

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 11, 2024**

**SALE DATE AND TIME:**

**June 17, 2024**

**10:00 A.M. CDT**

**NEW ISSUE – BOOK-ENTRY ONLY  
– NOT BANK QUALIFIED**

**RATING+: S&P: “A” (STABLE OUTLOOK)**

*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). 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.*

**\$14,500,000\***

**FREEDOM AREA SCHOOL DISTRICT  
OUTAGAMIE COUNTY, WISCONSIN**

**GENERAL OBLIGATION SCHOOL BUILDING AND FACILITY IMPROVEMENT BONDS, SERIES 2024**

**Dated: Date of Issuance**

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

The General Obligation School Building and Facility Improvement Bonds, Series 2024 (the “Bonds”) of the Freedom Area School District, Outagamie 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 March 1 and September 1 of each year, with March 1, 2025 as the first interest payment date. Zions Bancorporation, National Association, Chicago, Illinois, 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 building and facility improvement project consisting of: construction of additions and/or renovations at the Middle-High School, including for technical education, music education, classrooms/labs, safety improvements, a cafeteria/kitchen and a fitness center; construction of a greenhouse for agriculture education; district-wide capital maintenance and site improvements; 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, 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 July 8, 2024.



**AS MUNICIPAL ADVISOR**

The date of this Official Statement is June \_\_, 2024.

\*Preliminary, subject to change.

+See “RATING” herein.

## MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

### \$14,500,000\* General Obligation School Building and Facility Improvement Bonds, Series 2024

<u>Maturity (March 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP<sup>(1)</sup> (356446)</u>
2025	2,160,000			
2026	410,000			
2027	430,000			
2028	455,000			
2029	475,000			
2030	500,000			
2031	525,000			
2032	555,000			
2033	585,000			
2034	610,000			
2035	645,000			
2036	675,000			
2037	700,000			
2038	730,000			
2039	760,000			
2040	790,000			
2041	825,000			
2042	855,000			
2043	890,000			
2044	925,000			

\*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 Freedom Area School District, Outagamie 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 municipal advisor (the “Municipal Advisor”) to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal 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 Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal 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 overallocate 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.

**Freedom Area School District  
Outagamie County, Wisconsin  
N4021 County Road E  
Freedom, Wisconsin 54130  
(920) 788-7944**

\* \* \* \* \*

**School Board**

Thomas Harke, President  
Gary Schumacher, Vice President  
Kevin VerVoort, Clerk  
Steve Garvey, Treasurer  
Carolee Baumgart, Member  
Leann Vosters, Member  
Nicholas VanWychen, Member

**District Administrator**

Dr. Jill Mussett

**Director of Business Services**

Maggie Gagnon

\* \* \* \* \*

**Paying Agent/Registrar**

Zions Bancorporation, National Association  
111 West Washington Street, Suite 1860  
Chicago, Illinois 60602

**Independent Auditors**

Erickson & Associates, S.C.  
1000 West College Avenue  
Appleton, Wisconsin 54914

**Municipal 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. Audited Financial Statements for the Fiscal Year Ended June 30, 2023
- C. Form of Continuing Disclosure Certificate
- D. Official Notice of Sale and Bid Form

**\$14,500,000\***  
**Freedom Area School District**  
**Outagamie County, Wisconsin**  
**General Obligation School Building and Facility Improvement Bonds, Series 2024**

**INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning the Freedom Area School District, Outagamie County, Wisconsin (the “District”), in connection with the offering and sale of its \$14,500,000\* General Obligation School Building and Facility Improvement Bonds, Series 2024 (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 Zions Bancorporation, National Association, Chicago, Illinois, 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 March 1 and September 1, beginning March 1, 2025.

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

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\* 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 January 15, 2024 (the “Initial Resolution”), the School Board (the “Board”) authorized the issuance of general obligation bonds in an amount not to exceed \$62,500,000 for the public purpose of paying the cost of a school building and facility improvement project consisting of: construction of additions and/or renovations at the Middle-High School, including for technical education, music education, classrooms/labs, safety improvements, a cafeteria/kitchen and a fitness center; construction of a greenhouse for agriculture education; district-wide capital maintenance and site improvements; and acquisition of furnishings, fixtures and equipment (the “Project”).

By way of a resolution also adopted on January 15, 2024, the Board provided for a referendum election to be held on April 2, 2024 (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 April 2, 2024, the Referendum was held in the District on the proposition of whether the Initial Resolution should be approved at which 1,910 votes (60.9%) were cast in favor of approval of the Initial Resolution and 1,225 votes (39.1%) were cast against approval of the Initial Resolution.

The Bonds constitute \$14,500,000\* of the \$62,500,000 (the “Referendum-Approved Amount”) approved by voters of the District for the Project. After the issuance of the Bonds, the District will have \$48,000,000\* in borrowing authority remaining pursuant to the Initial Resolution and Referendum approval for the Project. The District intends to issue the remaining amount of its referendum authority over the next two years. For more information, see “INDEBTEDNESS OF THE DISTRICT – Future Financing” herein.

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\* Preliminary, subject to change.



## *Award Resolution*

By way of a resolution to be adopted on June 17, 2024 (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 2025 through 2044 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.

## **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 as 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 2025 through 2044 (or monies to pay such debt service will otherwise be appropriated).

## **Optional Redemption**

The Bonds due on and after March 1, 2033 are subject to redemption prior to maturity, at the option of the District, in whole or in part, by lot, in integral multiples of \$5,000, on March 1, 2032 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 October 2025 and the entire Project to be completed by December 2026.

**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 Discount/Premium.....	
Total Sources.....	<u>\$ -</u>

**Estimated Uses of Funds**

Deposit into the Project Fund.....	
Costs of Issuance. <sup>(1)</sup> .....	
Total Uses .....	<u>\$ -</u>

(1) Includes Underwriter’s Discount, Municipal Advisor fee, Disclosure Counsel fee, Bond Counsel fee, rating agency fee, Paying Agent 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 (such as the 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, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity.

## **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 20 years following the date of said notes. Such notes constitute a general obligation of the District. Notes issued by the District to refinance or refund outstanding promissory notes issued by the District must be payable within 10 years and no later than 20 years following the original date of such promissory notes.

## **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 ("S&P") 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](http://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 elected for staggered three-year terms. The Board annually elects a President, Vice President, Clerk and Treasurer from the members for one year terms. The District President is responsible for conducting the proceedings of the Board at its meeting.

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 District Administrator 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:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Thomas Harke.....	April 2027
Vice President.....	Gary Schumacher.....	April 2026
Clerk.....	Kevin VerVoort.....	April 2025
Treasurer.....	Steve Garvey.....	April 2025
Member.....	Carolee Baumgart.....	April 2026
Member.....	Leann Vosters.....	April 2027
Member.....	Nick VanWychen.....	April 2025

**Administration**

The Board is empowered to employ a District Administrator to conduct affairs and programs of the District. The present District Administrator is Dr. Jill Mussett, who has been with the District as District Administrator since 2021. Other members of the administrative staff are as follows:

<u>Name</u>	<u>Title</u>	<u>Year Started</u>
Maggie Gagnon.....	Director of Business Services.....	2004
Sara Hechel.....	Director of Special Education.....	2023 <sup>(1)</sup>

(1) Prior to her role at the District, Sara Hechel was a Program Support Teacher at Appleton Area School District.

**District Facilities**

Facility	Grades Served	Current Enrollment	Capacity Enrollment	Constructed	Years of Additions/Renovations
Freedom Elementary School.....	PreK-5	709	775	1964	1988, 1995, 2002, 2019
Freedom Middle and High School.....	6-12	834	1,092	1941	1941, 1950, 1956, 1972, 1990, 1995, 2002, 2005, 2019

**School Enrollments**

Year	Enrollment	Year	Projected Enrollment <sup>(1)</sup>
2019-20	1,577	2024-25	1,552
2020-21	1,572	2025-26	1,550
2021-22	1,572	2026-27	1,564
2022-23	1,554	2027-28	1,562
2023-24	1,543	2028-29	1,549

(1) Projected by the District, based on current enrollment trends.

**Employee Relations**

Department	Number of Employees
Administration.....	9
Teachers, Professional Staff.....	131
Custodians.....	8
Paraprofessionals.....	28
Food Service.....	10
Clerical.....	14
Bus Drivers.....	0
Total.....	200

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

Organization	Employee Groups Represented	Contract Expiration <sup>(1)</sup>
Freedom Education Association	Teachers and Professionals	June 2025

(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 very good.

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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. Accordingly, the Board 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 union. 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, 2021 (“Fiscal Year 2021”), June 30, 2022 (“Fiscal Year 2022”) and June 30, 2023 (“Fiscal Year 2023”) totaled \$663,029, \$678,371 and \$682,181, respectively.

Governmental Accounting Standards Board Statement No. 68 (“GASB 68”) requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan’s total pension liability and the pension plan’s fiduciary net position. The pension plan’s total pension liability is the present value of the amounts needed to pay pension benefits



earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 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 2023, the District reported a liability of \$3,089,479 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 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 0.05831734% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 7 in "Appendix B – Audited Financial Statements for the Fiscal Year Ended June 30, 2023" 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 14 retirees receiving benefits and 176 active eligible plan members as of June 30, 2023, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and 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 Foster & Foster Consulting Actuaries, Inc. in May 2024 with an actuarial valuation date of June 30, 2023 (the "Actuarial Report").

For Fiscal Year 2024, benefit payments for the plan totaled \$252,266. 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 shown in the Actuarial Report, as of June 30, 2023, the total OPEB liability of the plan was \$7,465,930 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$7,465,930.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 8 in “Appendix B – Audited Financial Statements for the Fiscal Year Ended June 30, 2023.”

## GENERAL INFORMATION

### **Location**

The District encompasses an area of approximately 75 square miles in Outagamie County (the “County”) in northeastern Wisconsin. The District is located 14 miles northeast of the City of Appleton and 20 miles southwest of the City of Green Bay. The District includes the Town of Freedom (the “Town”) and portions of the Towns of Center, Kaukauna, Oneida and Osborn and a portion of the City of Appleton.

### **Education**

The District offers a comprehensive educational program for students in Pre-K through twelfth grade. The District currently has one elementary school and a middle and high school housed in one building.

### **Post-Secondary Education**

Post-secondary education is available nearby at Fox Valley Technical College and Northeast Wisconsin Technical College and offer 2-year programs in a variety of fields. Post-secondary education is also available at University of Wisconsin – Green Bay, University of Wisconsin – Oshkosh Fox Cities Campus, St. Norbert College, and Lawrence University which offer 4-year Bachelor Degree programs in a variety of fields.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

### **Population**

	<u>The District</u>	<u>The Town</u>	<u>The County</u>
2010 Census.....	9,097	5,842	176,695
Estimate, 2018.....	N/A	6,057	184,541
Estimate, 2019.....	N/A	6,109	187,092
2020 Census.....	9,843	6,216	190,705
Estimate, 2021.....	N/A	6,132	189,938
Estimate, 2022.....	N/A	6,225	192,938
Estimate, 2023.....	N/A	6,196	193,663

Source: Wisconsin Department of Administration, Demographic Services Center

**Per Return Adjusted Gross Income**

<u>Tax Year</u>	<u>The Town</u>	<u>The County</u>	<u>The State</u>
2018.....	\$ 74,889	\$ 63,894	\$ 59,423
2019.....	77,148	65,444	61,003
2020.....	79,659	65,696	61,518
2021.....	84,040	70,358	66,369
2022.....	83,468	74,271	70,548

Source: Wisconsin Department of Revenue

**Income & Housing**

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

	<u>The District</u>	<u>The County</u>	<u>The State</u>	<u>United States</u>
Median Home Value.....	\$287,600	\$224,100	\$231,400	\$281,900
Median Household Income.....	115,929	78,705	72,458	75,149
Median Family Income.....	126,456	99,144	92,974	92,646
Per Capita Income.....	46,945	42,923	40,130	41,261

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-year Estimates

**Building Permits**

New residential building permits for the Town are listed below:

<u>Year</u>	<u>Number of Permits</u>	<u>Construction Cost</u>
2019.....	9	\$ 4,792,000
2020.....	4	1,113,758
2021.....	0	0
2022.....	0	0
2023.....	9	3,091,626
2024 <sup>(1)</sup> .....	0	0

(1) Through March 2024, reported only.

Source: U.S. Census Bureau

**Unemployment Rate**

	<u>The County</u>	<u>The State</u>
Average, 2019.....	2.8%	3.2%
Average, 2020.....	5.6	6.4
Average, 2021.....	3.2	3.9
Average, 2022.....	2.5	2.9
Average, 2023 <sup>(1)</sup> .....	2.6	3.0
April, 2023.....	2.2	2.7
April, 2024 <sup>(1)</sup> .....	2.5	3.0

(1) Preliminary.  
 Source: State of Wisconsin Department of Workforce Development

**Larger Employers**

The larger employers in the Town are listed below:

<u>Company Name</u>	<u>Product or Service</u>	<u>Approximate employees at location</u>
The District.....	School district.....	200
Belgioioso Cheese.....	Food retail.....	100-249
Fox Valley Golf Club.....	Golf club.....	50-99
St. Peter Lutheran.....	Elementary and secondary schools....	50-99
Colonial House Supper Club.....	Caterers.....	20-49
Irish Waters Golf Club.....	Golf club.....	20-49
Heifer Source LLC.....	Software publishers.....	20-49
Lamer's Bus Lines.....	Transportation.....	20-49
Country Villa Assisted Living.....	Retirement home.....	20-49
Freedom Foods.....	Grocery store.....	20-49

Source: The District and The Job Center of Wisconsin Database

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## 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	2023 Equalized Valuation <sup>(1)</sup>
Ms Real Estate Holdings, LLC.....	Dairy farm.....	\$ 8,403,689
Chad & Mark Freedom Dev, Inc.....	Real estate developer.....	6,713,736
Individual.....	Trust.....	4,006,922
Fox Valley Golf Club.....	Golf club.....	2,653,226
Klink Properties, LLC.....	Real estate developer.....	2,597,039
Individual.....	Individual.....	2,375,034
Fox Cities Development, Inc.....	Real estate developer.....	2,064,632
Bayside Ventures I, LLC.....	Consulting.....	2,048,599
Schuh View Dairy, LLC.....	Dairy farm.....	2,018,844
JWCW, LLC.....	Golf course.....	1,958,901
	Total.....	\$ 34,840,622
2023 Equalized Valuation of the Town (TID IN).....		\$ 833,096,400
Percentage of 2023 Equalized Valuation of the Town (TID IN).....		4.18%
2023 Equalized Valuation of the District (TID IN).....		\$ 1,489,444,526
Percentage of 2023 Equalized Valuation of the District (TID IN).....		2.34%

(1) Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the municipality in which the property is located.

Source: The Town Clerk 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 15<sup>th</sup> 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. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

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</u>		<u>Uncollected Taxes</u>	
		<u>District Tax Rate</u>	<u>School District Levy</u>	<u>as of August 20 Each Year</u>	<u>Percent of Levy Collected</u>
2019	2020	\$ 7.23	\$ 6,861,676	\$ -	100%
2020	2021	6.96	7,125,038	-	100%
2021	2022	5.95	6,693,053	-	100%
2022	2023	5.06	6,390,327	-	100%
2023	2024	5.25	7,642,157	In Process of Collection	

Source: Wisconsin Department of Public Instruction and the District

**PROPORTIONATE LEVY AMOUNTS**

Municipality	2023 Equalized		Amount of Levy
	Valuation (TID OUT)	Percent of Levy	
Center.....	\$ 290,845,798	19.993709%	\$ 1,527,951
Freedom.....	798,338,400	54.880442%	4,194,050
Kaukauna.....	40,873,666	2.809792%	214,729
Oneida.....	111,886,479	7.691449%	587,793
Osborn.....	12,624,303	0.867837%	66,321
Appleton.....	<u>200,117,880</u>	<u>13.756770%</u>	<u>1,051,314</u>
Total.....	<u>\$ 1,454,686,526</u>	<u>100.000000%</u>	<u>\$ 7,642,157</u>

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

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**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
2019	\$ 951,770,072	2.85%	\$ 949,527,472	2.62%
2020	1,029,777,616	8.20%	1,023,743,916	7.82%
2021	1,147,966,615	11.48%	1,125,667,115	9.96%
2022	1,292,873,471	12.62%	1,262,419,671	12.15%
2023	1,489,444,526	15.20%	1,454,686,526	15.23%

Source: Wisconsin Department of Revenue

**TAX INCREMENTAL DISTRICTS**

The Town	Creation	Base Value	2023 Value	Increment
TID #001A	2016	\$ 2,008,100	\$ 11,341,200	\$ 9,333,100
TID #002A	2017	11,728,400	37,153,300	25,424,900
Total.....				<u>\$ 34,758,000</u>

**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.

Issue Description	Dated Date	Original Amount of Issue	Amount Outstanding	Final Maturity Date
General Obligation Promissory Notes, Series 2018A.....	07/02/18	\$ 1,150,000	\$ 185,000	04/01/25
The Bonds.....	07/08/24	14,500,000 *	14,500,000 *	03/01/44
Total.....			<u>\$ 14,685,000 *</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.

Calendar Year	Outstanding General Obligation		Total	Cumulative	Retirement
	Debt	The Bonds*	Principal*	Amount*	Percent*
2025	\$ 185,000	\$ 2,160,000	\$ 2,345,000	\$2,345,000	15.97%
2026	-	410,000	410,000	2,755,000	18.76
2027	-	430,000	430,000	3,185,000	21.69
2028	-	455,000	455,000	3,640,000	24.79
2029	-	475,000	475,000	4,115,000	28.02
2030	-	500,000	500,000	4,615,000	31.43
2031	-	525,000	525,000	5,140,000	35.00
2032	-	555,000	555,000	5,695,000	38.78
2033	-	585,000	585,000	6,280,000	42.76
2034	-	610,000	610,000	6,890,000	46.92
2035	-	645,000	645,000	7,535,000	51.31
2036	-	675,000	675,000	8,210,000	55.91
2037	-	700,000	700,000	8,910,000	60.67
2038	-	730,000	730,000	9,640,000	65.65
2039	-	760,000	760,000	10,400,000	70.82
2040	-	790,000	790,000	11,190,000	76.20
2041	-	825,000	825,000	12,015,000	81.82
2042	-	855,000	855,000	12,870,000	87.64
2043	-	890,000	890,000	13,760,000	93.70
2044	-	925,000	925,000	14,685,000	100.00
	<u>\$ 185,000</u>	<u>\$14,500,000</u>	<u>\$14,685,000</u>		

\*Preliminary, subject to change.

## Short Term Financings

The District has not borrowed for short-term cash flow purposes in the past five years. The District currently does not expect to borrow for cash flow purposes in fiscal year 2024-25.

## Future Financing

The District intends to issue the remaining portion of the Referendum – Approved Amount over the next two years, with the current expectation to issue \$33,500,000 in 2025 and the remaining \$14,500,000 in 2026.

**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 Outstanding (Net of 2024 Sinking Funds)	Percent Allocable to the District	Outstanding Debt Allocable to the District
Town of Center.....	\$ 203,317	45.81%	\$ 93,140
Town of Freedom.....	10,485,740	100.00%	10,485,740
City of Appleton.....	82,640,000	2.74%	2,264,336
Outagamie County.....	66,430,000	6.04%	4,012,372
Fox Valley Technical College.....	63,110,000	2.47%	<u>1,558,817</u>
Total.....			<u>\$ 18,414,405</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.

**Debt Statement**

(As of the Closing of the Bonds)

Existing General Obligation Debt.....	\$185,000
The Bonds.....	\$14,500,000 *
Total General Obligation Debt.....	\$14,685,000 *
Overlapping Debt.....	\$18,414,405
General Obligation Debt and Overlapping Debt.....	\$33,099,405 *
2023 Equalized Valuation (TID IN).....	\$1,489,444,526
Statutory Debt Limit (10.0% of Equalized Valuation).....	\$148,944,453
Statutory Debt Margin.....	\$134,259,453 *

\*Preliminary, subject to change.

**Debt Ratios**

(As of the Closing of the Bonds)

2023 Equalized Valuation (TID IN).....	\$1,489,444,526
2022 Estimated Population.....	9,916
General Obligation Debt to Equalized Valuation (TID IN).....	0.99% *
General Obligation Debt and Overlapping Debt to Equalized Valuation (TID IN).....	2.22% *
General Obligation Debt Per Capita.....	\$1,480.94 *
General Obligation Debt and Overlapping Debt Per Capita.....	\$3,337.98 *

\*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 Director of Business Services. 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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Receipts.....	\$ 19,440,175	\$ 20,060,599	\$ 21,177,802	\$ 21,648,830	\$ 22,468,730
Disbursements.....	<u>19,134,529</u>	<u>19,629,550</u>	<u>20,433,736</u>	<u>21,295,400</u>	<u>22,641,766</u>
Net Surplus (Deficit).....	305,646	431,049	744,066	353,430	(173,036)
Other Financing Sources.....	(275,000) <sup>(1)</sup>	(375,000) <sup>(1)</sup>	(700,000) <sup>(1)</sup>	(300,000) <sup>(1)</sup>	-
Beginning Fund Balance.....	<u>3,190,085</u>	<u>3,220,731</u>	<u>3,284,426<sup>(2)</sup></u>	<u>3,328,491</u>	<u>3,381,922</u>
Ending Fund Balance.....	<u>\$ 3,220,731</u>	<u>\$ 3,276,780</u>	<u>\$ 3,328,492</u>	<u>\$ 3,381,921</u>	<u>\$ 3,208,886</u>

(1) Transfer Capital Improvement Fund.

(2) Restated beginning balance.

Source: Compiled from the District’s Audited Financial Statements for fiscal years ended June 30, 2019-2023.

**Financial Statements**

A copy of the District’s Audited Financial Statements for the Fiscal Year Ended June 30, 2023 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 Audited Financial Statements contained in this Official Statement as Appendix B, including the independent auditor’s report accompanying such financial statements, have been audited by Erickson & Associates, S.C., Appleton, 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>	Estimated		Projected	
	<u>Fund Balances</u> <u>June 30, 2023</u>	<u>Estimated</u> <u>Revenue</u>	<u>Estimated</u> <u>Expenditures</u>	<u>Fund Balances</u> <u>June 30, 2024</u>
General Fund.....	\$ 3,208,886	\$ 22,083,324	\$ 22,083,324	\$ 3,208,886
Special Projects Fund.....	372,796	4,090,741	4,090,741	372,796
Debt Service Fund.....	11,555	186,311	189,400	8,466
Capital Projects Fund.....	2,142,229	30,000	200,000	1,972,229
Food Service Fund.....	266,987	506,500	541,500	231,987
Community Service Fund.....	<u>136,283</u>	<u>41,500</u>	<u>96,850</u>	<u>80,933</u>
Total Governmental Funds .....	<u>\$ 6,138,737</u>	<u>\$ 26,938,376</u>	<u>\$ 27,201,815</u>	<u>\$ 5,875,297</u>

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). 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.

## **RATING**

S&P has assigned its municipal bond rating of “A” (Stable Outlook) to the Bonds. This rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P 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 S&P, 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 undertakes 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 generally have allowed for some annual per pupil increases without voter approval in certain, but not all years. For example, the Wisconsin Statutes provided for increases of average revenue per pupil by \$175 per pupil in the 2019-20 school year and \$179 per pupil in the 2020-21 school year without the need for voter approval; however, for the 2015-16 through 2018-19 school years and the 2021-22 and 2022-23 school years, school districts were prohibited from increasing their revenue limit without voter approval. The current Wisconsin Statutes provide for an increase of average revenue per pupil by \$325 per pupil for the 2023-24 and 2024-25 school years without the need for voter approval, which amount is continued under the current Wisconsin Statutes until the year 2425. These provisions of the Wisconsin Statutes may change in the future.

The revenue limit is increased by funds needed for payment of debt service on general obligation debt authorized before the effective date of the revenue limit statutes (August 12, 1993) (the “Effective Date”) and debt service on obligations issued to refund such debt. Debt authorized after the Effective Date is exempt from the revenue limits if approved at a referendum, as is debt service on obligations issued to refund such debt. The 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 failed to timely file its audited financial statements and operating data for the fiscal years ended June 30, 2019 and June 30, 2020. The District’s audited financial statements and operating data for the fiscal year ended June 30, 2023 were filed one day late. 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. 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](http://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 June 17, 2024. 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.

## **MUNICIPAL ADVISOR**

PMA Securities, LLC of Milwaukee, Wisconsin, has been retained as municipal advisor (the “Municipal Advisor” or “PMA”) in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal 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 Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal 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 municipal 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 Municipal Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds and also from the investment of Bond proceeds. PMA’s compensation for serving as municipal 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/ \_\_\_\_\_  
Director of Business Services  
Freedom Area School District  
Outagamie County, Wisconsin

June \_\_, 2024

**Form of Legal Opinion of Bond Counsel**

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

July 8, 2024

Re: Freedom Area School District, Wisconsin ("Issuer")  
\$14,500,000 General Obligation School Building and  
Facility Improvement Bonds, Series 2024,  
dated July 8, 2024 ("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 March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$2,160,000	___%
2026	410,000	___
2027	430,000	___
2028	455,000	___
2029	475,000	___
2030	500,000	___
2031	525,000	___
2032	555,000	___
2033	585,000	___
2034	610,000	___
2035	645,000	___
2036	675,000	___
2037	700,000	___
2038	730,000	___
2039	760,000	___
2040	790,000	___
2041	825,000	___
2042	855,000	___
2043	890,000	___
2044	925,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2025.

The Bonds maturing on March 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2032 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, in integral multiples of \$5,000, 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). 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

**Audited Financial Statements for the Fiscal Year Ended June 30, 2023**

The Audited Financial Statements for the Fiscal Year Ended June 30, 2023 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 Erickson & Associates, S.C., Appleton, 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 Maggie Gagnon, Director of Business Services of the District.



**FREEDOM AREA SCHOOL DISTRICT**  
**FREEDOM, WISCONSIN**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

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**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

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# **Erickson & Associates, S.C.**

*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Freedom Area School District  
Freedom, Wisconsin

### **Report on the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Freedom Area School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Freedom Area School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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**

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying nonmajor governmental funds and general fund combining schedules and schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 January 10, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

January 10, 2024

# **FREEDOM AREA SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2023

This section of Freedom Area School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- General Fund (Fund 10) fund balance decreased by \$173,036 to \$3,208,886. The fund balance is 14.17% of general fund expenditures. The Board of Education policy is to have a fund balance of greater than 5%.
- General Fund actual revenues of \$21,040,757 were \$109,450 more than final budgeted revenues of \$20,931,307. Actual expenditures of \$19,067,640 were \$416,197 more than the final budgeted expenditures of \$18,651,443.
- For 2022-2023 the District increased compensation to support staff and administrative staff by the about 4.7%. This was the CPI for the year. For the professional staff a portion of the 4.7% was given via a one time stipend that did not increase the base for the following year. The District continued with health and wellness initiatives to keep costs contained in that area. The District also joined an insurance consortium to try to curtail the increased costs and share ideas with others. The cost of salaries and fringe benefits for the District across all funds and for all purposes was \$16,669,982 during 2022-2023 or 63.5% of the entire budget.
- During 2022-2023 the District engaged in conversations with the community as well as an architect and construction manager to assess the current opportunities to make upgrades throughout the District. This work will continue into 2023-2024.

The District website can be found at [www.freedomschools.k12.wi.us](http://www.freedomschools.k12.wi.us). Much more information on these topics can be found there.

# FREEDOM AREA SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2023

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts - management's discussion and analysis and the basic financial statements, including notes to the financial statements and supplementary information.

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

#### District-wide Financial Statements

- The *Statement of Net Position* compares assets to liabilities to give an overall view of the financial health of the District. This statement includes fixed assets and long-term liabilities.
- The *Statement of Activities* defines the District's expenses by function and illustrates the total that is offset by corresponding revenues - charges for services and/or operating grants and contributions. General revenues and extraordinary credits are identified. The result is total net expense offset by general and miscellaneous revenue - recognizing the change in net position for the District from the previous year.

#### Fund Financial Statements

- The *Balance Sheet - Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds* focus on individual parts of the District. Fund financial statements generally report operations in more detail than the district-wide statements.
- The *Notes to Financial Statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.
- *Required Supplementary Information* further explains and supports the financial statements.
- *Other Supplementary Information* provides information specific to nonmajor governmental funds and the schedules of expenditures of federal and state awards.



# FREEDOM AREA SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2023

The major features of the District's financial statements, including the scope of the activities reported and type of information contained is shown in the following table. (Table #1)

**Table #1**

		-----Fund Financial Statements-----	
	District-wide Statements	Governmental	Proprietary
Scope	Entire District (except fiduciary funds).	The activity of the District that is not proprietary or fiduciary, such as instructional, support services, and community services.	Activities the District operates similar to private business. <b><u>The District does not report any program for this designation.</u></b>
Required financial statements	Statement of net position and statement of activities.	Balance sheet and statement of revenues, expenditures, and changes in fund balance.	Statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows.
Basis of accounting and measurement focus	Accrual accounting.  Economic resources focus.	Modified accrual accounting.  Current financial resources focus.	Accrual accounting.  Economic resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, and expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

**FREEDOM AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2023

**Table #2**

<b>Condensed Statement of Net Position</b>			
	<u>2023</u>	<u>2022</u>	<u>% Change</u>
<b><u>Assets</u></b>			
Current Assets	\$6,781,022	\$7,328,581	(7%)
Capital Assets	\$8,826,714	\$8,977,594	(2%)
Noncurrent Assets	--	\$4,760,013	(- -%)
<b>Total Assets</b>	<b>\$15,607,736</b>	<b>\$21,066,188</b>	<b>(26%)</b>
<b><u>Deferred Outflows of Resources</u></b>			
	<b>\$19,486,823</b>	<b>\$11,198,534</b>	<b>74%</b>
<b><u>Liabilities</u></b>			
Current Liabilities	\$820,072	\$1,064,217	(23%)
Noncurrent Liabilities	\$11,413,796	\$9,106,551	25%
<b>Total Liabilities</b>	<b>\$12,233,868</b>	<b>\$10,170,768</b>	<b>20%</b>
<b><u>Deferred Inflows of Resources</u></b>			
	<b>\$15,924,386</b>	<b>\$13,142,958</b>	<b>16%</b>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	\$8,466,714	\$8,447,594	-- %
Restricted	\$2,913,166	\$2,964,616	(2%)
Unrestricted	\$(4,443,575)	\$(3,045,127)	(46%)
<b>Total Net Position</b>	<b>\$6,936,305</b>	<b>\$8,367,083</b>	<b>(17%)</b>

**Statement of Net Position: (Table #2)**

The District's overall financial status, as reflected in total net position, decreased by \$1.4M to \$6.9M or 17% from FY22-23 figures. The District reported total assets of \$15.6M, of which \$8.8M are capital assets. The District reported deferred outflows of \$19.5M at June 30, 2023, relating to the District's WRS net pension plan liability and OPEB plan liabilities. The District reported total liabilities of \$12.2M, of which \$11.4M are long-term liabilities. The District reported deferred inflows of resources in the amount of \$15.9M, relating to the District's WRS net pension.

**FREEDOM AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2023

**Table #3**

<b>Changes in Net Position from Operating Results For Governmental Activities</b>					
	<u>2022-2023</u>	<u>%</u>	<u>2021-22</u>	<u>%</u>	<u>% Change</u>
<b>Revenues:</b>					
<b>Program:</b>					
Charges for Services	\$1,565,119	7%	\$1,301,479	6%	20%
Operating Grants & Cont.	\$4,011,894	17%	\$3,705,940	16%	8%
<b>General:</b>					
General State Aids	\$11,710,013	49%	\$11,486,320	49%	2%
Property Taxes	\$6,397,873	27%	\$6,697,915	29%	(4%)
Other	\$104,601	0%	\$70,502	0%	48%
<b>Total Revenues</b>	<u><b>\$23,789,500</b></u>	<u><b>100%</b></u>	<u><b>\$23,262,156</b></u>	<u><b>100%</b></u>	<b>2%</b>
<b>Expenses:</b>					
Instruction	\$14,015,793	56%	\$11,356,199	54%	23%
Support Services	\$7,669,487	30%	\$6,364,000	30%	21%
Nonprogram	\$2,492,454	10%	\$2,487,791	12%	- -%
Food Service	\$594,430	2%	\$517,033	2%	15%
Interest and Fiscal Charges	\$18,753	0%	\$23,350	0%	(20%)
Unallocated Depreciation	\$429,361	2%	\$444,764	2%	(3%)
<b>Total Expenses</b>	<u><b>\$25,220,278</b></u>	<u><b>100%</b></u>	<u><b>\$21,193,137</b></u>	<u><b>100%</b></u>	<b>19%</b>
<b>Change in Net Position</b>	<u><b>(\$1,430,778)</b></u>		<u><b>\$2,069,019</b></u>		<b>(169%)</b>

# FREEDOM AREA SCHOOL DISTRICT

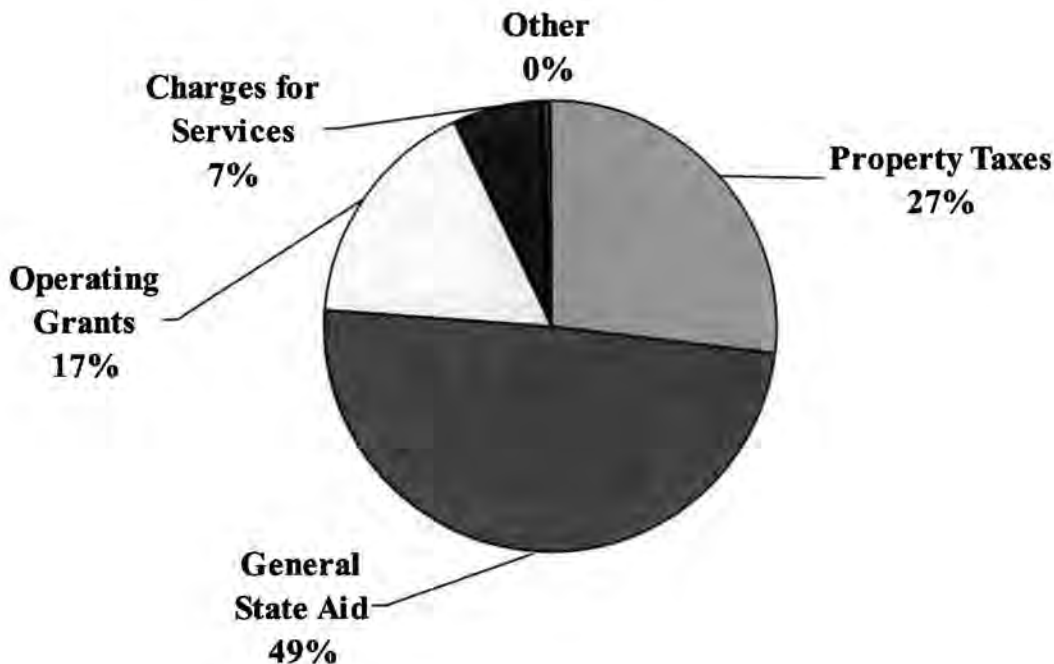
## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2023

### Revenues: (Table #3)

- For FY22-23, the District received \$23.7M in revenue. This is an increase of 2% or \$527,344 over the previous year. General state aids increased over the prior year by \$223,693 to \$11.7M. Property taxes decreased by \$300,042 to \$6.4M. For FY22-23, 49% of total revenue came from general state aids, and 27% came from local school property taxes. The District received approximately 24% of all revenue in the form of specific use state aid, federal grants, contributions from individuals, and direct fees for services.
- Individuals, who directly participated or received benefits from a program offering, contributed \$1.5M of the cost, an increase of \$305,954 from the prior year. Book and activity fees, admissions to athletic events, school lunch fees, open enrollment tuition, and building rental fees are included here.
- Individuals and federal and state government subsidized certain programs with grants and contributions of \$4.0M, which is a increase of \$0.8M from the prior year. Special education, transportation, breakfast, and lunch aids are included here.
- The District received \$104,601 in other income.

### REVENUES ALL FUNDS 2022-2023



# FREEDOM AREA SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

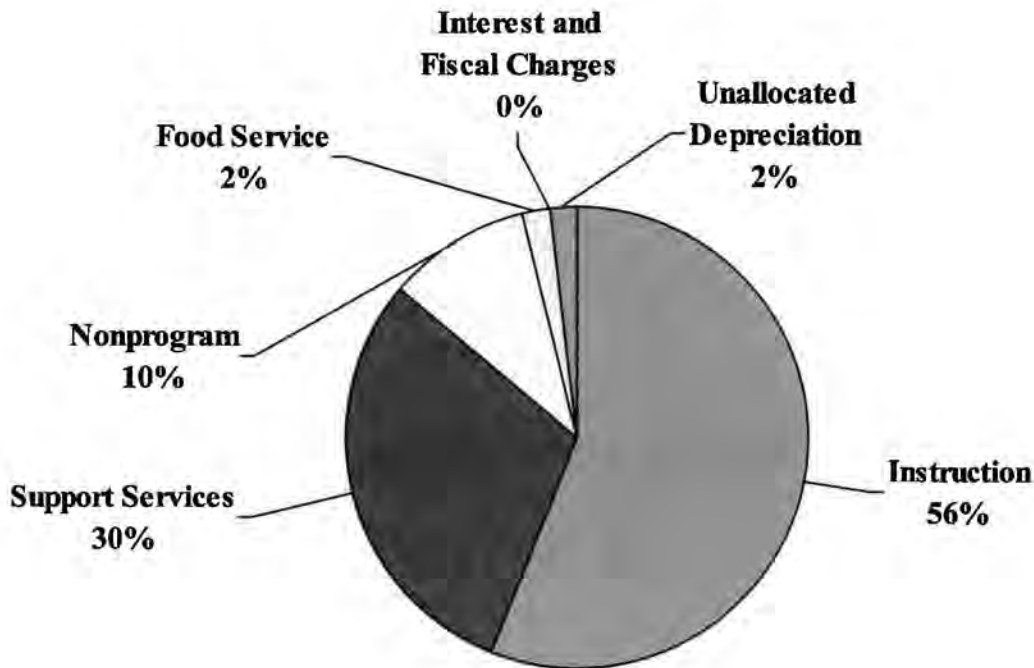
For the Year Ended June 30, 2023

### Expenses: (Table #3)

- For FY22-23, the District's total expenditure amount was \$25.2. This is a increase of \$4.0M from the prior year. For FY22-23, 56% was directed to instruction and 30% was directed to support services. Nonprogram expenditure amounts were 10% of the total. The food service program represents 2% and costs for debt service represented 0% of total expenditures.

### EXPENDITURES ALL FUNDS

2022 - 2023



**FREEDOM AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2023

**Table #4**

<b>Net Cost of Governmental Activities</b>		
	<u><b>Total Cost of Services</b></u> <u><b>2023</b></u>	<u><b>Net Cost of Services</b></u> <u><b>2023</b></u>
Instruction	\$14,015,793	\$10,317,192
Support Services	\$7,669,487	\$6,380,854
Nonprogram	\$2,492,454	\$2,450,419
Food Service	\$594,430	\$46,686
Interest and Fiscal Charges	\$18,753	\$18,753
Unallocated Depreciation	\$429,361	\$429,361
<b>Totals</b>	<u><u><b>\$25,220,278</b></u></u>	<u><u><b>\$19,643,265</b></u></u>

**Net Cost of Governmental Activities: (Table #4)**

- Total cost of all governmental activities was \$25.2M.
- The net cost of governmental activities, \$19.6M, was financed by general revenues, which are primarily made up of general state aids of \$11.7M and property taxes of \$6.4M. Miscellaneous and investment earnings accounted for \$104,601. In addition, District operations were subsidized by \$5.5M, which was collected through direct fees, operating grants, and contributions.

**General Fund Budgetary Comparison:**

- Consistent with current state statutes and regulations, an original budget is adopted in October to reflect the actual revenue cap and state aid certification. The statement of revenues, expenditures, and changes in fund balances-budget and actual for the general fund shows a comparison of the budget versus actual.
- Actual results for the year showed a deficit of revenues over expenditures of \$173,036. Total revenues were under budgeted by \$109,450. Total expenditures were under budgeted by \$416,197.

**FREEDOM AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2023

**Fund Balances:**

- The District shows a total for all fund balances of \$6.1M as of June 30, 2023.
- \$3.2M is in the general fund. The District utilizes this fund balance for funding future short-term operations. The fund balance is 14.17% of general fund expenditures. The Board of Education's policy is to have a minimum fund balance of at least 5%. The board policy goal has been met and the District will strive to maintain at least that level of fund balance.
- \$11,555 in the debt service fund is reserved to make future payments on long-term debt.
- Fund balances in the food service fund and long-term capital projects fund will be used to fund continuing operations in those funds.

**Capital Asset and Debt Administration:**

**Capital Assets**

- At year-end, the District had \$8.8M in capital assets. Further detail can be found in Note 3 in the financial statements.

**Long-term Debt**

- At year-end, the District had \$11.4M in long-term obligations. Further detail can be found in Note 4 in the financial statements.

**Economic Factors That Will Have an Impact on the Future of the District:**

Many things occur in the District that will have significance on the future of the District. These items should be kept in mind while reading the financial statements and looking at the current status of the District.

- One of the main factors that will have economic impact on the future of the District will be how the Wisconsin Legislature continues to fund education. Each year as the state budget is being developed; educational institutions cannot be sure what the impact will be to their budget. As school districts live under revenue limits, the numbers used to generate that limit are critical to the operations of public education.
- Another factor that will have economic impact on the District is the number of students that are enrolled. This number is what is used to generate the revenue limit and amount of money that can be raised to fund the schools. At this time the District does have a slight decline in enrollment and has closed open enrollment opportunities in some grade levels and programs for the last two years.

# **FREEDOM AREA SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2023

### **Economic Factors That Will Have an Impact on the Future of the District - Continued:**

- Federal funding will be provided to schools to assist with learning loss recovery, these funds have a deadline of use of September 30, 2024. The District did the best continue spending these funds on one time uses or costs that can be absorbed into the District budget when the programs are completed.
- Health insurance is an issue that will be continuously reviewed, and changes will be made to keep the District compliant with the Affordable Care Act. This will have financial impact on the District that must be considered. The District will continue to work with the consortium to stay abreast of opportunities in regards to insurance benefits.
- The District has noticed an issue with the current salary schedule and some staff falling behind. This will be looked at and address in the future. This will have a budget impact.
- One of the items that will be looked at in the future is the District offered retirement plans. They will be evaluated to see if a fair offering can be made to staff while they are working rather than waiting until retirement. This will have a budget impact.
- After taking some time the District will once again visit the needs of the District related to space and modern learning spaces. A third referendum will be tried in April 2024 to renovate and add to current space in the District.

### **Contacting the District's Financial Management:**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Maggie Gagnon, Director of Business Services, Freedom Area School District, N4021 County Road E, Freedom, WI 54130-7593.



## **BASIC FINANCIAL STATEMENTS**

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**STATEMENT OF NET POSITION**

June 30, 2023

**ASSETS**

Current assets:

Cash and investments	\$ 4,054,069
Taxes receivable	1,382,883
Accounts receivable	43,454
Prepaid expense	14,900
Due from other governments	1,271,212
Inventory	14,504
Total current assets	<u>6,781,022</u>

Capital assets:

Land, buildings and equipment	21,344,371
Less accumulated depreciation	<u>12,517,657</u>
Net capital assets	<u>8,826,714</u>

Total assets 15,607,736

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to WRS pension	19,234,557
Deferred outflows related to OPEB	<u>252,266</u>

Total deferred outflows of resources 19,486,823

## LIABILITIES

### Current liabilities:

Current portion of notes payable	175,000
Accounts payable	206
Food service deposits	25,482
Accrued salaries and wages	35,685
Accrued payroll taxes and withholdings	580,913
Accrued interest payable	2,786
Total current liabilities	<u>820,072</u>

### Long-term liabilities:

Net pension liability - WRS	3,089,479
Bonds and notes payable	185,000
Other post employment benefits	8,071,254
Unused vested employee benefits	68,063
Total long-term liabilities	<u>11,413,796</u>

Total liabilities	<u>12,233,868</u>
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## DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to WRS pension	14,371,225
Deferred inflows related to OPEB	<u>1,553,161</u>

Total deferred inflows of resources	<u>15,924,386</u>
-------------------------------------	-------------------

## NET POSITION

Invested in capital assets, net of related debt	8,466,714
Restricted	2,913,166
Unrestricted	<u>( 4,443,575)</u>

Total net position	<u>\$ 6,936,305</u>
--------------------	---------------------

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Instruction:</b>				
Undifferentiated curriculum	\$ 3,946,170	\$ 664,383	\$ 271,628	\$ ( 3,010,159)
Regular curriculum	5,276,933	664,382	229,536	( 4,383,015)
Special education curriculum	2,907,049	--	1,321,428	( 1,585,621)
Other instructional curriculum	1,885,641	--	547,244	( 1,338,397)
Total instruction	14,015,793	1,328,765	2,369,836	( 10,317,192)
<b>Support services:</b>				
Pupil services	976,679	--	949,123	( 27,556)
Instructional staff services	819,559	--	135,322	( 684,237)
General administration	332,472	--	39,760	( 292,712)
School building administration	1,088,403	--	--	( 1,088,403)
Business administration	3,128,975	--	9,163	( 3,119,812)
Other support services	1,323,399	--	155,265	( 1,168,134)
Total support services	7,669,487	--	1,288,633	( 6,380,854)
Nonprogram	2,492,454	--	42,035	( 2,450,419)
Food service	594,430	236,354	311,390	( 46,686)
Interest and fiscal charges	18,753	--	--	( 18,753)
Unallocated depreciation	429,361	--	--	( 429,361)
Total activities	\$ 25,220,278	\$ 1,565,119	\$ 4,011,894	( 19,643,265)
<b>General revenues:</b>				
General state aids				11,710,013
Property taxes levied for:				
General purposes				6,212,873
Debt service				185,000
Interest income				60,910
Miscellaneous				43,691
Total general revenues				18,212,487
Change in net position				( 1,430,778)
Net position, beginning of the year,				8,367,083
Net position, end of year				\$ 6,936,305

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL OF THESE STATEMENTS.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS**

June 30, 2023

	General Fund	Debt Service Fund	Long-Term Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 1,141,003	\$ 11,555	\$ 2,142,229	\$ 759,282	\$ 4,054,069
Taxes receivable, net	1,382,883	--	--	--	1,382,883
Accounts receivable	15,692	--	--	27,762	43,454
Prepaid Expense	14,900	--	--	--	14,900
Due from other funds	--	--	--	--	--
Due from other governments	1,271,212	--	--	--	1,271,212
Inventory	--	--	--	14,504	14,504
<b>Total assets</b>	<b>\$ 3,825,690</b>	<b>\$ 11,555</b>	<b>\$ 2,142,229</b>	<b>\$ 801,548</b>	<b>\$ 6,781,022</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 206	\$ --	\$ --	\$ --	\$ 206
Food service deposits	--	--	--	25,482	25,482
Accrued salaries and wages & withholdings	35,685 580,913	-- --	-- --	-- --	35,685 580,913
Due to other funds	--	--	--	--	--
<b>Total liabilities</b>	<b>616,804</b>	<b>--</b>	<b>--</b>	<b>25,482</b>	<b>642,286</b>
<b>Fund balances:</b>					
Nonspendable	--	--	--	14,504	14,504
<b>Spendable:</b>					
Restricted	119,599	11,555	2,142,229	625,279	2,898,662
Assigned	--	--	--	136,283	136,283
Unassigned	3,089,287	--	--	--	3,089,287
<b>Total fund balances</b>	<b>3,208,886</b>	<b>11,555</b>	<b>2,142,229</b>	<b>776,066</b>	<b>6,138,736</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,825,690</b>	<b>\$ 11,555</b>	<b>\$ 2,142,229</b>	<b>\$ 801,548</b>	<b>\$ 6,781,022</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2023

Total fund balance - governmental funds		\$ 6,138,736
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The capital assets consisted of:		
Land	1,501,475	
Land improvements, net of \$1,136,312 accumulated depreciation	79,563	
Buildings, net of \$6,259,279 accumulated depreciation	6,604,136	
Furniture and equipment, net of \$5,084,066 accumulated depreciation	641,540	
Total capital assets		8,826,714
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		19,486,823
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds balance sheet.		( 2,786)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest is not accrued in governmental funds but, rather, is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances as of June 30, 2023, are:		
Bonds and notes payable, including current portion	( 360,000)	
Other post employment benefits	( 8,071,254)	
Unused vested employee benefits	( 68,063)	
Total long-term liabilities		( 11,588,796)
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		( 15,924,386)
Total net position of governmental activities		\$ 6,936,305

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Long-Term Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Local sources	\$ 6,452,919	\$ 185,132	\$ 24,310	\$ 776,157	\$ 7,438,518
Interdistrict sources	1,650,724	--	--	--	1,650,724
Intermediate sources	68,828	--	--	--	68,828
State sources	12,643,740	--	--	12,488	12,656,228
Federal sources	1,553,426	--	--	322,166	1,875,592
Other sources	99,093	--	--	517	99,610
Total revenues	<u>22,468,730</u>	<u>185,132</u>	<u>24,310</u>	<u>1,111,328</u>	<u>23,789,500</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Undifferentiated curriculum	3,875,493	--	--	88,372	3,963,865
Regular curriculum	4,588,616	--	--	386,041	4,974,657
Special education curriculum	2,723,426	--	--	--	2,723,426
Other instructional curriculum	1,750,105	--	--	21,441	1,771,546
Total instruction	<u>12,937,640</u>	<u>--</u>	<u>--</u>	<u>495,854</u>	<u>13,433,494</u>
<b>Support services:</b>					
Pupil services	925,388	--	--	--	925,388
Instructional staff services	774,733	--	--	1,172	775,905
General administration	314,919	--	--	--	314,919
School building administration	1,016,709	--	--	--	1,016,709
Business administration	3,008,783	--	38,012	--	3,046,795
Debt service	--	189,500	--	--	189,500
Other support services	1,171,140	--	--	127,928	1,299,068
Total support services	<u>7,211,672</u>	<u>189,500</u>	<u>38,012</u>	<u>129,100</u>	<u>7,568,284</u>
Nonprogram	2,492,454	--	--	--	2,492,454
Food service	--	--	--	594,430	594,430
Total expenditures	<u>22,641,766</u>	<u>189,500</u>	<u>38,012</u>	<u>1,219,384</u>	<u>24,088,662</u>
Excess of revenues over (under) expenditures	<u>( 173,036)</u>	<u>( 4,368)</u>	<u>( 13,702)</u>	<u>( 108,056)</u>	<u>( 299,162)</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	--	--	--	--	--
Operating transfers (out)	--	--	--	--	--
Net other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>( 173,036)</u>	<u>( 4,368)</u>	<u>( 13,702)</u>	<u>( 108,056)</u>	<u>( 299,162)</u>
Fund balances, beginning of year	3,381,922	15,923	2,155,931	884,122	6,437,898
Fund balances, end of year	<u>\$ 3,208,886</u>	<u>\$ 11,555</u>	<u>\$ 2,142,229</u>	<u>\$ 776,066</u>	<u>\$ 6,138,736</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

Net change in fund balance - total governmental funds \$ ( 299,162)

The change in net position reported for governmental activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is capitalized and depreciated over their useful lives. This is the amount by which capital outlay exceeds depreciation in the current period. ( 150,880)

Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount pension expense exceeds the amounts contributed by the District based on WRS calculations. ( 758,092)

Other post employment benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned throughout the year. The increase in other post employment benefits liability is greater than the amounts paid. ( 381,712)

Governmental funds report actual vested employee benefit payments made. The district-wide statement of activities includes unused vested employee benefits expense on an accrual basis. This is the amount by which payments exceed the accrual basis in the current year. ( 11,679)

Accrued interest expense on long-term debt is reported in the district-wide statement of activities and changes in net position but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. 747

Loan proceeds are reported as financing sources in governmental funds and, thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. This is the amount by which repayments exceed proceeds. 170,000

Change in net position of governmental activities \$ ( 1,430,778)



**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**A. Reporting Entity**

Freedom Area School District was established on July 3, 1963, as a common school district. The District, governed by a seven member elected board, operates grades Pre-K through 12 and is comprised of all or parts of six taxing districts. The District receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement since it has decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and it is primarily accountable for fiscal matters. In addition, there are no component units, as defined in GASB Statement No. 61, that are included in the District's reporting entity.

**B. Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, as prescribed by the Wisconsin Department of Public Instruction, for elementary and secondary school districts, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District operates the following major governmental funds:

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

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

Long-term capital improvement fund - the long-term capital improvement fund is used to account for financial resources to be used for the acquisition or construction of capital facilities. The District may not expend money deposited into the fund for a period of five years. The fund was established in June 2015 and first funded in July 2015.

The District operates the following nonmajor governmental funds:

Special revenue funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to expenditures for specified purposes. The District uses special revenue funds to account for its other special projects, TEACH, food service, and community service funds.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**C. Basis of Presentation**

*District-wide Financial Statements*

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The district-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation between the district-wide statements and the governmental fund statements.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between the direct expenses and program revenues for each function or program of the governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the District.

*Fund Financial Statements*

Fund financial statements report detailed information about the District. Their focus is on major funds rather than reported funds by type. Each major governmental fund is presented in a single column, and all nonmajor funds are aggregated into one column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using the modified accrual basis of accounting.

*Revenues - Exchange and Nonexchange Transactions*

Revenues resulting from exchange transactions are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year-end.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, tuition, grants, and student fees.

*Expenditures*

Under the accrual basis of accounting, expenditures are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgetary Accounting**

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. The legally adopted budget and budgetary expenditure control is exercised at the object level in the general fund and at the total expenditures level for all other funds. Reported budget amounts are as originally adopted or as amended by the Board of Education (Board) resolution.

**F. 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.

All investments are stated at market value. Determination of fair value for investment in the Local Government Investment Pool is based on information provided by the State of Wisconsin Investment Board.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**G. Property Taxes**

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

Property taxes are recognized as revenue in the period that the taxes are levied as if they are due in the current year and available to pay current liabilities. The 2022 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. All property taxes are considered due on January 1, 2023, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

**H. Receivables**

Receivables at June 30, 2023, consisted of taxes, accounts, and governmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of federal and state programs.

**I. Inventory**

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory in the governmental funds consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed.

**J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts**

Vacation benefits are accrued as a liability if the employee's right to receive compensation is attributable to services already rendered, and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, employee handbooks, and state laws.

The entire compensated absence liability is reported on the district-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available resources. The balance of the liability is not recorded.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**K. Capital Assets and Depreciation**

General capital assets are reported in the district-wide statement of net position but not in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirement during the year. Donated fixed assets are recorded at their market value as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than one year, unless their exclusion as a group would make the financial statements materially misleading. All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital asset. Depreciation is computed using the straight-line method over the following useful lives:

Land	Not depreciated
Land improvements	20 years
Buildings	50 years
Furniture and equipment	5-15 years
Infrastructure	7 years

**L. Interfund Activity**

Short-term interfund loans are classified as interfund receivables/payables in the fund financial statements. These amounts are eliminated in the statement of net position.

**M. Accrued Liabilities and Long-term Debt**

All accrued liabilities and long-term debt are reported in the district-wide financial statements.

For governmental fund financial statements, accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date, regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due.

**N. Deferred Outflows / Inflows of Resources**

The District has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. In addition to assets and liabilities, the statement of net position will report separate sections for deferred outflows and deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows relating to the WRS pension plan and its OPEB plan.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows relating to the WRS pension plan and its OPEB plan.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**O. Fund Equity**

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

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

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

Committed fund balance - these amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board - the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balances as of June 30, 2023.

Assigned fund balance - this classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board, district administrator, and the business manager have the *authority* to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts in governmental funds, other than in the general fund that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - this fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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

The Board has set a general fund minimum fund balance target at least 5% of expenditures and recurring transfers of both the general and special education funds. The special education fund does not meet the definition of a special revenue fund as defined in GASB pronouncements and the activity in this fund is consolidated with the general fund in the fund financial statements.

*District-Wide Statements*

Equity is classified as net position and displayed in three components:

Net investment in capital assets - amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

Restricted net position - amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - net position that is neither classified as restricted nor as net investment in capital assets.

**P. Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement 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.

**Q. Other Post Employment Benefits (OPEB)**

For purposes of measuring the net other post employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to the OPEB benefit, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported to the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**R. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2. Cash and Investments:**

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by state statutes. All other funds share in common bank and investment accounts.

The District is required to invest its funds in accordance with Wisconsin Statute 66.0603(1m). The Board has adopted an investment policy pursuant to these statutes that allows the District to invest in the following:

- Time deposits
- Securities guaranteed by the U. S. Government
- Securities of Wisconsin Municipal Units

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 2. Cash and Investments - Continued:**

- Securities of Wisconsin Educational and Local Government Investment Pool
- Bonds issued by a local exposition district
- Bonds issued by a local professional baseball park district
- Bonds issued by a local professional stadium district
- Bonds issued by the University of Wisconsin Hospitals and Clinics Authority
- Bonds issued by a local cultural arts district
- Bonds issued by the Wisconsin Aerospace Authority
- Securities which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired and received the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency
- Securities of an open-ended management investment company or investment trust, if the investment company does not charge a sales load, is registered under the Investment Company Act of 1940, and the portfolio is limited to bonds and securities issued by the federal government, bonds that are guaranteed by the federal government, or repurchase securities that are fully collateralized by bonds or securities

The carrying amount of the District's cash and investments totaled \$4,054,069 on June 30, 2023, as summarized below:

Petty cash funds	\$ 275
Deposits with financial institutions	4,053,195
Investments:	
Local Government Investment Pool	599
	<u>\$ 4,054,069</u>
Reconciliation to the basic financial statements:	
Statement of net position	<u>\$ 4,054,069</u>

Deposits and investments of the District are subject to various risks. Presented below is a discussion of specific risks and the District's policy related to each risk.

*Custodial Credit Risk*

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

Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian. In addition, the State of Wisconsin has a State Guarantee Fund that provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.



**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 2. Cash and Investments - Continued:**

As of June 30, 2023, the carrying amount of the District's deposits was \$4,053,195 and the bank balance was \$4,534,950. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining \$4,284,950 was covered by pledged collateral.

The investment in the Local Government Investment Pool is insured against defaults in principal payments by Financial Security Assurance Incorporated.

The Local Government Investment Pool (LGIP) does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At June 30, 2023, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total of one day's notice. The LGIP does not include any involuntary participants.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>

*Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the two ratings assigned by nationally recognized statistical rating organizations. The investment in the Local Government Investment Pool is not rated. The following is the distribution of the District's investments:

	Cost	Fair Value
Local Government Investment Pool	\$ 599	\$ 599

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy to address interest rate risk.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 3. Capital Assets:**

Capital asset activity for the year ended June 30, 2023, consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$ 1,501,475	\$ --	\$ --	\$ 1,501,475
Land improvements	1,215,875	--	--	1,215,875
Buildings	12,863,415	--	--	12,863,415
Furniture and equipment	5,447,125	278,481	--	5,725,606
Building infrastructure	38,000	--	--	38,000
Totals	<u>21,065,890</u>	<u>278,481</u>	<u>--</u>	<u>21,344,371</u>
Accumulated depreciation:				
Land improvements	1,130,975	5,337	--	1,136,312
Buildings	6,041,671	217,608	--	6,259,279
Furniture and equipment	4,877,650	206,416	--	5,084,066
Building infrastructure	38,000	--	--	38,000
Totals	<u>12,088,296</u>	<u>429,361</u>	<u>--</u>	<u>12,517,657</u>
Net totals	<u>\$ 8,977,594</u>	<u>\$ ( 150,880)</u>	<u>\$ --</u>	<u>\$ 8,826,714</u>

All depreciation expense was charged to unallocated depreciation.

**Note 4. Long-term Obligations:**

Long-term obligations of the District at June 30, 2023, consisted of the following:

<i>Type</i>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General obligation debt	\$ 530,000	\$ --	\$ 170,000	\$ 360,000	\$ 175,000
Other post employment benefits	8,690,167	800,782	1,419,695	8,071,254	--
Net Pension Liability – WRS	--	3,089,479	--	3,089,479	--
Vested employee benefits	56,384	11,679	--	68,063	--
Totals	<u>\$ 9,620,074</u>	<u>\$3,901,940</u>	<u>\$1,589,695</u>	<u>\$11,229,156</u>	<u>\$ 175,000</u>

Total interest paid for the year ended June 30, 2023, was \$19,500 for general obligation debt.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 4. Long-term Obligations Continued:**

All general long-term obligations are secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2021, is comprised of the following:

<i>Description</i>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
General obligation notes	07/02/18	2.0 - 4.0%	04/01/25	\$ 360,000

The 2023 equalized valuation of the District as certified by Wisconsin Department of Revenue is \$1,292,873,471. The legal debt limit and margin of indebtedness as of June 30, 2023, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes, consisted of the following:

Debt limit (10% of \$1,292,873,471)	\$ 129,287,347
Deduct long-term debt applicable to debt margin	<u>360,000</u>
Margin of indebtedness	<u>\$ 128,927,347</u>

Aggregate cash flow requirements for the retirement of general obligation debt principal and interest on June 30, 2023, are as follows:

<i>Year ending June 30,</i>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	175,000	14,400	189,400
2025	185,000	7,400	192,400
Totals	<u>\$ 360,000</u>	<u>\$ 21,800</u>	<u>\$ 381,800</u>

**Note 5. Excess of Actual Expenditures Over Budget:**

The following functions had an excess of actual expenditures over budget for the year ended June 30, 2023:

<b>General fund:</b>	
General administration	\$ 24,479
School building administration	24,331
Business administration	337,346
Other support services	217,639
<b>Special education fund:</b>	
Other support services	8,108

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. General Information About the WRS Pension Plan - Continued:**

**Vesting**

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

**Benefits Provided**

Employees who retire at or after age 65 (54 for protective occupation employees and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) are entitled to receive a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Credible service also includes credible 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.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 6. Fund Balance Reporting:**

The following table discloses details of the amounts reported in the various fund balance categories as of June 30, 2023:

<u>Description</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Long-Term Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:					
Nonspendable:					
Inventory - food service fund	\$ --	\$ --	\$ --	\$ 14,504	\$ 14,504
Restricted:					
Donations - special revenue trust fund	--	--	--	372,796	372,796
Debt service fund	--	11,555	--	--	11,555
Long-term capital improvement fund	--	--	2,142,229	--	2,142,229
Food service fund	--	--	--	252,483	252,483
Unspent common school funds	119,599	--	--	--	119,599
Assigned:					
Community service fund activities	--	--	--	136,283	136,283
Unassigned	3,089,287	--	--	--	3,089,287
Total fund balances	<u>\$ 3,208,886</u>	<u>\$ 11,555</u>	<u>\$ 2,142,229</u>	<u>\$ 776,066</u>	<u>\$ 6,138,736</u>

**Note 7. General Information About the WRS Pension Plan:**

**Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. General Information About the WRS Pension Plan - Continued:**

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15

**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 & 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 \$682,181 in contributions from the employer.

Contribution rates as of June 30, 2023 are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.5%	6.5%
Protective with Social Security	6.5%	12.0%
Protective without Social Security	6.5%	16.4%

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. General Information About the WRS Pension Plan - Continued:**

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

At June 30, 2023, the District reported a liability (asset) of \$3,089,479 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.05831734%, which was an increase of 0.00073854% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense (revenue) of \$1,573,279.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,920,583	\$ 6,464,543
Net differences between projected and actual earnings on pension plan investments	13,149,641	7,901,326
Changes in assumptions	607,519	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,295	5,356
Employer contributions subsequent to the measurement date	537,519	--
Totals	<u>\$ 19,234,557</u>	<u>\$ 14,371,225</u>

\$537,519 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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 as follows:

Year ending <i>June 30,</i>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 5,966,535	\$ 5,784,630
2024	5,232,686	4,336,908
2025	4,207,642	3,287,352
2026	3,290,175	962,335

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. General Information About the WRS Pension Plan - Continued:**

**Actuarial Assumptions**

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

Actuarial valuation date	December 31, 2021
Measurement date of net pension liability (asset)	December 31, 2022
Experience study	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age Normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Morality 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. 1.9% 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, 2022, is based upon a roll-forward of the liability calculated from the December 31, 2021, 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 arithmetic real rates of return for each major asset class are summarized in the following table:



**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. General Information About the WRS Pension Plan - Continued:**

**Retirement Funds  
Asset Allocation Targets and  
Expected Returns**

Core Fund Asset Class	Asset Allocation %	Rate of Return %	
		Long-Term Expected Nominal	Long-Term Expected Real
Global equities	48	7.6	5.0
Fixed income	25	5.3	2.7
Inflation sensitive assets	19	3.6	1.1
Real estate	8	5.2	2.6
Private equity/debt	15	9.6	6.9
<b>Total Core Fund</b>	<b>115</b>	<b>7.4</b>	<b>4.8</b>
<b>Variable Fund Asset Class</b>			
U.S. equities	70	7.2	4.6
International equities	30	8.1	5.5
<b>Total Variable Fund</b>	<b>100</b>	<b>7.7</b>	<b>5.1</b>

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

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

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

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 7. General Information About the WRS Pension Plan - Continued:**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, 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%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the net pension liability (asset)	\$ 10,253,883	\$3,089,479	\$(1,839,015)

**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>

**Note 8. General Information About the OPEB Plan:**

**Plan Description and Benefits Provided**

The District's post-employment medical and dental plan is a single-employer, defined benefit healthcare plan administered by the District. The plan provides medical insurance benefits to eligible retirees, spouses and their dependents. The authority to establish and amend benefit provisions is with the Board of Education. The plan is not funded with a trust and there is no financial report issued by the plan.

Administrators and Teachers: to be eligible for benefits, teachers must be at least 55 years of age with a minimum of 15 years of service or at least age 57 with a minimum of 20 years of service if hired after July 1, 2000.

**Employees Covered by Benefit Terms**

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefits	--
Active plan members	179
Total	193

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the OPEB Plan - Continued:**

**Contributions**

The required contribution is based on projected pay-as-you-go financing requirements. No amounts are accumulated in a trust to pay OPEB benefits.

**Net OPEB Liability**

The net OPEB liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0 %
Salary increases	3.0 %
Investment rate of return	5.5 %, net of OPEB plan investment expenses
Healthcare cost trend rates	Medical: Initial rate of 6.5%,decreasing by .1% per year down to 5.0%, and level thereafter.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.00%, which is reflective of a S&P Municipal Bond 20 Year High Grade Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the OPEB Plan - Continued:  
Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at 6/30/2021	\$ 8,690,167
Changes for the year:	
Service cost	600,957
Interest	199,825
Differences between expected and actual experience	( 134,286)
Changes in assumptions or other input	( 1,066,334)
Benefit payments	( 219,075)
Net changes	( 618,913)
Balance at 6/30/2022	\$ 8,071,254

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1%-point lower (3.00%) or 1%-point higher (5.00%) than the discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 8,671,006	\$ 8,071,254	\$ 7,501,956

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1%-point lower or 1%-point higher than the current healthcare cost trend rates:

	1% Decrease (5.5% Decrease to 4.0%)	Healthcare Cost Trend Rates (6.5% Decrease to 5.0%)	1% Increase (7.5% Decrease to 6.0%)
Total OPEB liability	\$ 7,156,144	\$ 8,071,254	\$ 9,143,809

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. General Information About the OPEB Plan - Continued:**

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$381,713. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 1,056,291
Changes and assumptions	--	496,870
Net difference between projected and actual earnings on OPEB plan investments	--	--
District contributions subsequent to the measurement date	252,266	--
Totals	\$ 252,266	\$ 1,553,161

\$252,266 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending <i>June 30,</i>	
2023	\$ (166,803)
2024	(166,803)
2025	(166,803)
2026	(166,803)
2027	(166,803)
Thereafter	(719,146)

**Note 9. Limitation on School District Revenues:**

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

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

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 10. Contingent Liabilities:**

Risk management - the District is exposed to various risks of loss, including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance coverage for most of these risks. There were no reductions in purchased coverage for the year ended June 30, 2023. No settlements exceeded insured amounts in the last three fiscal years.

Litigation - from time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and counsel that the likelihood is remote, due in part to insurance coverage, that any other such claims or proceedings will have a material effect on the District's financial position.

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

The World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

**Note 11. Subsequent Events:**

The District has evaluated all subsequent events through January 10, 2024, the date on which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
Other Post Employment Benefits Plan  
Last 10 Fiscal Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability:			
Service cost	\$ 600,957	\$ 619,751	\$ 489,921
Interest	199,825	203,276	269,275
Differences between expected and actual experience	( 134,286)	--	--
Changes of assumptions or other input	( 1,066,344)	( 713,136)	787,239
Benefit payments	<u>( 219,075)</u>	<u>( 288,631)</u>	<u>( 252,266)</u>
Net change in total OPEB liability	( 618,913)	( 178,740)	1,294,169
 Total OPEB liability - beginning	 <u>8,690,167</u>	 <u>8,868,907</u>	 <u>7,574,738</u>
Total OPEB liability - ending	<u>\$ 8,071,254</u>	<u>\$ 8,690,167</u>	<u>\$ 8,868,907</u>
 The District's covered employee payroll	 8,207,732	 \$ 8,207,732	 \$ 7,910,604
 Total OPEB liability as a percentage of covered employee payroll	 98.34%	 105.88%	 112.11%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

2018 was the first year that this information has been made available due to implementation of GASB 75.



<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 484,379	\$ 506,088	\$ 506,088
289,887	260,105	247,893
( 551,159)	--	--
( 15,973)	( 154,023)	--
( 241,032)	( 364,100)	( 446,077)
( 33,898)	248,070	307,904
<u>7,608,636</u>	<u>7,360,566</u>	<u>7,052,662</u>
<u>\$ 7,574,738</u>	<u>\$ 7,608,636</u>	<u>\$ 7,360,566</u>
\$ 7,910,604	\$ 7,325,010	\$ 7,325,010
95.75%	103.87%	100.49%

SEE NOTES TO REQUIRED OPEB PLAN SCHEDULE.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO REQUIRED OPEB PLAN SCHEDULE**  
For the Year Ended June 30, 2023

**Note 1. Change of Benefit Terms:**

There were no changes of benefit terms for this benefit.

**Note 2. Change of Assumptions:**

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

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET)  
Wisconsin Retirement System  
Last 10 Fiscal Years\***

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
06/30/15	0.06304815%	\$ ( 1,548,209)	\$ 8,652,205	102.74%
06/30/16	0.06226076%	1,011,725	8,660,228	98.20%
06/30/17	0.06185384%	509,823	9,078,050	99.12%
06/30/18	0.06157870%	( 1,828,344)	9,061,810	102.93%
06/30/19	0.06084384%	2,164,633	9,049,023	96.45%
06/30/20	0.06002093%	( 1,935,348)	9,638,055	102.96%
06/30/21	0.05928738%	( 3,701,393)	9,822,654	105.26%
06/30/22	0.05905588%	( 4,760,012)	10,049,953	106.02%
06/30/23	0.05831734	3,089,479	10,495,097	95.72%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

2015 was the first year that this information was made available due to implementation of GASB 68.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

Wisconsin Retirement System

Last 10 Fiscal Years\*

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
06/30/15	\$ 605,654	\$ 605,654	\$ --	\$ 8,652,205	7.00%
06/30/16	588,895	588,895	--	8,660,228	6.80%
06/30/17	599,151	599,151	--	9,078,050	6.60%
06/30/18	616,203	616,203	--	9,061,810	6.80%
06/30/19	606,284	606,284	--	9,049,023	6.70%
06/30/20	631,292	631,292	--	9,638,055	6.55%
06/30/21	663,029	663,029	--	9,822,654	6.75%
06/30/22	678,371	678,371	--	10,049,953	6.75%
06/30/23	682,181	682,181	--	10,495,097	6.50%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

2015 was the first year that this information was made available due to implementation of GASB 68.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO REQUIRED WRS SCHEDULES  
For the Year Ended June 30, 2023**

**Note 1. Change of Benefit Terms:**

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

**Note 2. Change 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 2020 Wisconsin 2018 Mortality Table.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL -  
GENERAL FUND**

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>				
Local sources	\$ 6,448,627	\$ 6,448,627	\$ 6,452,919	\$ 4,292
Interdistrict sources	1,687,232	1,687,232	1,650,724	( 36,508)
Intermediate sources	49,200	49,200	55,914	6,714
State sources	11,696,878	11,696,878	11,743,267	46,389
Federal sources	942,870	942,870	1,038,840	95,970
Other sources	106,500	106,500	99,093	( 7,407)
<b>Total revenues</b>	<u>20,931,307</u>	<u>20,931,307</u>	<u>21,040,757</u>	<u>109,450</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Undifferentiated curriculum	3,942,707	3,942,707	3,875,493	67,214
Regular curriculum	4,663,813	4,663,813	4,588,616	75,197
Other instructional curriculum	1,766,865	1,766,865	1,750,105	16,760
<b>Total instruction</b>	<u>10,373,385</u>	<u>10,373,385</u>	<u>10,214,214</u>	<u>159,171</u>
<b>Support services:</b>				
Pupil services	686,949	686,949	674,037	12,912
Instructional staff services	564,741	564,741	550,520	14,221
General administration	290,440	290,440	314,919	( 24,479)
School building administration	992,378	992,378	1,016,709	( 24,331)
Business administration	2,534,775	2,534,775	2,872,121	( 337,346)
Other support services	907,243	907,243	1,124,882	( 217,639)
<b>Total support services</b>	<u>5,976,526</u>	<u>5,976,526</u>	<u>6,553,188</u>	<u>( 576,662)</u>
<b>Nonprogram</b>	<u>2,301,532</u>	<u>2,301,532</u>	<u>2,300,238</u>	<u>1,294</u>
<b>Total expenditures</b>	<u>18,651,443</u>	<u>18,651,443</u>	<u>19,067,640</u>	<u>( 416,197)</u>
Excess of revenues over expenditures	2,279,864	2,279,864	1,973,117	( 306,747)
<b>Other financing sources (uses):</b>				
Operating transfers (out)	( 2,471,413)	( 2,471,413)	( 2,146,153)	325,260
<b>Net change in fund balance</b>	( 191,549)	( 191,549)	( 173,036)	18,513
<b>Fund balance, beginning of year</b>	<u>3,381,922</u>	<u>3,381,922</u>	<u>3,381,922</u>	<u>--</u>
<b>Fund balance, end of year</b>	<u>\$ 3,190,373</u>	<u>\$ 3,190,373</u>	<u>\$ 3,208,886</u>	<u>\$ 18,513</u>

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL -  
SPECIAL EDUCATION FUND  
For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>				
Intermediate sources	\$ 7,000	\$ 7,000	\$ 12,914	\$ 5,914
State sources	823,813	823,813	900,473	76,660
Federal sources	582,072	582,072	514,586	( 67,486)
Total revenues	<u>1,412,885</u>	<u>1,412,885</u>	<u>1,427,973</u>	<u>15,088</u>
<b>Expenditures:</b>				
Instruction:				
Special education curriculum	2,883,703	2,883,703	2,723,426	160,277
Regular curriculum	--	--	--	--
Total instruction	<u>2,883,703</u>	<u>2,883,703</u>	<u>2,723,426</u>	<u>160,277</u>
Support services:				
Pupil services	282,011	282,011	251,351	30,660
Instructional staff services	238,894	238,894	224,213	14,681
Business administration	161,340	161,340	136,662	24,678
Other support services	38,150	38,150	46,258	( 8,108)
Total support services	<u>720,395</u>	<u>720,395</u>	<u>658,484</u>	<u>61,911</u>
Nonprogram	280,200	280,200	192,216	87,984
Total expenditures	<u>3,884,298</u>	<u>3,884,298</u>	<u>3,574,126</u>	<u>310,172</u>
Excess of revenues under expenditures	( 2,471,413)	( 2,471,413)	( 2,146,153)	325,260
Other financing sources (uses):				
Operating transfers in	<u>2,471,413</u>	<u>2,471,413</u>	<u>2,146,153</u>	<u>( 325,260)</u>
Net change in fund balance	--	--	--	--
Fund balance, beginning of year	--	--	--	--
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**OTHER SUPPLEMENTARY INFORMATION**



**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2023

	Other Special Projects	TEACH	Food Service	Community Service	Totals
<b>ASSETS</b>					
Cash and investments	\$ 372,796	\$ --	\$ 250,203	\$ 136,283	\$ 759,282
Accounts receivable	--	--	27,762	--	27,762
Due from other governments	--	--	--	--	--
Inventories	--	--	14,504	--	14,504
<b>Total assets</b>	<b><u>\$ 372,796</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 292,469</u></b>	<b><u>\$ 136,283</u></b>	<b><u>\$ 801,548</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Food service deposits	\$ --	\$ --	\$ 25,482	\$ --	\$ 25,482
Accrued salaries & wages	--	--	--	--	--
<b>Total liabilities</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>25,482</u></b>	<b><u>--</u></b>	<b><u>25,482</u></b>
<b>Fund balances:</b>					
Nonspendable	--	--	14,504	--	14,504
<b>Spendable:</b>					
Restricted	372,796	--	252,483	--	625,279
Assigned	--	--	--	136,283	136,283
<b>Total fund balances</b>	<b><u>372,796</u></b>	<b><u>--</u></b>	<b><u>266,987</u></b>	<b><u>136,283</u></b>	<b><u>776,066</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 372,796</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 292,469</u></b>	<b><u>\$ 136,283</u></b>	<b><u>\$ 801,548</u></b>

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2023**

	Other Special Projects	TEACH	Food Service	Community Service	Totals
<b>Revenues:</b>					
Local sources	\$ 491,331	\$	\$ 239,427	\$ 45,399	\$ 776,157
State sources	--	--	12,488	--	12,488
Federal sources	23,264	--	298,902	--	322,166
Other sources	--	--	517	--	517
Total revenues	<u>514,595</u>	<u>--</u>	<u>551,334</u>	<u>45,399</u>	<u>1,111,328</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Undifferentiated curriculum	88,372	--	--	--	88,372
Regular curriculum	386,041	--	--	--	386,041
Other instructional curriculum	21,441	--	--	--	21,441
Total instruction	<u>495,854</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>495,854</u>
<b>Support services:</b>					
Instructional staff services	1,172	--	--	--	1,172
Other support services	--	47,961	--	79,967	127,928
Total support services	<u>1,172</u>	<u>47,961</u>	<u>--</u>	<u>79,967</u>	<u>129,100</u>
Food service	--	--	594,430	--	594,430
Total expenditures	<u>497,026</u>	<u>47,961</u>	<u>594,430</u>	<u>79,967</u>	<u>1,219,384</u>
Net change in fund balances	17,569	( 47,961)	( 43,096)	( 34,568)	( 108,056)
Fund balances, beginning of year	<u>355,227</u>	<u>47,961</u>	<u>310,083</u>	<u>170,851</u>	<u>884,122</u>
Fund balances, end of year	<u>\$ 372,796</u>	<u>\$ --</u>	<u>\$ 266,987</u>	<u>\$ 136,283</u>	<u>\$ 776,066</u>

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**COMBINING BALANCE SHEET -  
GENERAL FUND**

June 30, 2023

	General Fund	Special Education Fund	Eliminations	General Fund Combined
<b>ASSETS</b>				
Cash and investments	\$ 1,141,003	\$ --	\$ --	\$ 1,141,003
Taxes receivable, net	1,382,883	--	--	1,382,883
Accounts receivable	15,692	--	--	15,692
Prepaid Expense	14,900	--	--	14,900
Due from other funds	396,329	--	( 396,329)	--
Due from other governments	874,883	396,329	--	1,271,212
<b>Total assets</b>	<b>\$ 3,825,690</b>	<b>\$ 396,329</b>	<b>\$ ( 396,329)</b>	<b>\$ 3,825,690</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 206	\$ --	\$ --	\$ 206
Accrued salaries and wages	35,685	--	--	35,685
Accrued payroll taxes & withholdings	580,913	--	--	580,913
Due to other funds	--	396,329	( 396,329)	--
<b>Total liabilities</b>	<b>616,804</b>	<b>396,329</b>	<b>( 396,329)</b>	<b>616,804</b>
<b>Fund balances:</b>				
Restricted	119,599	--	--	119,599
Unassigned	3,089,287	--	--	3,089,287
<b>Total fund balances</b>	<b>3,208,886</b>	<b>--</b>	<b>--</b>	<b>3,208,886</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,825,690</b>	<b>\$ 396,329</b>	<b>\$ ( 396,329)</b>	<b>\$ 3,825,690</b>

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
GENERAL FUND**

For the Year Ended June 30, 2023

	General Fund	Special Education Fund	Eliminations	General Fund Combined
<b>Revenues:</b>				
Local sources	\$ 6,452,919	\$ --	\$ --	\$ 6,452,919
Interdistrict sources	1,650,724	--	--	1,650,724
Intermediate sources	55,914	12,914	--	68,828
State sources	11,743,267	900,473	--	12,643,740
Federal sources	1,038,840	514,586	--	1,553,426
Other sources	99,093	--	--	99,093
Total revenues	<u>21,040,757</u>	<u>1,427,973</u>	<u>--</u>	<u>22,468,730</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Undifferentiated curriculum	3,875,493	--	--	3,875,493
Regular curriculum	4,588,616	--	--	4,588,616
Special education curriculum	--	2,723,426	--	2,723,426
Other instructional curriculum	1,750,105	--	--	1,750,105
Total instruction	<u>10,214,214</u>	<u>2,723,426</u>	<u>--</u>	<u>12,937,640</u>
<b>Support services:</b>				
Pupil services	674,037	251,351	--	925,388
Instructional staff services	550,520	224,213	--	774,733
General administration	314,919	--	--	314,919
School building administration	1,016,709	--	--	1,016,709
Business administration	2,872,121	136,662	--	3,008,783
Other support services	1,124,882	46,258	--	1,171,140
Total support services	<u>6,553,188</u>	<u>658,484</u>	<u>--</u>	<u>7,211,672</u>
Nonprogram	2,300,238	192,216	--	2,492,454
Total expenditures	<u>19,067,640</u>	<u>3,574,126</u>	<u>--</u>	<u>22,641,766</u>
Excess of revenues over (under) expenditures	<u>1,973,117</u>	<u>( 2,146,153)</u>	<u>--</u>	<u>( 173,036)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	--	2,146,153	( 2,146,153)	--
Operating transfers (out)	( 2,146,153)	--	2,146,153	--
Net other financing sources (uses)	<u>( 2,146,153)</u>	<u>2,146,153</u>	<u>--</u>	<u>--</u>
Net change in fund balances	( 173,036)	--	--	( 173,036)
Fund balances, beginning of year	3,381,922	--	--	3,381,922
Fund balances, end of year	<u>\$ 3,208,886</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,208,886</u>

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2023

Awarding Agency/ Pass-Through Agency/ Award Description	Assistance Listing Number	Pass-Through Identification Number	Accrued Receivable 6/30/2022
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
WI Department of Public Instruction:			
<i>Child Nutrition Cluster:</i>			
National School Breakfast	10.553	2023-441953-DPI-SB-546	\$ 1,005
National School Lunch-noncash	10.555	2023-441953-DPI-NSL-001	--
National School Lunch-cash	10.555	2023-441953-DPI-NSL-547	5,348
Child Nutrition Cluster totals			<u>6,353</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Formula Grants to LEAs	84.060A	n/a	<u>--</u>
WI Department of Public Instruction:			
<i>Special Education Cluster:</i>			
IDEA Flow Through	84.027	2023-441953-DPI-IDEA-FT-341	360,611
IDEA Title I-A Schoolwide	84.027	2023-441953-DPI-IDEA-FT-341	66,607
Preschool Entitlement	84.173	2023-441953-DPI-IDEA-PS-347	20,872
Special Education Cluster totals			<u>448,090</u>
Title I-A	84.010	2023-441953-DPI-TIA-141	88,121
Title II-A Improving Teacher Quality	84.367	2023-441953-DPI-TIIA-365	33,396
Title II-D			--
Title IV-A - Student Support and Academic Enrichment	84.424A	2023-441953-DPI-TIVA-381	13,449
Title VIII- Impact Aid	84.424A	2023-441953-DPI-TVIII	--
Elementary and Secondary School Eergency Relieft Fund - II	84.425D	2023-441953-DPI-ESSERII-163	--
Elementary and Secondary School Eergency Relieft Fund - III	84.425U	2023-441953-DPI-ESSERIII-165	--
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
WI Department of Health Services:			
Medical Assistance Program	93.778	n/a	<u>10,151</u>
Totals			<u><u>\$ 599,560</u></u>

<u>Expenditures</u>	<u>Grantor Reimbursement</u>	<u>Accrued Receivable 6/30/2023</u>
\$ 16,898	\$ 17,903	\$ --
49,227	49,227	--
175,282	180,630	--
<u>241,407</u>	<u>247,760</u>	<u>--</u>
<u>23,264</u>	<u>23,264</u>	<u>--</u>
321,687	386,964	295,334
50,478	66,607	50,478
14,176	20,872	14,176
<u>386,341</u>	<u>474,443</u>	<u>359,988</u>
57,614	88,121	57,614
33,610	33,396	33,610
--	--	--
6,507	13,449	6,507
43,979	43,979	--
456,268	--	456,268
272,286	--	272,286
<u>108,802</u>	<u>105,536</u>	<u>13,417</u>
<u>\$ 1,630,078</u>	<u>\$ 1,029,948</u>	<u>\$ 1,199,690</u>

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
For the Year Ended June 30, 2023**

Awarding Agency/ Pass-Through Agency/ Award Description	State ID Number	Pass-Through Identification Number	Accrued Receivable 6/30/2022
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>			
Special Education and School Age Parents	255.101	441953-100	\$ --
State School Lunch Aid	255.102	441953-107	--
Common School Fund Library Aid	255.103	441953-104	--
General Transportation Aid	255.107	441953-102	--
WI School Day Milk Program	255.115	441953-109	--
General Equalization Aids	255.201	441953-116	--
Alcohol and Other Drug Abuse	255.306	441953-143	1,000
State School Breakfast Program	255.344	441953-108	--
Early College Credit Program	255.445	441953-178	--
Per Pupil Aid	255.945	441953-113	--
Educator Effectiveness Grant	255.940	441953-154	--
Career & Technical Educ Incentive Grants	255.950	441953-152	--
Assessment of Reading Readiness	255.956	441953-166	--
Special Education Transition Incentive Grants	255.960	441953-168	--
<b>CESA#6:</b>			
Special Education and School Age Parents	255.101	n/a	--
Total Wisconsin Department of Public Instruction			<u>1,000</u>
<b>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</b>			
<b>CESA#6:</b>			
Local Youth Apprenticeship	445.112	n/a	<u>--</u>
<b>WISCONSIN DEPARTMENT OF JUSTICE</b>			
School Safety Grants	455.206	n/a	--
School SSIT / Mental Health Training	455.206	n/a	1,000
Total Wisconsin Department of Justice			<u>1,000</u>
Totals			<u>\$ 2,000</u>

<u>Expenditures</u>	<u>Grantor Reimbursement</u>	<u>Accrued Receivable 6/30/2023</u>
\$ 889,008	\$ 889,008	\$ --
4,852	4,852	--
111,760	111,760	--
31,084	31,084	--
5,728	5,728	--
10,322,711	10,322,711	--
999	1,000	999
1,909	1,909	--
747	747	--
1,151,584	1,151,584	--
9,760	9,760	--
42,954	42,954	--
3,008	3,008	--
--	--	--
12,914	12,914	--
<u>12,589,018</u>	<u>12,589,019</u>	<u>999</u>
23,662	23,662	--
4,237	4,237	--
1,000	1,000	1,000
<u>5,237</u>	<u>5,237</u>	<u>1,000</u>
<u>\$ 12,617,917</u>	<u>\$ 12,617,918</u>	<u>\$ 1,999</u>

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS.



**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE AWARDS**

For the Year Ended June 30, 2023

**Note 1. Basis of Presentation:**

The accompanying schedules of expenditures of federal and state awards (schedules) include the federal and state grant activity of Freedom Area School District under programs of the federal and state governments for the year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of Freedom Area School District, they are not intended to and do not present the financial position, changes in the net assets or cash flow of Freedom Area School District.

**Note 2. Summary of Significant Accounting Policies:**

Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Freedom Area School District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

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

The 2022-2023 eligible costs under the state special education program as reported by the District are \$3,022,900. The 2023-2024 estimated aid reimbursement for this program is \$952,214.

**Note 4. Noncash Awards:**

The federal donated commodities in the Child Nutrition Cluster is administered by the U.S. Department of Agriculture and passed through the Wisconsin Department of Instruction and transactions relating to this program are included in the District's basic financial statements. Commodities received during the year that are included in the federal expenditures are valued by the federal agency. There are no balances outstanding as of June 30, 2023.



# **Erickson & Associates, S.C.**

*Certified Public Accountants*

1000 West College Avenue • Appleton, Wisconsin 54914 • (920) 733-4957 • FAX (920) 733-6221  
255 South Main Street • Fond du Lac, Wisconsin 54935 • (920) 921-4189 • FAX (920) 923-1149  
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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Freedom Area School District  
Freedom, 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 Freedom Area School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 10, 2024.

### **Report on Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

### **Compliance and Other Matters**

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

### **The District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying corrective action plan. 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.

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.  
Appleton, Wisconsin  
January 10, 2024

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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.

**Purpose of this Report**

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

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

January 10, 2024

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023**

**Summary of Auditor's Results:**

*Financial Statements*

Type of auditor's report on financial statements:	Unmodified opinion
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements?	No

*Federal Awards*

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness?	No

Type of auditor's report on compliance for major programs:	Unmodified opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:		
84.425D		Elementary and Secondary School Emergency Relief Fund II
84.425U		Elementary and Secondary School Emergency Relief Fund III

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

*State Awards*

Internal control over major state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No

Type of auditor's report on compliance for major state programs:	Unmodified opinion
Any audit findings disclosed that are required to be reported in accordance with <i>State Single     Audit Guidelines</i> ?	Yes

Identification of major state programs:		
255.101		Special Education and School Age Parents
255.201		General Equalization Aids

Dollar threshold used to distinguish between Type A and Type B Programs:	\$250,000
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**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023**

**Financial Statement Findings:**

**2023-001 Lack of Adequate Segregation of Duties in the System of Controls**

**Condition:** The size of the District's office staff precludes an adequate segregation of accounting and reporting functions necessary to ensure an adequate internal control system. The District primarily operates its accounting and reporting functions with three individuals.

**Criteria:** Management is responsible for establishing and maintaining effective internal controls over financial reporting, the selection and application for accounting principles, and the safeguarding of assets. Proper segregation of duties provides a system of checks and balances on the accounting system and reduces the risk of errors and irregularities, both intentional and unintentional.

**Cause:** There are a limited number of office employees.

**Effect:** Proper segregation of duties in the system of controls is not accomplished.

**Identification of a Repeat Finding:** This is a repeat finding from previous audits, see 2022-001.

**Recommendation:** Management and the elected body should continue the monitoring and supervision of the accounting and reporting functions. Monthly reporting of actual results, both revenues and expenditures, to budget is recommended.

**Views of Responsible Officials:** See District's corrective action plan.

**2023-002 Financial Statement Preparation**

**Condition:** The District has historically relied upon its auditors to assist in the preparation of the district-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the District's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the District's internal controls.

**Criteria:** We are required to report on whether the District is able to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data, and (2) reporting district-wide and fund financial statements, including the related footnotes.

**Cause:** The additional costs with hiring staff experienced in preparing financial statements, along with additional training time, outweigh the derived benefits.

**Effect:** Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

**Identification of a Repeat Finding:** This is a repeat finding from previous audits, see 2022-002.

**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
For the Year Ended June 30, 2023**

**2023-002 Financial Statement Preparation - Continued**

Views of  
Responsible  
Officials: See District's corrective action plan.

Recommendation: The District should continue to evaluate the cost/benefit of outsourcing the task of preparing the financial statements to the external auditors.

**Federal and State Findings and Question Costs:** **None**


**Other Issues:**

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the District's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines?  
Department of Public Instruction Yes

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

Signature of shareholder  
Date of report

  
January 10, 2024



**FREEDOM AREA SCHOOL DISTRICT  
FREEDOM, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2023**

**Status of Prior Year Findings**

The findings noted in the 2021 schedule of findings and questioned costs have been reported to the proper federal and state agencies.

**2022-001 Lack of Adequate Segregation of Duties in the System of Controls**

Management continues to believe that due to budget constraints, it is not practicable for the District to hire additional staff to correct this finding.

**2022-002 Financial Statement Preparation**

Management continues to believe that due to budget constraints, it is not practicable for the District to hire additional staff to correct this finding.



# FREEDOM AREA SCHOOL DISTRICT

N4021 County Road E • Freedom WI 54130-7593  
Phone: 920-788-7944 • Fax: 920-788-7949 • www.freedomschools.k12.wi.us  
Dr. Jill Mussett - District Administrator   Mrs. Maggie Gagnon - Director of Business Services  
Mrs. Sara Hechel - Director of Special Education

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## CORRECTIVE ACTION PLAN

### 2023-001 Lack of Adequate Segregation of Duties in the System of Controls

Corrective Action Plan: The District continually evaluates the job duties of those involved with internal controls to find a fit that better segregates many of the duties. The District has also evaluated the cost/benefit of hiring additional support staff to achieve proper segregation of duties, but at this time, it is not possible due to budget constraints.

Anticipated Completion Date: Ongoing

### 2023-002 Financial Statement Preparation

Corrective Action Plan: The District has evaluated the cost/benefit of outsourcing the task of preparing the financial statements to the auditors. The District has determined that it is in the best interest of the District to continue to do so. The District carefully reviews the draft of the financial statements and notes prior to approving them and will accept responsibility for their content and presentation.

Anticipated Completion Date: Ongoing

Contact Information: For more information regarding these findings please contact Maggie Gagnon, Director of Business Services at 920-788-7944.

Sincerely,

Maggie Gagnon  
Director of Business Services

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*"Excellence Is Not Only Our Goal, It Is Our Tradition"*

Freedom Elementary School  
Principal: Mrs. Tammy Lipsey  
Assoc. Principal: Mrs. Dana Osowski

Freedom Middle School  
Principal: Dr. Gereon Methner  
Assoc. Principal 6-12: Mrs. Alesha Dobbe

Freedom High School  
Principal: Mr. Kurt Erickson  
K-12 Ath/Act Dir.: Mr. Jay Finster **65** -

**Form of Continuing Disclosure Certificate**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Freedom Area School District, Outagamie County, Wisconsin (the "Issuer") in connection with the issuance of \$14,500,000 General Obligation School Building and Facility Improvement Bonds, Series 2024, dated July 8, 2024 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on January 15, 2024 and June 17, 2024 (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](http://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 June 17, 2024 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 Freedom Area School District, Outagamie County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Director of Business Services of the Issuer who can be contacted at N4021 County Road E, Freedom, Wisconsin 54130, phone (920) 788-7944, fax (920) 788-7949.

"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, 2024, 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 8th day of July, 2024.

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Thomas J. Harke  
District President

(SEAL)

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Kevin VerVoort  
District Clerk

**Official Notice of Sale and Bid Form**

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**OFFICIAL NOTICE OF SALE**

**AND**

**BID FORM**

**FOR**

**FREEDOM AREA SCHOOL DISTRICT**

**OUTAGAMIE COUNTY, WISCONSIN**

**\$14,500,000\* GENERAL OBLIGATION SCHOOL BUILDING AND FACILITY  
IMPROVEMENT BONDS, SERIES 2024**

DATE AND TIME: June 17, 2024  
10:00 a.m.  
Central Daylight Saving 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](mailto:compbidWI@pmanetwork.com)

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

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\* Preliminary, subject to change.

**OFFICIAL NOTICE OF SALE**

**FREEDOM AREA SCHOOL DISTRICT  
OUTAGAMIE COUNTY, WISCONSIN  
\$14,500,000\* GENERAL OBLIGATION SCHOOL BUILDING AND FACILITY IMPROVEMENT  
BONDS, SERIES 2024**

NOTICE IS HEREBY GIVEN that the School Board (the “Board”) of the Freedom Area School District, Outagamie County, Wisconsin (the “District”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com) (each as more fully described below), for the purchase of its \$14,500,000\* General Obligation School Building and Facility Improvement Bonds, Series 2024 (the “Bonds”), on an all or none basis at the following time and place:

DATE AND TIME: 10:00 a.m.  
Central Daylight Saving Time  
June 17, 2024

PLACE: Offices of the District’s Municipal Advisor:  
PMA Securities, LLC (the “Municipal 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 building and facility improvement project consisting of: construction of additions and/or renovations at the Middle-High School, including for technical education, music education, classrooms/labs, safety improvements, a cafeteria/kitchen and a fitness center; construction of a greenhouse for agriculture education; district-wide capital maintenance and site improvements; 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 January 15, 2024, which was approved at referendum on April 2, 2024 and a resolution to be adopted by the Board on June 17, 2024. 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

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\* Preliminary, subject to change.

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 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 Daylight Saving Time on June 17, 2024 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 Municipal 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](mailto:compbidWI@pmanetwork.com).

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

**Any Bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on June 14, 2024.**

### **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 March 1, 2025 and semiannually on each March 1 and September 1 thereafter), produces an amount on the date of issuance of the Bonds (expected to be July 8, 2024) 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 March 1, 2033 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 March 1, 2032 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Term bonds are not allowed.

## **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. The rate bid for each maturity shall not exceed 5.00%. All bids must be for all of the Bonds and must be for not less than 100.00% and not more than 105.00% of the par amount thereof.**

**Attorneys' fees, Municipal 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 \$132,006.25.**

*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 \$145,000 payable to the District as evidence of good faith of the bidder (the "Deposit") not later than 3:30 P.M. Central Daylight Saving 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 (as hereinafter defined), 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.

## **Bond Insurance at Purchaser's Option**

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, at the option of the Purchaser (defined herein), the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Upon being advised of the successful bid, the Purchaser shall notify the Municipal Advisor of the Purchaser's intent to obtain bond insurance. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on 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 Municipal Advisor, identified herein, and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor. Within one hour of the award, the Purchaser will provide the District and its Municipal 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 (5<sup>th</sup>) 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 (5<sup>th</sup>) 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 (5<sup>th</sup>) 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 (5<sup>th</sup>) 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 shall not be “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 July 8, 2024. 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: Maggie Gagnon, Director of Business Services, N4021 County Road East, Freedom, Wisconsin 54130, telephone: (920) 788-7944, or from the Municipal 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 11th day of June, 2024.

/s/ Maggie Gagnon  
Director of Business Services  
Freedom Area School District  
Outagamie County, Wisconsin

**OFFICIAL BID FORM**

School Board  
Freedom Area School District  
Outagamie County, Wisconsin

June 17, 2024

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 Building and Facility Improvement Bonds, Series 2024 (the “Bonds”) as described below:

Par amount of Bonds: \$14,500,000\*  
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% and (ii) not exceeding 5%):

<u>Maturity</u> <u>(March 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>
2025	2,160,000	_____
2026	410,000	_____
2027	430,000	_____
2028	455,000	_____
2029	475,000	_____
2030	500,000	_____
2031	525,000	_____
2032	555,000	_____
2033	585,000	_____
2034	610,000	_____
2035	645,000	_____
2036	675,000	_____
2037	700,000	_____
2038	730,000	_____
2039	760,000	_____
2040	790,000	_____
2041	825,000	_____
2042	855,000	_____
2043	890,000	_____
2044	925,000	_____

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

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\* 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.

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

If insured, please insert the name of the insurer \_\_\_\_\_ and amount of the premium \$ \_\_\_\_\_. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder (the "Purchaser"). Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds.

Term bonds are not allowed.

The Bonds due on and after March 1, 2033 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 March 1, 2032 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, Municipal 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 \$136,006.25.**

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 Daylight Saving Time on the sale date a certified or cashier's check or wire transfer in the amount of \$145,000 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 17th day of June, 2024 by the School Board of the Freedom Area School District, Outagamie County, Wisconsin, and in recognition therefore is signed by the official of the District empowered and authorized to make such acceptance.

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President, School Board  
Freedom Area School District  
Outagamie County, Wisconsin

**Form of Issue Price Certificate**

Freedom Area School District, Wisconsin ("District")  
\$14,500,000  
General Obligation School Building and Facility Improvement Bonds, Series 2024,  
dated July 8, 2024

**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 June 17, 2024.

(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: July 8, 2024

SCHEDULE A  
TO  
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B  
TO  
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)