debt, and miscellaneous expenditures. The "comparative" measure accounts more specifically for those controllable costs directly associated with servicing students.

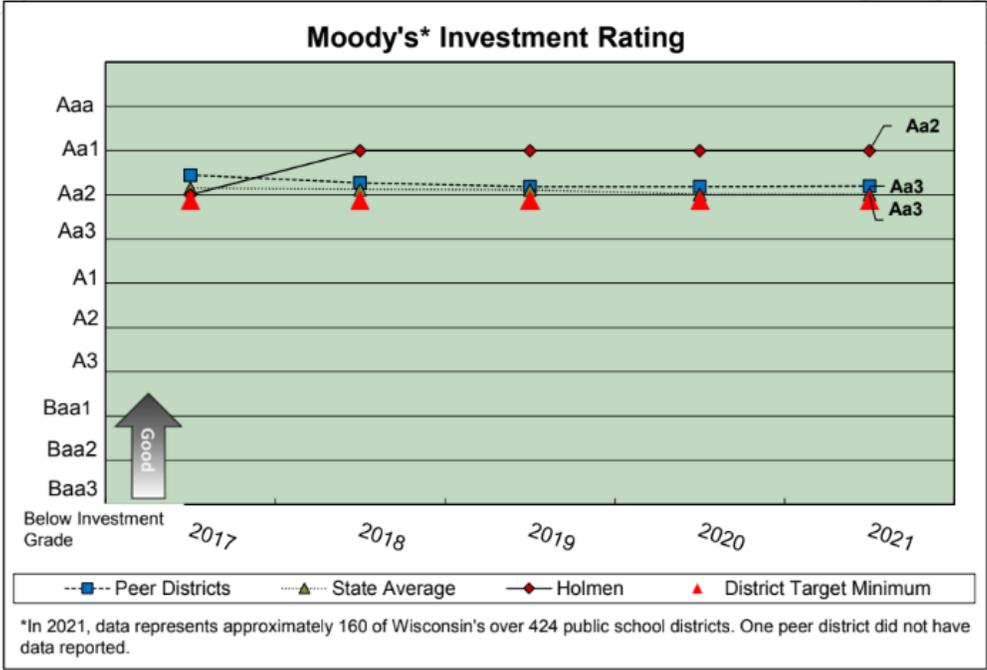


The Maintenance and Operations Cost Per Square Foot is a measure that compares Holmen's cost per square foot for maintenance operations, to that of our peer districts. The importance of this measure is to track our costs compared to our peers to ensure efficiency of operations, yet have the funding required to effectively maintain the fixed assets within the District. The cost of maintenance and operations have been comparable to our peers for several years. The sharp increase from 2016-17 is attributable to the District Office addition and safety initiatives that were assigned to the maintenance and facilities portion of the budget. 2018-19 and 2019-20 include safety initiatives not normally reported in maintenance and operations. The Holmen cost per square foot was \$5.68 in 2020-21.

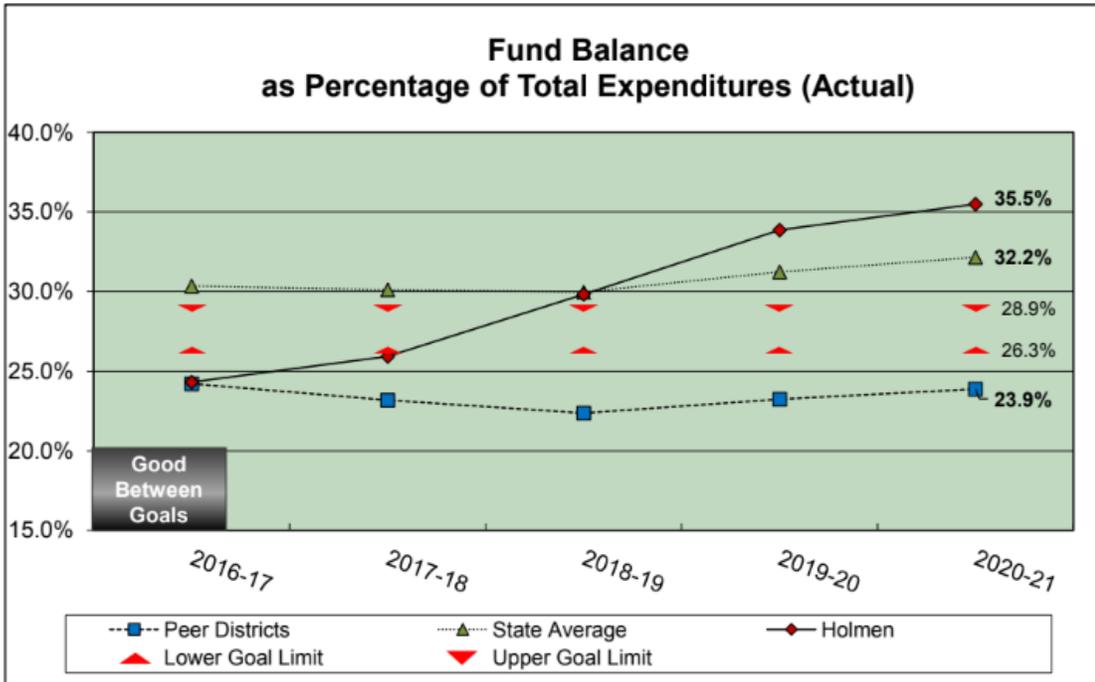


The cost efficiency of the ride to and from school can be measured by "Cost Per Pupil Mile." Cost is identified as a key performance factor in delivery of transportation services. Cost efficiency, while maintaining quality, defines the value of transportation services. This shows the School District of Holmen's transportation service is a good value to the stakeholders of the District. 2020-21 shows Holmen increasing, but not as significantly as our peers. In 2020-21, peer districts reported greater cost with fewer overall miles transported, increasing the peer average cost from \$0.69 to \$0.99 per pupil mile. Holmen experienced a very slight decrease in total transportation cost combined with a noticeable decrease in total miles transported, causing Holmen's cost per pupil mile to increase at a lower rate compared to the peer average.

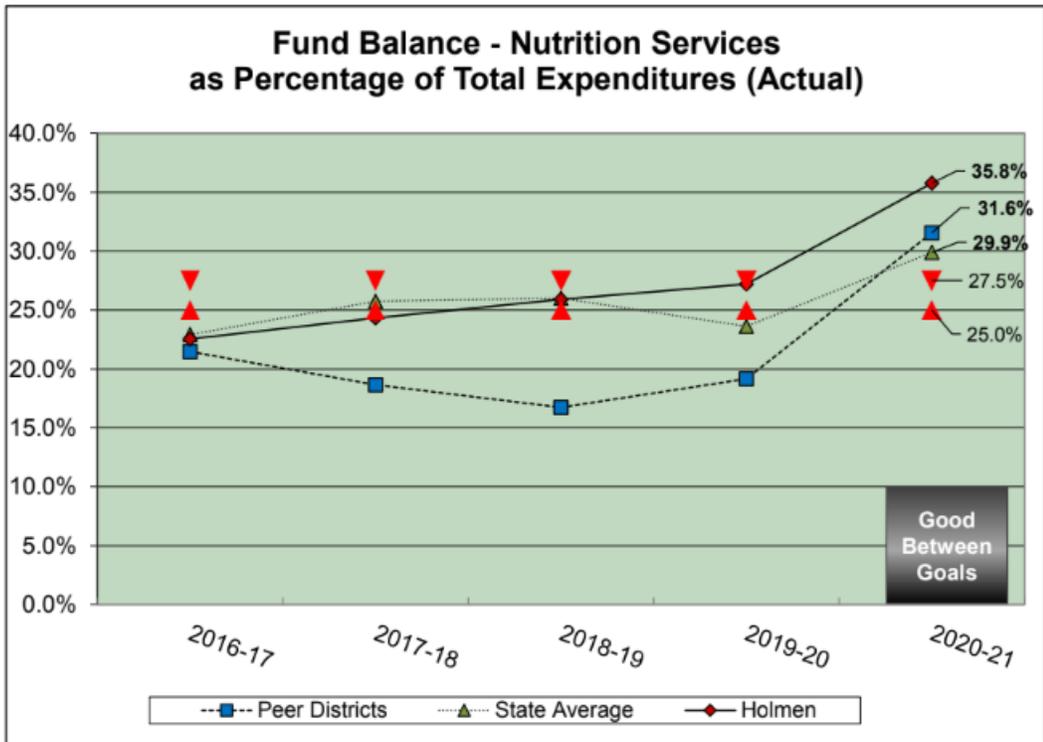
**Historical data has been reconciled with that reported to DPI. This chart includes corrections to annual cost data previously reported.*



Moody's Investment Rating is a lagging indicator that measures the District's financial stability. Moody's is an international ratings firm. As a third party, Moody's collects data on organizations such as schools. Moody's evaluates the data and then assigns a standardized rating of Aaa, Aa, A or Baa. The highest category is Aaa and is given to organizations with the highest financial stability. There are further rating breakdowns within the Aa, A and Baa categories. This further breakdown is accomplished by assigning a numeric value of 1, 2 or 3 with 1 being the highest and 3 being the lowest rating. An A1 rating is better than an A3 rating. For districts that are frequently bonding to fund construction of new facilities, a high Moody's rating is important. A high rating positively influences the interest rate on the bonds.

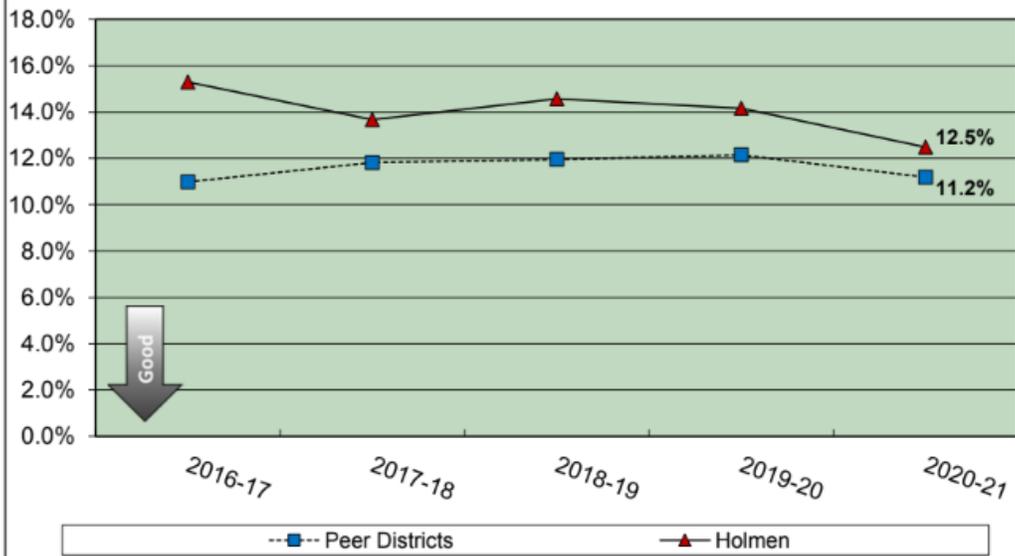


The Fund Balance as a Percentage of Total Expenditures (FBPTE) is a leading indicator that measures the overall financial stability of an organization. Financial stability and affluence is not the same thing. Just as a person can be poor yet remain financially stable, so can a school district. Financial stability comes from properly managing the more limited resources available.



The Fund Balance as a Percentage of Total Expenditures is a leading indicator that measures the overall financial stability of the Nutrition Services Program. Financial stability comes from properly managing the limited resources available. Nutrition Services exceeded the upper limit of the goal by 8% due to higher than expected participation in the meal programs, as well as taking advantage of special programs where additional funding (over \$100,000) was made available to purchase produce and other local items.

Special Programs Support as a Percentage of Operational Expenditures (Actual)



Revenue and expenditures related to students with exceptional education needs are recorded in a separate fund account. This account is not allowed to end a fiscal year in a deficit position. Federal and state special education revenue sources do not adequately support special programs. A transfer from the general operational fund account is necessary to support the cost of delivering special programs. The Special Programs Support as a Percentage of the Operational Expenditure indicates that the School District of Holmen spends 1% more of its operational budget on special programs than its peer districts. This measure requires the District to analyze more effective choices on how we spend money, while still meeting the needs of all students.

SECTION II Required Discussion and Analysis

The Required Discussion and Analysis portion of this document comprises four topic areas. They are:

- **A. Overview of the Financial Statement**
- **B. Financial Analysis of the District as a Whole**
- **C. Non-current Assets**
- **D. Long-Term Debt**

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

District-wide Financial Statements

- The District-wide financial statements are the STATEMENT OF NET POSITION (See page 20) and STATEMENT OF ACTIVITIES (See page 21). These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Beginning in 2020, functions/programs were combined into Governmental Activities. In prior years, Nutrition Services was separated into Business Type Activities. With the exception of Nutrition Services, Governmental Activities are financially mainly supported by property taxes and inter-governmental revenues. Nutrition Services is intended to cover all, or a significant portion of, costs through user fees and charges.
- The STATEMENT OF NET POSITION presents information on all of the District's assets and liabilities, with the difference between the two reported as NET POSITION. Fiscal year end 2022 Total Assets valued at \$110,266,490 is more than the value of \$105,830,726 twelve months earlier. This represents a one-year increase of 4.19%.
- The STATEMENT OF ACTIVITIES presents information showing how the District's NET POSITION changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year. The NET POSITION for the year, of \$70,710,330, is an increase of 16.11% over the \$60,898,755 prior year amount.

Fund Financial Statements

- The District also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the District-wide statements, and provide information that may be useful in evaluating a District's near-term financing requirements.
- There are two fund financial statements, the BALANCE SHEET - GOVERNMENTAL FUNDS (See page 22) and the STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (See page 23). Generally, balance sheet reports provide a snapshot as of June 30th, which summarizes assets, liabilities, and the impact on fund balance. The STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS provides additional information on inflows and outflows that affected fund balance.

- Because the focus of fund financial statements is narrower than that of the District-wide statements, it is useful to make a comparison between the information presented. This helps readers better understand the long-term implication of the government's near-term financial decisions.
- The RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (See page 24) reconciles the "TOTAL FUND BALANCE" as shown on the BALANCE SHEET - GOVERNMENTAL FUNDS (See page 22), to the Governmental Activities "Total Net Position" as shown on the STATEMENT OF NET POSITION (See page 20). This reconciliation adjusts for the balance sheet difference between financial reporting and fund accounting.
- The District has governmental funds, which include General, Special Revenue, Special Education, Debt Service, Capital Projects and Food Service.
- Financial information is presented in separate columns on both the BALANCE SHEET – GOVERNMENTAL FUNDS (See page 22 and the STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS (See page 23) for the general and debt service funds as these are considered to be major funds. Capital Projects funds is also reported here as a separate column in years where the District had Capital Projects financial activity. Data for the Special Revenue Fund and Food Service Fund are reported in the "Non-Major Governmental Funds" column as these are considered non-major funds. While not present in this reporting period, other non-major funds might include a combination of Special Revenue Trust Fund, Capital Project Funds and others. Data for these individual non-major funds is provided separately as supplementary information (See pages 49-50).
- The District opted for a "pay-as-you-go" method for other post-employment benefits. A schedule of funding progress for Wisconsin Retirement System Pension (Note 5 page 33-38), Other Post-Employment Benefits (OPEB) (Note 6 page 38-41) and Net Position and Fund Balances (Note 8 page 42) is available as of 2021-22.
- The District adopts an annual appropriation budget for every fund it administers. Budget comparisons are provided for the major funds and present the original, revised and actual amounts in each major program area (See page 47).

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

B. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, provides a summary of the District's NET POSITION (See page 20) for the year ended June 30, 2022.

Table 1			
Condensed NET POSITION			
(in thousands of dollars)			
	Total School District 2021	Total School District 2022	Change
Current Assets	\$41,128.13	\$45,533.01	\$4,404.88
Noncurrent Assets	\$64,702.60	\$64,428.74	(\$273.86)
Amortized Assets		\$304.74	\$304.74
Total assets	\$105,830.73	\$110,266.49	\$4,435.76
Deferred Outflows of Resources	\$17,580.15	\$26,110.53	(\$8,530.38)
Current Liabilities	\$9,356.15	\$9,264.08	(\$92.07)
Noncurrent Liabilities	\$27,132.26	\$21,974.55	(\$5,157.71)
Total Liabilities	\$36,488.41	\$31,238.63	(\$5,249.78)
Deferred Inflows of Resources	\$26,023.72	\$34,428.07	\$8,404.35
NET POSITION			
Net Investment in Capital Assets	\$39,057.40	\$43,442.50	\$4,385.10
Restricted	\$18,164.89	\$21,615.59	\$3,450.70
Unrestricted	\$3,676.47	\$5,652.24	\$1,975.77
Total NET POSITION	\$60,898.76	\$70,710.33	\$9,811.57

Note: There may be a slight variance in totals due to rounding.

Between June 30, 2021 and June 30, 2022, "Total Assets" increased by \$4,435,764 or 4.19%, and "Total Liabilities" decreased by \$5,249,780 or -14.39%.

- The change in "Total Liabilities" came from decreases in "Current Liabilities" such as accounts payable and deposits payable, and "Noncurrent Liabilities". Within "Liabilities" the current portion of long-term obligations increased by \$220,180. The non-current portion of long-term obligations decreased from \$27,132,255 to \$21,974,550. Total liabilities decreased by \$5,249,780 primarily due to a reduction in long-term obligations. The net pension liability (asset) influences a net increase in total assets from \$105,830,726 to \$110,266,490 as of 06/30/22.
- "Total NET POSITION" increased by a total of \$9,811,575 or 16.11%. This included an increase in Net Investment in Capital Assets of \$4,385,100, an increase for Special Revenue of \$947,112, Other Activities of \$2,754,293 and restricted Debt Service of \$13,173, and Unrestricted of 1,975,774. This also includes a net decrease for restricted Capital Projects of \$263,877.

Table 2 provides summarized operating results and their impact on the change in NET POSITION (see page 21). All of the governmental activities contribute to the District's financial position in relation to NET POSITION. The largest increase in revenues was state aid (see below "Federal & State Aid Not Restricted") allocated to schools and "Operating Grants & Contributions".

In expenditures, "Instruction", "General and Building Administration", "Business Services", "Central Services", "Other Support Services", "Community Services", and "Non-Program" increased. "Pupil & Instructional Services", "Interest and Fiscal Charges", and "Insurance" categories decreased. Prudent oversight of financial accounts and insurances helped realize savings for the District over the prior year.

Table 2
Statement of Activities – Summary/Comparison
(in thousands of dollars)

	Total School District 2021	Total School District 2022	Change
REVENUES			
Program Revenues			
Charges for Services	\$880.90	\$1,527.59	\$646.69
Operating Grants & Contributions	\$6,004.08	\$8,041.56	\$2,037.48
General Revenues			
Property Taxes	\$19,733.48	\$18,813.07	(\$920.41)
Federal & State Aid Not Restricted	\$34,543.42	\$37,325.66	\$2,782.24
Other	\$2,095.64	\$2,139.24	\$43.60
Total Revenues	\$63,257.52	\$67,847.12	\$4,589.60
EXPENSES			
Instruction	\$26,381.43	\$27,569.54	\$1,188.11
Pupil & Instructional Staff Services	\$6,474.01	\$6,338.67	(\$135.34)
General and Building Administration	\$2,925.98	\$3,024.40	\$98.42
Business Services	\$11,195.03	\$11,749.58	\$554.55
Central Services	\$474.67	\$515.5	\$40.83
Interest and Fiscal Charges	\$1,073.83	\$1,030.09	(\$43.74)
Insurance	\$443.75	\$369.31	(\$74.44)
Other Support Services	\$832.52	\$902.98	\$70.46
Community Services	\$31.63	\$79.48	\$47.85
Non-Program	\$5,483.34	\$6,456.02	\$972.68
Total Expenses	\$55,316.19	\$58,035.57	\$2,719.38
Increase (decrease) in NET POSITION	\$7,941.33	\$9,811.55	\$1,870.22

Note: There may be a slight variance in totals due to rounding.

C. NONCURRENT ASSETS

At the end of fiscal year 2022, the District had booked \$110,637,062 in non-current capital assets within its “Governmental Activities” accounts. These non-current assets included land, buildings, sites, furniture, and equipment (included in “Buildings & Building Improvements”) (see Table 3 below). Total accumulated depreciation on these non-current assets was \$44,866,184, with no construction in progress to report. The total net capital assets is \$65,770,878. Land improvements, building and building improvements and equipment are depreciated. Detailed information about capital assets and depreciation of these assets can be found in Note 3 (See page 31-32) of the financial statements. Within this note, additions and deletions during fiscal year 2022 are itemized.

	Total School District 2021	Total School District 2022	Change
Land & Site Improvements	\$6,711.21	\$6,769.25	(\$58.03)
Buildings & Building Improvements	\$94,951.76	\$96,137.33	(\$1,185.57)
Equipment & Furniture	\$7,292.10	\$7,730.49	(\$438.39)
Construction in Progress	\$243.01	\$	\$243.01
Accumulated Depreciation	(\$42,910.35)	(\$44,866.18)	\$1,955.83
Total Net Capital Assets	\$66,287.73	\$65,770.89	\$516.85

Note: There may be a slight variance in totals due to rounding.

D. LONG-TERM DEBT

At fiscal year-end, the District had \$26,090,497 in general obligation bonds and other long-term obligation (see Table 4 below and Note 4, starting on page 32). The decrease in general obligation bonds is 17.88% from July 1, 2021. The District refunded the 2009B series general obligation bonds in April 2020, reducing interest and term. The Governmental Activities General Obligation (G.O.) Debt decrease of \$4,570,000 is the net effect of long-term obligation reductions through principal payments and bond refunding.

The District has two outstanding bonds including the 2019 GO Bond series with a 06/30/22 balance of \$16,295,000 and the 2020 GO Refunding Bond series with a 06/30/22 balance of \$4,695,000. The legal debt limit is \$234,557,643 and margin of indebtedness is \$216,765,426 as of June 30, 2022. The debt in Other Governmental Activities totaling \$5,100,497 includes lease liability, premium, vested vacation pay and OPEB healthcare. There was an increase of \$310.61 in lease liability under the GASB 87 requirement to report outstanding leases.

Table 4
Outstanding Long-Term Obligations
(in thousands of dollars)

	Total School District 2021	Total School District 2022	Change
Governmental Activities G.O. Debt	\$25,560.00	\$20,990.00	(\$4,570.00)
Other Governmental Activities	\$5,468.02	\$5,100.50	(\$367.53)
Total	\$31,028.02	\$26,090.50	(\$4,937.53)

Note: There may be a slight variance in totals due to rounding.

Contacting the School District of Holmen's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Executive Director of Finance & Operations, (608) 526-6610, School District of Holmen, 1019 McHugh Road, Holmen, WI 54636.

SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin**

DISTRICT-WIDE FINANCIAL STATEMENTS

SCHOOL DISTRICT OF HOLMEN

STATEMENT OF NET POSITION

JUNE 30, 2022

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and investments	\$ 24,645,464
Receivables	
Accounts	86,491
Taxes	4,673,272
Due from other governments	1,070,654
Inventories	29,722
Prepays	1,375
Wisconsin Retirement System net pension	13,683,899
Capital assets (net of accumulated depreciation and amortization)	
Capital assets not being depreciated	1,342,134
Capital assets being depreciated	64,428,744
Right to use assets being amortized	<u>304,735</u>
TOTAL ASSETS	<u>110,266,490</u>
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	25,694,875
OPEB healthcare	<u>415,659</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>26,110,534</u>
TOTAL ASSETS AND DEFERRED AND OUTFLOWS OF RESOURCES	<u>\$ 136,377,024</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 372,795
Accrued liabilities	
Payroll, payroll taxes, insurance	3,344,039
Interest	204,225
Other	1,140,725
Deposits payable	85,432
Unearned revenue	912
Current portion of long-term obligations	4,115,947
Noncurrent portion of long-term obligations	<u>21,974,550</u>
TOTAL LIABILITIES	<u>31,238,625</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	32,254,330
OPEB healthcare	<u>2,173,739</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>34,428,069</u>
NET POSITION	
Net investment in capital assets	43,442,500
Restricted for	
Special revenue	2,962,453
Debt service	3,197,783
Capital projects	220,037
Other activities	15,235,314
Unrestricted	<u>5,652,243</u>
TOTAL NET POSITION	<u>70,710,330</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 136,377,024</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF HOLMEN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
GOVERNMENTAL ACTIVITIES		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
Instruction				
Undifferentiated instruction	\$ 7,618,143	\$ 4,113	\$ 61,826	\$ (7,552,204)
Regular instruction	9,916,600	6,301	169,169	(9,741,130)
Vocational instruction	1,074,371	8,276	24,384	(1,041,711)
Special instruction	6,189,755	101,453	3,401,077	(2,687,225)
Other instruction	2,770,667	82,412	875,824	(1,812,431)
Total instruction	27,569,536	202,555	4,532,280	(22,834,701)
Support services				
Pupil services	2,711,543	-	9,672	(2,701,871)
Instructional staff services	3,627,122	85,808	24,748	(3,516,566)
General administration services	583,158	-	-	(583,158)
Building administration services	2,441,244	-	-	(2,441,244)
Business services	11,749,583	871,169	3,418,903	(7,459,511)
Central services	515,495	-	-	(515,495)
Insurance	369,306	-	-	(369,306)
Interest and other	1,030,088	-	-	(1,030,088)
Other support services	902,981	-	-	(902,981)
Community services	79,478	-	-	(79,478)
Total support services	24,009,998	956,977	3,453,323	(19,599,698)
Non-program transactions	6,456,020	368,066	55,954	(6,032,000)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 58,035,554	\$ 1,527,598	\$ 8,041,557	(48,466,399)
GENERAL REVENUE				
Taxes				
Property taxes				
				18,813,072
State and federal aids not restricted to specific functions				
				37,325,664
Interest and investment earnings				
				51,730
Miscellaneous				
				2,087,508
TOTAL GENERAL REVENUE				58,277,974
CHANGE IN NET POSITION				9,811,575
NET POSITION - BEGINNING OF YEAR				60,898,755
NET POSITION - END OF YEAR				\$ 70,710,330

The accompanying notes are an integral part of these statements.

**SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin
FUND FINANCIAL STATEMENTS**

SCHOOL DISTRICT OF HOLMEN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE REFERENDUM APPROVED</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 18,192,031	\$ 3,197,783	\$ 3,255,650	\$ 24,645,464
Receivables				
Accounts	44,875	-	41,616	86,491
Taxes	4,673,272	-	-	4,673,272
Due from other governments	1,023,490	-	47,164	1,070,654
Inventories	-	-	29,722	29,722
Prepays	1,375	-	-	1,375
TOTAL ASSETS	<u>\$ 23,935,043</u>	<u>\$ 3,197,783</u>	<u>\$ 3,374,152</u>	<u>\$ 30,506,978</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 313,500	\$ -	\$ 59,295	\$ 372,795
Accrued payroll liabilities	4,467,478	-	17,286	4,484,764
Deposits payable	73	-	-	73
Unearned revenue	912	-	85,359	86,271
TOTAL LIABILITIES	<u>4,781,963</u>	<u>-</u>	<u>161,940</u>	<u>4,943,903</u>
 FUND BALANCES				
Nonspendable	1,375	-	29,722	31,097
Restricted	1,551,415	3,197,783	3,182,490	7,931,688
Committed	935,355	-	-	935,355
Assigned	7,950,000	-	-	7,950,000
Unassigned	8,714,935	-	-	8,714,935
TOTAL FUND BALANCES	<u>19,153,080</u>	<u>3,197,783</u>	<u>3,212,212</u>	<u>25,563,075</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,935,043</u>	<u>\$ 3,197,783</u>	<u>\$ 3,374,152</u>	

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance 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 are:

Governmental capital assets	\$ 110,993,982	
Governmental accumulated depreciation and amortization	<u>(44,918,369)</u>	66,075,613

Wisconsin Retirement System asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements: 7,124,444

Other post employment benefits deferred outflows of resources and deferred inflows of resources are not current financial resources and are not reported in fund statements: (1,758,080)

Long-term liabilities are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	\$ (20,990,000)	
Lease liability	(310,608)	
Bond premium	(1,332,505)	
Accrued interest	(204,225)	
Vested employee benefits	(439,230)	
Net OPEB obligation	<u>(3,018,154)</u>	<u>(26,294,722)</u>

Total net position - governmental activities **\$ 70,710,330**

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF HOLMEN
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	GENERAL FUND	DEBT SERVICE REFERENDUM APPROVED	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE				
Property taxes	\$ 13,170,147	\$ 5,542,925	\$ 100,000	\$ 18,813,072
Other local sources	295,975	8,845	1,891,001	2,195,821
Interdistrict sources	1,861,570	-	-	1,861,570
Intermediate sources	31,613	-	-	31,613
State sources	38,143,019	-	109,851	38,252,870
Federal sources	2,704,978	-	3,309,052	6,014,030
Other sources	<u>336,104</u>	<u>-</u>	<u>715</u>	<u>336,819</u>
TOTAL REVENUE	<u>56,543,406</u>	<u>5,551,770</u>	<u>5,410,619</u>	<u>67,505,795</u>
EXPENDITURES				
Current				
Instruction				
Undifferentiated instruction	7,578,040	-	40,103	7,618,143
Regular instruction	11,226,354	-	38,001	11,264,355
Vocational instruction	1,147,662	-	5,400	1,153,062
Special instruction	6,669,683	-	-	6,669,683
Other instruction	<u>2,139,733</u>	<u>-</u>	<u>774,315</u>	<u>2,914,048</u>
Total instruction	<u>28,761,472</u>	<u>-</u>	<u>857,819</u>	<u>29,619,291</u>
Support services				
Pupil services	2,953,411	-	9,947	2,963,358
Instructional staff services	3,826,179	-	13,091	3,839,270
General administration services	498,591	-	261	498,852
Building administration services	2,490,300	-	-	2,490,300
Business services	7,071,776	-	3,342,469	10,414,245
Central services	518,636	-	4,255	522,891
Insurance	369,306	-	-	369,306
Other support services	928,213	-	6,086	934,299
Community services	<u>-</u>	<u>-</u>	<u>79,478</u>	<u>79,478</u>
Total support services	<u>18,656,412</u>	<u>-</u>	<u>3,455,587</u>	<u>22,111,999</u>
Non-program transactions	<u>6,426,544</u>	<u>-</u>	<u>29,476</u>	<u>6,456,020</u>
Debt Service				
Principal	46,312	4,570,000	-	4,616,312
Interest	14,785	1,045,559	-	1,060,344
Other	<u>-</u>	<u>14,344</u>	<u>-</u>	<u>14,344</u>
Total debt service	<u>61,097</u>	<u>5,629,903</u>	<u>-</u>	<u>5,691,000</u>
Capital outlay	<u>1,054,221</u>	<u>-</u>	<u>504,033</u>	<u>1,558,254</u>
TOTAL EXPENDITURES	<u>54,959,746</u>	<u>5,629,903</u>	<u>4,846,915</u>	<u>65,436,564</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,583,660	(78,133)	563,704	2,069,231
OTHER FINANCING (USES) SOURCES				
Net transfer (to) from other funds	<u>(210,000)</u>	<u>91,306</u>	<u>118,694</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,373,660	13,173	682,398	2,069,231
FUND BALANCE - BEGINNING OF YEAR	<u>17,779,420</u>	<u>3,184,610</u>	<u>2,529,814</u>	<u>23,493,844</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,153,080</u>	<u>3,197,783</u>	<u>\$ 3,212,212</u>	<u>\$ 25,563,075</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF HOLMEN
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		\$ 2,069,231
Amounts reported for governmental activities in the statement of activities are different		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the statement of activities.		
Capital outlay reported in fund statements	\$ 1,558,254	
Depreciation expense reported in the statement of activities	(2,078,615)	
Amortization expense reported in the statement of activities	(52,185)	
Net book value of capital assets disposed	<u>(44,398)</u>	
Amount by which capital outlays are less than depreciation and the net book value of capital assets disposed in the current period:		(616,944)
The net effect of various miscellaneous transactions involving capital assets (i.e. noncapitalized outlay and contributions) is to increase net position:		
		47,901
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
This year the accrual of these benefits decreased by:		64,342
Wisconsin Retirement System asset, deferred outflows of resources, liability, and deferred inflows of resources changes:		
		2,970,851
OPEB healthcare deferred outflows of resources, liability, and deferred inflows of resources changes:		
		277,451
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
Amount of long-term debt principal payments in the current year is:		4,616,312
Governmental funds report the effect of debt discounts and premiums when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.		
The net effect of these differences in the current year:		337,831
In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it		
Amount of interest and other debt costs paid during the current period is	\$ 1,074,688	
Amount of interest and other debt costs accrued during the current period is	<u>(1,030,088)</u>	
Interest paid is greater than interest accrued by:		<u>44,600</u>
Change in net position - governmental activities		<u>\$ 9,811,575</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin

NOTES TO THE BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The School District of Holmen is organized as a common school district. The District, governed by a seven member elected school board, operates grades K through 12 and is comprised of all or parts of six taxing districts.

The District's basic financial statements do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenue, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue 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 revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, are presented as general revenue.

Fund Financial Statements

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

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

The District reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund.

Referendum Approved Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is 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 under capital leases are reported as other financing sources.

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

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 investment accounts, such as the debt service fund.

Investments are stated at fair value, if applicable, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the District and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and the District before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. 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 15, and by the 20 of each subsequent month thereafter. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. The county assumes all responsibility for delinquent real estate property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2021 tax levy is used to finance operations of the District's fiscal year ended June 30, 2022. All property taxes are considered due on January 1, when an enforceable lien may be assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

Accounts Receivable - Accounts receivable are recorded 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 the amount of such allowance would not be material.

Due To/From Other Funds - 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 to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenue and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Inventories - Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Prepays - Prepaid items represent payments for goods or services for which benefits extend beyond June 30.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Capital Assets - Capital assets are reported at actual cost or estimated historical costs. Donated assets are reported at estimated fair market value at the time received.

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 district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	15-50 years
Land improvements	\$5,000	Straight-line	20 years
Furniture and equipment	\$5,000	Straight-line	5-20 years
Computer and related technology	\$5,000	Straight-line	5 years

Debt Premiums and Discounts - In the government-wide financial statements, debt premiums and discounts are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Compensated Absences - The District's policy permits employees to accumulate earned, but unused sick leave, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide statements. A liability for those amounts is recorded in the government funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary related benefits where applicable.

	Non-Bus Drivers	Bus Drivers	Administrators	Supervisors	Teachers
Accumulated Sick Leave					
Eligibility - Age	55	55	55	55	55
Eligibility - Service	15 - 25 years	6 - 14 years	10 years	15 years	15 years
Benefit Duration	1 - 2 years				
Sick Leave Pay Out	<u>If service:</u> 15 yrs: \$5/hour* 20 yrs: \$7.50/hour* 25 yrs: \$10/hour* *Accumulated	<u>If service:</u> 6 yrs: \$5/hour* 10 yrs: \$7.50/hour* 14 yrs: \$10/hour* *Accumulated	<u>Accumulated days:</u> 0-60 days, 25%* 61-100 days, 50%* 101-140 days, 75%* *of daily per diem	Benefit equal to 0.15% of last working contract rate for each day of accumulated sick leave.	Benefit equal to 0.15% of last working contract rate for each day of accumulated sick leave.
Survivor Benefit	Yes	Yes	Yes	Yes	Yes

Accumulated vacation lapses upon separation from government service therefore no monetary obligation exists.

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

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

Other Post-Employment Benefits (OPEB) - The fiduciary net position of the OPEB healthcare plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other post-employment benefits and OPEB expense. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has two items that qualify for reporting in this category. They are the Wisconsin Retirement System pension and OPEB healthcare reported in the government-wide statement of net position. The Wisconsin Retirement System pension and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two types of items, Wisconsin Retirement System pension and OPEB healthcare which qualify for reporting in this category. The Wisconsin Retirement System pension and OPEB healthcare result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

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

Claims and Judgments - They are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

SCHOOL DISTRICT OF HOLMEN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the District Administrator, Associate District Administrator, and Administrator of Business Services to assign fund balances through its District Fund Balance Policy, and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Changes in Accounting Principle - The District has implemented GASB Statement No. 87, Leases, in 2022. At the beginning of the period, leases recorded as operating leases under previous guidance were recorded in the statement of net position as a right to use asset and corresponding lease liability in the amount of \$356,920. The change resulted in no adjustments to net position or fund balances.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of June 30, 2022, the District had the following investment:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
State of Wisconsin Investment Pool	Less than one year	<u>\$ 19,979,919</u>

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the District's position in the Pool is the same as the value of the Pool shares. At June 30, 2022, the Pool's fair value was 100 percent of book value.

Determining Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurement:

- 1) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 2 - Cash and Investments - Continued

Income Allocation - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District does not have an investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District does not have an investment policy that would further limit its investment choices. The State of Wisconsin Local Government Investment Pool is not rated.

Custodial Credit Risk - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does not have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2022, \$4,910,111 of the District's bank balance of \$5,560,111 was exposed to custodial credit risk as follows:

Amount over FDIC Limit; with collateral pledged by bank **\$ 4,910,111**

NOTE 3 - Capital Assets

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

	BALANCE 07/01/21	ADDITIONS	DISPOSALS	ADJUSTMENTS	BALANCE 06/30/22
Capital assets not being depreciated:					
Land	\$ 1,342,134	\$ -	\$ -	\$ -	\$ 1,342,134
Construction in progress	243,005	-	-	(243,005)	-
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	1,585,139	-	-	(243,005)	1,342,134
Capital assets being depreciated:					
Land improvements	5,369,082	58,029	-	-	5,427,111
Building and improvements	94,951,764	942,561	-	243,005	96,137,330
Equipment	7,292,101	605,565	(167,179)	-	7,730,487
TOTAL CAPITAL ASSETS BEING DEPRECIATED	107,612,947	1,606,155	(167,179)	243,005	109,294,928
Less accumulated depreciation for:					
Land improvements	(3,414,203)	(145,663)	-	-	(3,559,866)
Buildings and improvements	(35,004,285)	(1,367,094)	-	-	(36,371,379)
Equipment	(4,491,862)	(565,858)	122,781	-	(4,934,939)
TOTAL ACCUMULATED DEPRECIATION	(42,910,350)	(2,078,615)	122,781	-	(44,866,184)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET OF ACCUMULATED DEPRECIATION	64,702,597	(472,460)	(44,398)	243,005	64,428,744
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$ 66,287,736</u>	<u>\$ (472,460)</u>	<u>\$ (44,398)</u>	<u>\$ -</u>	<u>\$ 65,770,878</u>

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 3 - Capital Assets - Continued

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 44,251
General administration services	113,878
Building administration services	111,826
Business service	1,794,128
Food services	14,532
TOTAL DEPRECIATION	<u>\$ 2,078,615</u>

	BALANCE 07/01/21	ADDITIONS	DISPOSALS	BALANCE 06/30/22
Capital assets not being amortized:				
Leased buildings	\$ 306,074	\$ -	\$ -	\$ 306,074
Leased equipment	50,846	-	-	50,846
TOTAL CAPITAL ASSETS NOT BEING AMORTIZED	356,920	-	-	356,920
Less accumulated amortization for:				
Leased buildings	-	(33,696)	-	(33,696)
Leased equipment	-	(18,489)	-	(18,489)
TOTAL CAPITAL ASSETS BEING AMORTIZED	-	(52,185)	-	(52,185)
CAPITAL ASSETS, NET OF ACCUMULATED AMORTIZATION	<u>\$ 356,920</u>	<u>\$ (52,185)</u>	<u>\$ -</u>	<u>\$ 304,735</u>
Business services			\$ 33,696	
Central services			18,489	
TOTAL AMORTIZATION			<u>\$ 52,185</u>	

NOTE 4 - Long-Term Obligations

Details of the District's long-term obligations are set forth below:

Summary of Long-Term Obligations

TYPE	BALANCE 7/1/21	ADDITIONS	REDUCTIONS	BALANCE 6/30/22	AMOUNTS DUE WITHIN ONE YEAR
<u>Debt</u>					
Bonds payable	\$ 25,560,000	\$ -	\$ (4,570,000)	\$20,990,000	\$ 3,270,000
Lease liability	356,920	-	(46,312)	310,608	48,342
Premium	1,670,336	-	(337,831)	1,332,505	337,831
Vested vacation pay	503,572	-	(64,342)	439,230	119,745
OPEB obligation					
OPEB healthcare	3,294,114	-	(275,960)	3,018,154	340,029
	<u>\$ 31,384,942</u>	<u>\$ -</u>	<u>\$ (5,294,445)</u>	<u>\$26,090,497</u>	<u>\$ 4,115,947</u>

In prior years, the general fund liquidated vested employee benefits. Interest cost incurred during the year totaled \$1,000,959 and total paid during the year aggregated \$1,060,344.

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 4 - Long-Term Obligations - Continued

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2022 is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATE</u>	<u>INTEREST RATES (%)</u>	<u>DATE OF MATURITY</u>	<u>BALANCE 6/30/22</u>
2019 GO Bonds	04/01/19	3.00 - 4.00%	04/01/30	\$16,295,000
2020 GO Refunding Bonds	05/11/20	5.00%	04/01/24	<u>4,695,000</u>
TOTAL GENERAL OBLIGATION DEBT				<u>\$20,990,000</u>

General Obligation Debt Limited Calculation

The 2021 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$2,345,576,430. The legal debt limit and margin of indebtedness as of June 30, 2022, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes, follows:

Debt limit (10 percent of \$2,345,576,430)	\$ 234,557,643
Deduct long-term debt applicable to debt margin	(20,990,000)
Amount available in debt service fund	<u>3,197,783</u>
MARGIN OF INDEBTEDNESS	<u>\$ 216,765,426</u>

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

Maturities of Long-Term Obligations

Maturities of the long-term obligations at June 30, 2022, are as follows:

<u>YEARS</u>	<u>BONDS PAYABLE</u>			<u>LEASE LIABILITY</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$ 3,270,000	\$ 816,900	\$ 4,086,900	\$ 48,342	\$ 12,756	\$ 61,098
2024	3,525,000	663,400	4,188,400	45,492	10,544	56,036
2025	2,075,000	498,150	2,573,150	32,179	8,671	40,850
2026	2,525,000	415,150	2,940,150	33,466	7,384	40,850
2027	2,630,000	314,150	2,944,150	34,805	6,045	40,850
2028-2030	6,965,000	379,200	7,344,200	116,324	9,629	125,953
TOTAL	<u>\$ 20,990,000</u>	<u>\$ 3,086,950</u>	<u>\$ 24,076,950</u>	<u>\$ 310,608</u>	<u>\$ 55,029</u>	<u>\$ 365,637</u>

NOTE 5 - Wisconsin Retirement System

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

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System - Continued

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.

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

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

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System - Continued

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 \$1,963,586 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

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

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

At June 30, 2022, the District reported a liability (asset) of (\$13,683,899) for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2021, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the Net Pension Liability (Asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.16977155%, which was a decrease of 0.00382044% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense (revenue) of (\$1,195,173).

At June 30, 2022, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$22,105,647	\$ 1,594,055
Net differences between projected and actual earnings on pension plan investments	-	30,612,020
Changes in assumptions	2,552,947	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,287	48,255
Employer contributions subsequent to the measurement date	987,994	-
Total	\$25,694,875	\$32,254,330

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System - Continued

\$987,994 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension Liability (Asset) in the year ended June 30, 2023.

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

Year ended June 30:	Deferred Outflows/ (Inflows) of Resources
2023	\$ (645,809)
2024	(3,717,556)
2025	(1,626,522)
2026	(1,557,562)

Actuarial Assumptions - The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System - Continued

Asset Allocation Targets and Expected Returns (as of December 31, 2021)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund	115	6.6	4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.			

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
School District of Holmen's proportionate share of the Net Pension Liability (Asset)	\$9,709,696	(\$13,683,899)	(\$30,522,935)

SCHOOL DISTRICT OF HOLMEN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2022

NOTE 5 - Wisconsin Retirement System - Continued

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>.

Payable to the Pension Plan

At June 30, 2022, the District reported a payable of \$196,088 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 6 - Post-Employment Benefits Other Than Pensions

General Information about the Post-Employment Benefits Other Than Pensions

Plan Description - The other post-employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and may be modified by the Board of Education. The plan is administered by the District and included in the District's financial statements.

Benefits Provided - Administrators and directors at least age 57, if hired on or before July 1, 2005, are eligible to receive contributions of 85 percent of the medical and dental premiums on the lowest cost plan rate until the retiree is eligible for Medicare.

Administrators and directors at least age 55, if hired after July 1, 2005, with a minimum of 10 consecutive years of service with the District, the retiree may choose to remain on the District's group medical plan by paying 100 percent of the premium until the retiree is eligible for Medicare.

Supervisors, assistant supervisors, teachers, nurses, or program coordinator for pupil and instructional services at least age 55 (prior to August 15 of the last year of employment) with a minimum of 10 consecutive years of service with the District, the District will make longevity incentive contributions into a retiree's HRA based on years of service. These contributions may be used towards medical premiums to remain on the District's medical plan until the retiree is eligible for Medicare, or after the exhaustion of funds, whichever occurs first.

Employees Covered - As of the June 30, 2022 measurement date, the following employees were covered by the benefit terms. The plan is not closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>472</u>
Total	<u>530</u>

Contributions - The Board of Education has the authority to establish the contribution requirements for the plan. The Board establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended June 30, 2022, there were no contributions to the Plan.

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Post-Employment Benefits Other Than Pensions - Continued

Actuarial Assumptions - The OPEB healthcare liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal - Level %
Discount Rate:	3.50%
Salary Increases:	3.00%
Mortality:	Wisconsin 2018 Mortality Table
Medical Care Cost Trend:	6.50% decreasing by 0.10% per year down to 5.00% and level thereafter.

The actuarial valuation was based upon the data provided by the District and utilized the premium rate history of the District's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of June 30, 2020. Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System experience from 2015- 2017.

The OPEB liability for June 30, 2022 is based upon an update of the liability calculated from the July 1, 2020 actuarial valuation. There were no material changes in assumptions or benefit terms which occurred between the actuarial valuation date and the measurement date.

Discount Rate - A discount rate of 3.50% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20-year municipal bond rate. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability. The discount rate did not incorporate a municipal bond rate.

Changes in the OPEB Healthcare Liability

	OPEB HEALTHCARE LIABILITY
Beginning Balance	<u>\$ 3,294,114</u>
Changes for the year:	
Service cost	209,560
Interest	72,650
Changes of assumptions or other input	(218,141)
Benefit payments	<u>(340,029)</u>
Net Changes	<u>(275,960)</u>
Ending Balance	<u>\$ 3,018,154</u>

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Post-Employment Benefits Other Than Pensions - Continued

Sensitivity of the OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate - The following presents the OPEB healthcare liability calculated using the healthcare cost trend rate of 6.5 percent decreasing to 5 percent, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.5 percent decreasing to 4 percent) or 1-percentage-point higher (7.5 percent decreasing to 6 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (5.5% decreasing to 4%)	Current Healthcare Cost Rate (6.5% decreasing to 5%)	1% Increase to Healthcare Cost Rate (7.5% decreasing to 6%)
OPEB healthcare liability	\$2,831,040	\$3,018,154	\$3,238,454

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

	1% Decrease to Discount Rate (2.5%)	Current Discount Rate (3.5%)	1% Increase to Discount Rate (4.5%)
OPEB healthcare liability	\$3,191,598	\$3,018,154	\$2,853,587

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

For the year ended June 30, 2022, the District recognized OPEB healthcare expense of \$62,578

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$252,155	\$1,610,929
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	163,504	562,810
Employer contributions subsequent to the measurement date	-	-
Total	\$415,659	\$2,173,739

\$-0- reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the OPEB healthcare liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 6 - Post-Employment Benefits Other Than Pensions - Continued

Year ending June 30	Deferred Outflows and (Inflows) of Resources
2023	\$(219,632)
2024	(219,632)
2025	(219,632)
2026	(219,632)
2027	(219,632)
Thereafter	(659,920)

Payables to the OPEB Healthcare Plan - The District reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended June 30, 2022.

NOTE 7 - Interfund Balance and Activity

Interfund transfers at June 30, 2022, were as follows:

<u>Transfer From</u>	<u>Transfers To</u>	<u>Amount</u>
General	Long-term capital improvement trust	\$ 210,000
Capital projects	Referendum debt	91,306
		<u>\$ 301,306</u>

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 - Fund Balance and Net Position

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General	Prepays	\$ 1,375
Food service	Inventory	29,722
Restricted		
General	Referendum capital improvements	1,551,415
Special revenue trust	Donor specific expenditures	1,233,105
Food service	DPI regulation	1,658,477
Referendum debt service	Principal and interest	3,197,783
Community service	Specific expenditures	70,871
Long-term capital improvement	DPI regulation	220,037
Committed		
General	Post-employment obligations	935,355
Assigned		
General	Payroll and other benefits obligations	7,950,000

SCHOOL DISTRICT OF HOLMEN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2022

NOTE 8 - Fund Balance and Net Position

<u>Governmental Activities</u>	<u>Purpose</u>	<u>Amount</u>
Restricted		
Special revenue	Donor specific expenses	\$ 1,233,105
Special revenue	DPI regulation	1,729,348
Debt service	Principal and interest	3,197,783
Capital projects	DPI regulation	220,037
Other activities	Referendum capital improvements	1,551,415
Other activities	Wisconsin Retirement System pension	13,683,899

NOTE 9 - Perpetual Trust

The District is a beneficiary of a charitable trust. This perpetual trust, administered by a third party trustee, provides an irrevocable right to receive unrestricted income distributions in perpetuity. The annual distributions are recorded as current year revenue in the special revenue trust fund.

NOTE 10 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 11 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. This limitation does not apply to revenue needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or by a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

NOTE 12 - Subsequent Event

Subsequent to year end, a referendum passed allowing the District to issue general obligation bonds in an amount not to exceed \$74,750,000 for the public purpose of paying the cost of a school facility improvement project at the elementary and middle school buildings. As of December 2, 2022, no bonds had been issued.

**SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin**

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF HOLMEN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED JUNE 30, 2022

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.16977155%	\$ (13,683,899)	\$ 29,057,277	-47.09%	106.02%
2020	0.17359199%	(10,837,588)	28,478,240	-38.06%	105.26%
2019	0.17537840%	(5,724,630)	27,243,060	-21.01%	102.96%
2018	0.18270000%	6,499,014	27,720,918	23.44%	96.45%
2017	0.18550000%	(5,508,186)	27,067,134	-20.35%	102.93%
2016	0.18640000%	1,536,713	26,829,095	5.73%	99.12%
2015	0.18480000%	3,002,837	26,821,623	11.20%	98.20%
2014	0.18640000%	(4,578,790)	25,881,034	-17.69%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

District Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 1,975,524	\$ (1,975,524)	\$ -	\$ 29,829,982	6.62%
2021	1,942,168	(1,942,168)	-	28,772,856	6.75%
2020	1,785,151	(1,785,151)	-	27,243,060	6.55%
2019	1,857,493	(1,857,493)	-	27,720,918	6.70%
2018	1,840,712	(1,840,712)	-	27,067,134	6.80%
2017	1,771,017	(1,771,017)	-	26,829,095	6.60%
2016	1,823,868	(1,823,868)	-	26,821,623	6.80%
2015	1,811,700	(1,811,700)	-	25,881,034	7.00%

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2022

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions:

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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 ETF 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 HOLMEN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2022

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

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

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.

(Continued on page 45)

SCHOOL DISTRICT OF HOLMEN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED JUNE 30, 2022

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

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

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 HOLMEN
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED JUNE 30, 2022

SCHEDULE OF CHANGES IN THE OPEB HEALTHCARE LIABILITY AND RELATED RATIOS

	Last 10 Fiscal Years					
	2017	2018	2019	2020	2021	2022
Total OPEB Healthcare Liability						
Service cost	\$ 436,928	\$ 462,412	\$ 475,128	\$ 186,197	\$ 233,943	\$ 209,560
Interest	129,592	141,986	147,901	104,980	72,306	72,650
Differences between expected and actual experience	(84,461)	-	(2,346,368)	-	308,189	-
Changes of assumptions or other input	-	-	(259,100)	218,005	(234,381)	(218,141)
Benefit payments	(15,840)	(97,828)	(231,120)	(272,645)	(365,125)	(340,029)
Net Changes in Total OPEB Healthcare Liability	466,219	506,570	(2,213,559)	236,537	14,932	(275,960)
Total OPEB Healthcare Liability - Beginning	4,283,415	4,749,634	5,256,204	3,042,645	3,279,182	3,294,114
Total OPEB Healthcare Liability - Ending (a)	\$ 4,749,634	\$ 5,256,204	\$ 3,042,645	\$ 3,279,182	\$ 3,294,114	\$ 3,018,154
Covered payroll	\$ 25,186,451	\$ 26,525,707	\$ 24,920,479	\$ 24,920,479	\$ 27,761,207	\$ 27,761,207
OPEB Healthcare liability as a percentage of covered payroll	18.86%	19.82%	12.21%	13.16%	11.87%	10.87%

SCHEDULE OF CONTRIBUTIONS

	Last 10 Fiscal Years					
	2017	2018	2019	2020	2021	2022
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,186,451	\$ 26,525,707	\$ 24,920,479	\$ 24,920,479	\$ 27,761,207	\$ 27,761,207
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Actuarial valuation date	6/30/2016	6/30/2016	6/30/2018	6/30/2018	6/30/2020	6/30/2020
Measurement date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

The District implemented the Government Accounting Standards Board Statement No. 75 for the year ended June 30, 2017. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2022

Methods and assumptions used to determine actuarial calculations - entry age normal cost, 20-year AA municipal bond %, 3.5% discount rate, 3% salary increases, Wisconsin 2018 mortality table.

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

SCHOOL DISTRICT OF HOLMEN
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	GENERAL	SPECIAL EDUCATION	TOTAL	
	REVENUE									
Property taxes	\$ 13,170,261	\$ -	\$ 13,170,261	\$ 13,170,261	\$ -	\$ 13,170,261	\$ 13,170,147	\$ -	\$ 13,170,147	\$ (114)
Other local sources	258,997	-	258,997	250,397	-	250,397	295,975	-	295,975	45,578
Interdistrict sources	1,298,165	105,625	1,403,790	1,728,570	105,625	1,834,195	1,760,117	101,453	1,861,570	27,375
Intermediate sources	-	14,000	14,000	-	14,000	14,000	5,330	26,283	31,613	17,613
State sources	35,740,752	2,305,000	38,045,752	35,763,986	2,305,000	38,068,986	35,773,191	2,369,828	38,143,019	74,033
Federal sources	659,805	844,330	1,504,135	1,636,876	1,067,479	2,704,355	1,700,012	1,004,966	2,704,978	623
Other sources	85,000	-	85,000	153,909	-	153,909	336,104	-	336,104	182,195
TOTAL REVENUE	51,212,980	3,268,955	54,481,935	52,703,999	3,492,104	56,196,103	53,040,876	3,502,530	56,543,406	347,303
EXPENDITURES										
Current										
Instruction										
Undifferentiated instruction	8,162,978	-	8,162,978	7,715,152	-	7,715,152	7,578,040	-	7,578,040	137,112
Regular instruction	11,399,101	-	11,399,101	11,407,817	-	11,407,817	11,226,354	-	11,226,354	181,463
Vocational instruction	1,119,349	-	1,119,349	1,066,074	-	1,066,074	1,147,662	-	1,147,662	(81,588)
Special instruction	-	6,740,729	6,740,729	-	6,598,047	6,598,047	-	6,669,683	6,669,683	(71,636)
Other instruction	2,252,923	-	2,252,923	2,124,566	-	2,124,566	2,139,733	-	2,139,733	(15,167)
Total instruction	22,934,351	6,740,729	29,675,080	22,313,609	6,598,047	28,911,656	22,091,789	6,669,683	28,761,472	150,184
Support services										
Pupil services	1,600,724	1,143,258	2,743,982	1,722,838	1,179,188	2,902,026	1,818,579	1,134,832	2,953,411	(51,385)
Instructional staff services	3,760,828	258,169	4,018,997	3,539,113	266,144	3,805,257	3,568,645	257,534	3,826,179	(20,922)
General administration services	534,336	-	534,336	526,381	-	526,381	498,591	-	498,591	27,790
Building administration services	2,523,539	-	2,523,539	2,458,984	-	2,458,984	2,490,300	-	2,490,300	(31,316)
Business services	6,606,207	242,519	6,848,726	6,475,674	210,209	6,685,883	6,872,950	198,826	7,071,776	(385,893)
Central services	643,253	12,643	655,896	534,562	16,260	550,822	504,494	14,142	518,636	32,186
Insurance	414,291	-	414,291	379,291	-	379,291	369,306	-	369,306	9,985
Other support services	1,000,846	5,771	1,006,617	952,596	17,771	970,367	914,923	13,290	928,213	42,154
Total support services	17,084,024	1,662,360	18,746,384	16,589,439	1,689,572	18,279,011	17,037,788	1,618,624	18,656,412	(377,401)
Non-program transactions	4,883,060	763,032	5,646,092	5,309,164	901,054	6,210,218	5,333,493	1,093,051	6,426,544	(216,326)
Debt service										
Principal	35,107	-	35,107	46,312	-	46,312	46,312	-	46,312	-
Interest	12,243	-	12,243	14,785	-	14,785	14,785	-	14,785	-
Total debt service	47,350	-	47,350	61,097	-	61,097	61,097	-	61,097	-
Capital outlay	1,163,862	-	1,163,862	1,062,336	26,352	1,088,688	1,025,337	28,884	1,054,221	34,467
TOTAL EXPENDITURES	46,112,647	9,166,121	55,278,768	45,335,645	9,215,025	54,550,670	45,549,504	9,410,242	54,959,746	(409,076)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	5,100,333	(5,897,166)	(796,833)	7,368,354	(5,722,921)	1,645,433	7,491,372	(5,907,712)	1,583,660	(61,773)
OTHER FINANCING (USES) SOURCES										
Transfer (to) from other funds	(5,907,166)	5,897,166	(10,000)	(5,932,921)	5,722,921	(210,000)	(6,117,712)	5,907,712	(210,000)	-
NET CHANGE IN FUND BALANCE	(806,833)	-	(806,833)	1,435,433	-	1,435,433	1,373,660	-	1,373,660	(61,773)
FUND BALANCE - BEGINNING OF YEAR	17,779,420	-	17,779,420	17,779,420	-	17,779,420	17,779,420	-	17,779,420	-
FUND BALANCE - END OF YEAR	\$ 16,972,587	\$ -	\$ 16,972,587	\$ 19,214,853	\$ -	\$ 19,214,853	\$ 19,153,080	\$ -	\$ 19,153,080	\$ (61,773)

The accompanying notes are an integral part of this schedule.

SCHOOL DISTRICT OF HOLMEN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
YEAR ENDED JUNE 30, 2022

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
3. 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.
4. Pursuant to the budget hearing, the Board of Education may make alterations to the proposed budget.
5. After the Board of Education (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 Board of Education.
6. Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
7. Encumbrance accounting is not used.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following expenditure classifications were in excess of \$1,000 over budget.

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures</u>
General/Special Education	Vocational instruction	\$ 81,588
General/Special Education	Special instruction	71,636
General/Special Education	Other instruction	15,167
General/Special Education	Instructional staff services	20,922
General/Special Education	Pupil services	51,385
General/Special Education	Building administration services	31,316
General/Special Education	Business services	385,893
General/Special Education	Non-program transactions	216,326

SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF HOLMEN
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

<u>ASSETS</u>	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	LONG-TERM CAPITAL IMPROVEMENT TRUST	
Cash and investments	\$ 1,248,046	\$ 1,693,699	\$ 93,868	\$ 220,037	\$ 3,255,650
Receivables					
Accounts	7,509	34,107	-	-	41,616
Due from other governments	868	46,296	-	-	47,164
Inventories	-	29,722	-	-	29,722
	\$ 1,256,423	\$ 1,803,824	\$ 93,868	\$ 220,037	\$ 3,374,152
 <u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable	\$ 23,318	\$ 12,980	\$ 22,997	\$ -	\$ 59,295
Accrued payroll liabilities	-	17,286	-	-	17,286
Unearned revenue	-	85,359	-	-	85,359
TOTAL LIABILITIES	23,318	115,625	22,997	-	161,940
 FUND BALANCES					
Nonspendable	-	29,722	-	-	29,722
Restricted	1,233,105	1,658,477	70,871	220,037	3,182,490
TOTAL FUND BALANCES	1,233,105	1,688,199	70,871	220,037	3,212,212
	\$ 1,256,423	\$ 1,803,824	\$ 93,868	\$ 220,037	\$ 3,374,152

SCHOOL DISTRICT OF HOLMEN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TRUST	FOOD SERVICE	COMMUNITY SERVICE	LONG-TERM CAPITAL IMPROVEMENT		
				CAPITAL PROJECTS	TRUST	
REVENUE						
Property taxes	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
Other local sources	1,071,911	818,639	-	414	37	1,891,001
State sources	-	109,851	-	-	-	109,851
Federal sources	-	3,309,052	-	-	-	3,309,052
Other sources	-	715	-	-	-	715
TOTAL REVENUE	<u>1,071,911</u>	<u>4,238,257</u>	<u>100,000</u>	<u>414</u>	<u>37</u>	<u>5,410,619</u>
EXPENDITURES						
Current						
Instruction						
Undifferentiated instruction	40,103	-	-	-	-	40,103
Regular instruction	38,001	-	-	-	-	38,001
Vocational instruction	5,400	-	-	-	-	5,400
Other instruction	774,315	-	-	-	-	774,315
Total instruction	<u>857,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>857,819</u>
Support service						
Pupil services	9,947	-	-	-	-	9,947
Instructional staff services	13,091	-	-	-	-	13,091
General administration services	261	-	-	-	-	261
Business services	2,211	3,339,548	-	710	-	3,342,469
Central services	-	4,255	-	-	-	4,255
Other support services	-	5,104	-	982	-	6,086
Community services	-	-	79,478	-	-	79,478
Total support services	<u>25,510</u>	<u>3,348,907</u>	<u>79,478</u>	<u>1,692</u>	<u>-</u>	<u>3,455,587</u>
Non-program transactions	29,476	-	-	-	-	29,476
Capital outlay	13,214	99,489	-	391,330	-	504,033
TOTAL EXPENDITURES	<u>926,019</u>	<u>3,448,396</u>	<u>79,478</u>	<u>393,022</u>	<u>-</u>	<u>4,846,915</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	145,892	789,861	20,522	(392,608)	37	563,704
OTHER FINANCING (USES) SOURCES						
Net transfer (to) from other funds	-	-	-	(91,306)	210,000	118,694
NET CHANGE IN FUND BALANCE	145,892	789,861	20,522	(483,914)	210,037	682,398
FUND BALANCES - BEGINNING OF YEAR	<u>1,087,213</u>	<u>898,338</u>	<u>50,349</u>	<u>483,914</u>	<u>10,000</u>	<u>2,529,814</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,233,105</u>	<u>\$ 1,688,199</u>	<u>\$ 70,871</u>	<u>\$ -</u>	<u>\$ 220,037</u>	<u>\$ 3,212,212</u>

SCHOOL DISTRICT OF HOLMEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2021	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2022	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
<u>Child Nutrition Cluster</u>							
School Breakfast Program		10.553					
July 1, 2020 - June 30, 2021	2021-322562-DPI-SB-546		\$ 10,731	\$ 10,731	\$ -	\$ -	\$ -
July 1, 2021 - June 30, 2022	2022-322562-DPI-SB-546		-	544,799	554,362	9,563	-
Food Distribution		10.555					
July 1, 2021 - June 30, 2022	None		-	253,606	253,606	-	-
National School Lunch Program		10.555					
July 1, 2020 - June 30, 2021	2021-322562-DPI-NSL-547		49,497	49,497	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-NSL-547		-	2,458,760	2,495,493	36,733	-
Special Milk Program for Children		10.556					
July 1, 2021 - June 30, 2022	2022-322562-DPI-SMP-561		89	5,680	5,591	-	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE - Child Nutrition Cluster			60,317	3,323,073	3,309,052	46,296	-
U.S. DEPARTMENT OF EDUCATION							
Wisconsin Department of Public Instruction							
<u>Title IA Cluster</u>							
Title IA - Grants to Local Educational Agencies		84.010A					
July 1, 2020 - June 30, 2021	2021-322562-DPI-TIA-141		50,106	50,106	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-TIA-141		-	81,579	130,613	49,034	-
Total Title IA Cluster			<u>50,106</u>	<u>131,685</u>	<u>130,613</u>	<u>49,034</u>	<u>-</u>
<u>Special Education Cluster</u>							
Special Education - Grants to States (IDEA Part B)		84.027A					
July 1, 2020 - June 30, 2021	2021-322562-DPI-IDEA-FT-341		226,694	226,694	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-FLOW-341		-	482,689	766,447	283,758	-
Special Education - Preschool Grants (IDEA Preschool)		84.173A					
July 1, 2020 - June 30, 2021	2021-322562-DPI-IDEA-P-347		7,558	7,558	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-PRESCH-347		-	12,340	17,584	5,244	-
Total Special Education Cluster			<u>234,252</u>	<u>729,281</u>	<u>784,031</u>	<u>289,002</u>	<u>-</u>
Career and Technical Education - Basic Grants to States (Perkins IV)		84.048					
July 1, 2020 - June 30, 2021	2021-322562-DPI-CTE-400		16,509	16,509	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-CTE-400		-	12,686	16,926	4,240	-
			<u>16,509</u>	<u>29,195</u>	<u>16,926</u>	<u>4,240</u>	<u>-</u>
Title III - English Language Acquisition Grants		84.365A					
July 1, 2020 - June 30, 2021	2021-322562-DPI-TIIIA-391		5,532	5,532	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-TIIIA-391		-	6,259	15,964	9,705	-
			<u>5,532</u>	<u>11,791</u>	<u>15,964</u>	<u>9,705</u>	<u>-</u>

(Continued on page 52)

SCHOOL DISTRICT OF HOLMEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
YEAR ENDED JUNE 30, 2022

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	ASSISTANCE LISTING NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2021	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2022	SUBRECIPIENT PASS-THROUGH EXPENDITURES
U.S. DEPARTMENT OF EDUCATION - Continued							
Wisconsin Department of Public Instruction - Continued							
Student Support and Academic Enrichment (Title IV)		84.424A					
July 1, 2021 - June 30, 2022	2022-322562-DPI-TIVA-381		\$ -	\$ 14,170	\$ 23,131	\$ 8,961	\$ -
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D					
July 1, 2021 - June 30, 2022	2022-322562-DPI-ESSERFII-163		66,296	268,443	721,233	519,086	-
Title II-A - Improving Teacher Quality State Grants		84.367A					
July 1, 2020 - June 30, 2021	2021-322562-DPI-TIIA-365		17,957	17,957	-	-	-
July 1, 2021 - June 30, 2022	2022-322562-DPI-TIIA-365		-	64,335	80,284	15,949	-
			17,957	82,292	80,284	15,949	-
TOTAL U.S. DEPARTMENT OF EDUCATION			390,652	1,266,857	1,772,182	895,977	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Wisconsin Department of Health Services							
Medical Assistance		93.778					
July 1, 2020 - June 30, 2021	None		16,840	16,840	-	-	-
July 1, 2021 - June 30, 2022	None		-	308,682	324,452	15,770	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			16,840	325,522	324,452	15,770	-
TOTAL FEDERAL AWARDS			\$ 467,809	\$ 4,915,452	\$ 5,405,686	\$ 958,043	\$ -

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School District of Holmen and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District of Holmen has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used in the amount of \$253,606 during the fiscal year ended June 30, 2022.

Note 4 - 10% De Minimis Cost Rate

Elected not to use.

SCHOOL DISTRICT OF HOLMEN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	RECEIVABLE (UNEARNED REVENUE) JULY 1, 2021	REVENUE GRANTOR REIMBURSEMENTS	EXPENDITURES	RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2022	SUBRECIPIENT PASS-THROUGH EXPENDITURES
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION							
Wisconsin Department of Public Instruction							
Special Education and School Age Parents	322562-100	255.101	\$ -	\$ 2,345,917	\$ 2,345,917	\$ -	\$ -
Special Education and School Age Parents - via CESA #4	None	255.101	-	15,566	15,566	-	-
State School Lunch Aid	322562-107	255.102	-	77,149	77,149	-	-
Common School Fund Library Aid	322562-104	255.103	-	156,369	156,369	-	-
Bilingual/Bicultural Aid	322562-111	255.106	-	62,241	62,241	-	-
General Transportation Aid	322562-102	255.107	-	98,503	98,503	-	-
Equalization Aid	322562-116	255.201	482,486	32,753,125	32,270,639	-	-
School Breakfast Program	322562-108	255.344	-	32,702	32,702	-	-
Early College Credit Program	322562-178	255.445	-	790	790	-	-
Educator Effectiveness Evaluation System	322562-154	255.940	-	32,080	32,080	-	-
Per Pupil Aid	322562-113	255.945	-	3,019,940	3,019,940	-	-
Career and Technical Education Incentive	322562-171	255.950	-	-	22,786	22,786	-
Robotics League Grant	322562-167	255.959	4,966	4,966	4,359	4,359	-
Aid for Special Education Transition Grant BBL	322562-168	255.960	-	23,911	23,911	-	-
TOTAL WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION			<u>487,452</u>	<u>38,623,259</u>	<u>38,162,952</u>	<u>27,145</u>	<u>-</u>
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT							
Peer Review Mentor Grant	None	None	<u>545</u>	<u>545</u>	<u>13,693</u>	<u>13,693</u>	<u>-</u>
WISCONSIN DEPARTMENT OF REVENUE							
Exempt Computer Aid	None	None	8,063	8,063	8,063	8,063	-
Exempt Personal Property	None	None	-	71,610	71,610	-	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE			<u>8,063</u>	<u>79,673</u>	<u>79,673</u>	<u>8,063</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 496,060</u>	<u>\$ 38,703,477</u>	<u>\$ 38,256,318</u>	<u>\$ 48,901</u>	<u>\$ -</u>

Note 1 - Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of the School District of Holmen. The information in this schedule is presented in accordance with the requirements of the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule of state financial assistance are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Special Education and School Age Parents Program

2021-2022 eligible costs under the State Special Education Program are \$8,438,720.

SCHOOL DISTRICT OF HOLMEN
Holmen, Wisconsin

OTHER REPORTS



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

To the Board of Education
School District of Holmen
Holmen, 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 Holmen (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

District's Response to Finding

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

Purpose of This Report

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

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 2, 2022



**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE
AND STATE SINGLE AUDIT GUIDELINES**

To the Board of Education
School District of Holmen
Holmen, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited School District of Holmen's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of School District of Holmen's major federal and state programs for the year ended June 30, 2022. School District of Holmen's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *State Single Audit Guidelines*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
December 2, 2022

SCHOOL DISTRICT OF HOLMEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to the financial statements noted?

 X Yes _____ No

Federal Awards

Internal control over financial reporting:

- Material weakness identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

_____ Yes X No

Identification of major federal programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

10.553/10.555/10.556
 84.027/84.173
 93.778

Child Nutrition Cluster
 Special Education Cluster (IDEA)
 Medical Assistance

State Assistance

Internal control over state assistance:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with the *Wisconsin Public School District Manual*?

_____ Yes X No

SCHOOL DISTRICT OF HOLMEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2022

Section I - Summary of Auditors' Results - Continued

State Assistance - Continued

Identification of state programs tested:

<u>State ID Numbers</u>	<u>Name of State Program</u>
255.101	Special Education and School Age Parents
255.201	General Aids Cluster
255.945	Per Pupil Aids

Dollar threshold used to distinguish between	
Type A and Type B federal programs:	\$750,000
Type A and Type B state programs:	\$250,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings and Questioned Costs

2022-001 - Actual Expenditures Over Budget

Program: General Fund

Criteria: Wisconsin Statute 120.16(2) prohibits spending more than budgeted expenditures.

Condition: The District spent \$409,076 more than their adopted budget.

Questioned Costs: Not applicable.

Context: The District monitors the budget closely but had significant unexpected expenditures at year end. Expenditures included technology items that had been on backorder but arrived unexpectedly and HVAC issues that needed to be addressed immediately.

Effect: The District is not in compliance with Wisconsin Statutes.

Information: Isolated instance

Prior Year Finding: This was not a prior year finding.

Recommendation: The District should formally amend the budget to ensure total actual expenditures do not exceed total budgeted expenditures.

Management's Response: The District closely monitors the budget and formally amends it when necessary. There were unforeseen circumstances at year end that required the actual expenditures to exceed the budget.

Section III - Federal and State Award Findings and Questioned Costs - None



School District of Holmen

1019 Mc Hugh Road
Holmen, Wisconsin 54636

(608) 526-6610 (608) 526-1333 FAX

www.holmen.k12.wi.us

Julie Holman, Executive Director of Finance & Operations
(608) 526-6610x1303 holjul@holmen.k12.wi.us

Krystal Matt, Director of Business Services
(608) 526-6610x1302 matkry@holmen.k12.wi.us

Summary Schedule of Prior Audit Findings

2021-001 – Special Education Licensing – Cleared

Corrective Action Plan

2022-001 – Excess of Actual Expenditures Over Budget – Contact: Julie Holman, Executive Director of Finance and Operations. Completion date: June 30, 2023. The District closely monitors the budget and formally amends it when necessary. There were unforeseen circumstances at year end that required the actual expenditures to exceed the budget.

Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the School District of Holmen, La Crosse County, Wisconsin (the "Issuer") in connection with the issuance of \$35,000,000 General Obligation School Facility Improvement Bonds, Series 2023, dated February 13, 2023 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on August 22, 2022 and January 23, 2023 (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 Official Statement dated January 23, 2023 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 Holmen, La Crosse County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Executive Director of Finance and Operations of the Issuer who can be contacted at 1019 McHugh Road, Holmen, Wisconsin 54636, phone (608) 526-6610, fax (608) 526-1333.

"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, 2023, 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 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 Long-Term 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 13th day of February, 2023.

(SEAL)

Jennifer Dieck
District President

Brian Wopat
District Clerk

Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE

AND

BID FORM

FOR

SCHOOL DISTRICT OF HOLMEN

LA CROSSE COUNTY, WISCONSIN

\$35,000,000* GENERAL OBLIGATION SCHOOL FACILITY IMPROVEMENT BONDS, SERIES 2023

DATE AND TIME: January 23, 2023
10:00 a.m.
Central Standard Time

PLACE: PMA Securities, LLC
770 N. Jefferson Street, Suite 200
Milwaukee, Wisconsin 53202
Attention: Phil Hohlweck
Phone: (414) 436-1943
E-Mail: compbidWI@pmanetwork.com

FORM OF BIDDING: Electronic or via e-mail, as described herein.

* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

**SCHOOL DISTRICT OF HOLMEN
LA CROSSE COUNTY, WISCONSIN**

\$35,000,000* GENERAL OBLIGATION SCHOOL FACILITY IMPROVEMENT BONDS, SERIES 2023

NOTICE IS HEREBY GIVEN that the School Board (the “Board”) of the School District of Holmen, La Crosse County, Wisconsin (the “District”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to compbidWI@pmanetwork.com (each as more fully described below), for the purchase of its \$35,000,000* General Obligation School Facility Improvement Bonds, Series 2023 (the “Bonds”), on an all or none basis at the following time and place:

DATE AND TIME: 10:00 a.m.
Central Standard Time
January 23, 2023

PLACE: Offices of the District’s Financial Advisor:
PMA Securities, LLC (the “Financial Advisor”)
770 N. Jefferson Street, Suite 200
Milwaukee, Wisconsin 53202

AWARD OF BONDS: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by a notification of sale to the bidder offering the lowest true interest cost (“TIC”) to the District.

The Bonds

Proceeds of the Bonds will be used (i) for the public purpose of paying a portion of the cost of a school facility improvement project at the elementary and middle school buildings consisting of: renovations, building infrastructure, capital maintenance, safety and site improvements; construction of an addition at Evergreen Elementary School; reconstruction of an older portion of the Middle School; and acquisition of furnishings, fixtures and equipment, and (ii) to pay certain costs associated with the issuance of the Bonds.

The Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes, an initial resolution adopted by the Board on August 22, 2022, which was approved at referendum on November 8, 2022 and a resolution to be adopted by the Board on January 23, 2023. The Bonds will be general obligations of 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 District is authorized and required by law to levy on all property taxable by the District such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon. See “THE BONDS” and “CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE

* Preliminary, subject to change.

DISTRICT’S POWER TO INCUR INDEBTEDNESS” in the Preliminary Official Statement for further information on the authorization and security for the Bonds.

Bidding Instructions

Each proposal must be submitted on the Official Bid Form without alteration or change no later than 10:00 a.m. Central Standard Time on January 23, 2023 either:

(i) via **Parity**® in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity**® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity**®, potential bidders may contact the Financial Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to compbidWI@pmanetwork.com.

The Bidder (“Bidder”) bears all risk of transmission failure.

Any Bidder intending to bid via e-mail shall notify the Financial Advisor of such intention no later than the close of business on January 20, 2023.

Determination of Winning Bid

The Bonds will be awarded to the single and best Bidder (the “Underwriter”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all principal and interest to be paid on the Bonds (commencing on October 1, 2023 and semiannually on each April 1 and October 1 thereafter), produces an amount on the date of issuance of the Bonds (expected to be February 13, 2023) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the Bidder whose proposal is selected by lot from among all such proposals.

Terms of the Bonds

The Bonds will be dated the date of issuance thereof, will mature on the dates and in the amounts, and not more than one rate should be specified for each maturity as described in the Official Bid Form attached hereto.

The Bonds due on and after April 1, 2031 are subject to redemption prior to maturity, at the option of the District, in whole or in part, from maturities selected by the District and within each maturity by lot, in integral multiples of \$5,000, on April 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

Bidding Parameters

The interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. All bids must be for all of the Bonds and must be for not less than 100% and not more than 105% of the par amount thereof.

Attorneys' fees, Financial Advisor fees, rating agency fees, paying agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the final Official Statement and miscellaneous expenses of said District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the Underwriter. The total of these fees is \$188,110.

A good faith deposit will not be required prior to bid opening. The Underwriter is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for \$700,000 payable to the District as evidence of good faith of the bidder (the "Deposit") not later than 3:30 P.M. Central Standard Time on the sale date. The Deposit of the Underwriter will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of any Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until disposed of, as follows: (a) at the delivery of the Bonds and upon compliance with the Underwriter's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the Underwriter fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

The Underwriter shall provide Bond Counsel, within 48 hours of the award, the required issue statistics to complete parts II-V of Department of Treasury Form 8038-G.

The District will furnish to the Underwriter the approving legal opinion of Bond Counsel. After delivery, the District will furnish to the Underwriter a complete certified transcript of all proceedings in connection with the issuance of the Bonds which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Bonds.

Establishment of Issue Price

(a) The winning bidder (the "Purchaser") shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (as hereinafter defined) or the sales price or prices of the Bonds, 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 Purchaser, 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 Bonds may be taken on behalf of the District by the District's Financial Advisor, identified herein, and any notice or report to be provided to the

District may be provided to the District's Financial Advisor. Within one hour of the award, the Purchaser will provide the District and its Financial Advisor the expected initial offering price of the Bonds, which the Purchaser used to formulate its bid.

(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 Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

- (1) the District will disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders will 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 Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, 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 Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. In such event, any bid proposal submitted will not be subject to cancellation or withdrawal, and the District agrees to use the rule selected by the Purchaser on its bid form to determine the issue price for the Bonds. On the bid form, each bidder must select one of the following rules to establish the issue price of the Bonds: (i) the first price at which 10% of a maturity of the Bonds (the "10% Test") is sold to the Public as the issue price of that maturity, or (ii) the initial offering price of that maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a maturity-by-maturity basis. The Purchaser shall advise the District if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Purchaser shall promptly advise the District, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% Test or shall be subject to the Hold-the-Offering-Price Rule. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule or the 10% Test, as selected on the bid form, in order to establish the issue price of the Bonds.*** In addition, if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(d) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the Hold-the-Offering-Price Rule**, then the Purchaser shall (i) confirm that the Underwriters (as hereinafter defined) have offered or will offer the Bonds to the Public (as hereinafter defined) on or before the date of award at the offering price or prices (the "Initial

Offering Price”), or at the corresponding yields set forth in the bid submitted by the Purchaser and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds 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 (as hereinafter defined) 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 Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Purchaser will advise the District promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public. Within one hour of the award, the Purchaser will inform the District of the Initial Offering Price for each maturity of the Bonds.

(e) If the Competitive Sale Requirements are not satisfied and the Purchaser selects the 10% Test, then until the 10% Test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Purchaser’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(f) The District acknowledges that, in making the representations set forth above, the Purchaser will rely on (i) the agreement of each Underwriter to comply with requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, 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 Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, 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 third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party 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 requirements for establishing the issue price of the Bonds, including, but not limited to, its

agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, 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 third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds 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 third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser and (ii) to comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of award,

(B) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an Underwriter participating in the initial sale of the Bonds to the Public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, the Purchaser shall assume that each order submitted by the Underwriter is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or until it is notified by the Purchaser or such Underwriter that the 10% Test has been satisfied as to the Bonds of that

maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public 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 Bonds 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 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public),
- (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the Purchaser are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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 Bonds are awarded by the District to the Purchaser.

Tax Status

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax status applicable to the interest on the Bonds under existing law substantially in the form attached to the Preliminary Official Statement as Appendix A.

Not Qualified Tax-Exempt Obligations

The Bonds are not “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Book-Entry Only

The Bonds will be issued as fully-registered Bonds without coupons and, when issued, will be registered in the name of CEDE & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Underwriter shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds 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 Bonds.

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

CUSIP Numbers

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and make payment for the Bonds. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Underwriter.

Continuing Disclosure

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the District’s compliance over the last five years with undertakings previously entered into by it pursuant to the Rule.

The Underwriter’s obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

Official Statement

The District declares the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Underwriter. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Underwriter will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after the sale date, the District will provide the Underwriter with an electronic copy of the final Official Statement. The Underwriter agrees to supply to the District all information necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Conditions of Closing

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any irregularity in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the **Parity**® webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the Underwriter against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be February 13, 2023. Should delivery, however, be delayed beyond forty-five (45) days from the date of sale for any reason beyond the control of the District except failure of performance by the Underwriter, the District may cancel the award or the Underwriter may withdraw the Deposit and thereafter the Underwriter's interest in and liability for the Bonds will cease.

Additional Information

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the District, Attention: Julie Holman, Executive Director of Finance and Operations, 1019 McHugh Road Holmen, Wisconsin 54636, telephone: (608) 526-6610, or from the Financial Advisor, Attention: Phil Hohlweck, 770 N. Jefferson Street, Suite 200, Milwaukee, Wisconsin 53202, telephone: (414) 436-1943.

By order of the School Board of the District, dated this 18 day of January, 2023.

/s/ Julie Holman

Executive Director of Finance and Operations
School District of Holmen
La Crosse County, Wisconsin

OFFICIAL BID FORM

School Board
School District of Holmen
La Crosse County, Wisconsin

January 23, 2023

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation School Facility Improvement Bonds, Series 2023 (the "Bonds") as described below:

Par amount of Bonds: \$35,000,000*
Dated date: Date of issuance
Purchase price: \$ _____
(not less than 100% and not more than 105% of the par amount of the Bonds)

The Bonds shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1%):

<u>Maturity</u> <u>(April 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Term Bond</u> <u>(Years)</u>
2030	730,000	_____	_____
2031	2,260,000	_____	_____
2032	2,365,000	_____	_____
2033	2,460,000	_____	_____
2034	2,560,000	_____	_____
2035	2,665,000	_____	_____
2036	2,775,000	_____	_____
2037	2,885,000	_____	_____
2038	3,005,000	_____	_____
2039	3,125,000	_____	_____
2040	3,255,000	_____	_____
2041	3,390,000	_____	_____
2042	3,525,000	_____	_____

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

* Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 bond.

The Bonds due on and after April 1, 2031 are subject to redemption prior to maturity, at the option of the District, in whole or in part, from maturities selected by the District and within each maturity by lot, in integral multiples of \$5,000, on April 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

The Bonds are to be accompanied by the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the District, which will affect the validity or security of these Bonds.

Attorneys' fees, Rating Agency fees, Financial Advisor fees, paying agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the final Official Statement and miscellaneous expenses of said District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the Underwriter. The total of these fees is \$188,110.

If the net interest cost or the true interest cost stated below is incorrectly computed, the undersigned agrees that the purchase price and interest rates above shall prevail.

Net Interest Cost: \$ _____
True Interest Cost: _____ %

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. If the Competitive Sale Requirements are not met, the bidder selects the following rule to establish the issue price of maturities of the Bonds for which 10% is not sold to the Public on the date hereof applied on a maturity-by-maturity basis (mark one):

_____ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: _____

_____ Hold-the-Offering-Price Rule: the initial offering price of that maturity for the following maturities: _____

By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]*

We understand that if we are the winning bidder that we will deposit with the District not later than 3:30 P.M. Central Standard Time on the sale date a certified or cashier's check or wire transfer in the amount of \$700,000 payable to said District as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

Managing Underwriter Signature

Name of Firm: _____

Direct Contact: _____

Address: _____

Phone Number: _____

E-Mail Address: _____

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—

The foregoing offer is hereby accepted this 23rd day of January, 2023 by the School Board of the School District of Holmen, La Crosse County, Wisconsin, and in recognition therefore is signed by the official of the District empowered and authorized to make such acceptance.

President, School Board
School District of Holmen
La Crosse County, Wisconsin

Exhibit A

Form of Issue Price Certificate

School District of Holmen, Wisconsin ("District")
\$35,000,000
General Obligation School Facility Improvement Bonds, Series 2023,
dated February 13, 2023

UNDERWRITER'S CERTIFICATE

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

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

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

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

(c) The bid submitted by _____ constituted a firm offer to purchase the Bonds.

2. ***[Bond Insurance***

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer") was essential in marketing the Bonds 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 Bonds were sold.

[(b) We are paying a premium of \$_____ (the "Bond Insurance Premium") to the Bond Insurer for its Bond Insurance Policy.]

(c) 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.

(d) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Bonds 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 Bonds (determined with regard to the Bond Insurance Premium) as the discount rate.]

3. ***Defined Terms.***

(a) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds 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 Bonds. The Sale Date of the Bonds is January 23, 2023.

(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 Bonds 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 Bonds 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 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents _____'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. _____ 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 compliance with the federal income tax rules affecting the Bonds, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds 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 Bonds.

By:_____

Name:_____

Dated: February 13, 2023

SCHEDULE A
TO
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B
TO
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)