

**School District of Gilman
2018-19
Charter School Authorizer Annual Report**

Authorizer Annual Report Checklist

When completing the Charter School Authorizer Annual Report, verify that:

- All sections of the report are present, and all schedules are completed and attached.
- For school district authorizers, the schedule of authorizer operating costs has been included as a supplement to the school district's annual audited financial statements submitted to DPI.
- The report has been completed at the authorizer level, rather than completed for an individual school.
- Authorizer operating costs have been identified in Section VI. This section should not be left blank.
- The operating costs reported in Section VI reflect **only** the costs the authorizing entity incurred while fulfilling the duties under Wis. Stat. s. 118.40 (3m)(a) to (e) which include:
 - Soliciting and evaluating charter school applications,
 - Considering the principles and standards for quality authorizing established by the National Association of Charter School Authorizers,
 - Giving preference in the awarding of contracts for the operation of charter schools that serve children at risk,
 - Approving high-quality charter schools that meet identified educational needs and promote a diversity of educational choices, and
 - Monitoring the performance and compliance with Wis. Stat. s. 118.40 of each charter school with which it contracts.

The operating costs in this section should **not** reflect the operating costs for the authorized charter school(s).

- The total amounts reported in Section VI and Section VII are not the same. As noted above, Section VI should only include operating costs the authorizing entity incurred while fulfilling the duties under Wis. Stat. 118.40 (3m)(a) to (e); while Section VII should include the costs of services the authorizing entity provided to the charter schools with which it contracts.
- Costs reported in Section VII are only the costs of services provided to the charter school(s). Examples of the types of costs that should be reported in this section include

but are not limited to: costs for business office services, costs for food services, curriculum services, professional development services, etc.

For further instructions and requirements related to completing each section of this report see the charter school authorizer annual report technical assistance document at <http://dpi.wi.gov/sms/charter-schools/information-authorizers>.

SECTION I: AUTHORIZER INFORMATION

| | |
|-----------------------------------|--|
| Authorizing Entity: | School District of Gilman |
| Authorizer Address: | 325 North Fifth Ave. Gilman, WI 54433 |
| Authorizer Contact Person: | Walter Leipart |
| Contact Person Title: | Superintendent |
| Contact Person Phone: | 715-447-8211 ext. 108 |
| Contact Person Email: | wleipart@gilman.k12.wi.us |

SECTION II: CHARTER SCHOOL INFORMATION

| Charter Schools Currently Under Contract: | | | |
|--|-----------------------------|----------------------------------|-----------------------|
| School Name: | Contract Start Date: | Contract Expiration Date: | Grades Served: |
| | | | |
| | | | |
| | | | |
| | | | |

| Charter Schools with Non-renewed or Revoked Contract: | | | |
|--|-----------------------------|---|--|
| School Name: | Contract Start Date: | Date of Non-renewal or Revocation: | Reason for Non-renewal or Revocation: |
| | | | |
| | | | |
| | | | |
| | | | |

| Charter Schools Currently Under Contract that have not Opened: | | |
|---|-----------------------------|-------------------------------|
| School Name: | Contract Start Date: | Date School will Open: |
| eSucceed Charter School | 2-11-19 | 9-3-19 |
| | | |
| | | |
| | | |

| Charter Schools that Closed: | | |
|-------------------------------------|--------------------------------|----------------------------|
| School Name: | Date of School Closure: | Reason for Closure: |
| | | |
| | | |
| | | |
| | | |

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOLS

During the 2018-19 school year eSucceed Charter School was in its planning year and will open and serve students on 9-3-19. No academic performance data available in 2018-19.

SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS

During the 2018-19 school year eSucceed Charter School was in its planning year and will open and serve students on 9-3-19. During the planning year we received \$150,000 in grant money and \$21,000 in consortium member revenue for the purpose of preparing for opening the school on 9-3-19. See attached document labeled 2018-19 Planning Year Budget.

SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS (OPTIONAL)

See attached 66.0301 inter-agency agreement (labeled eSucceed Agreement-Gilman) with seven school districts that determine financial and operational agreements between the member districts. Please note the document includes the Thorp School District; however, the Thorp School District opted out of the consortium.

SECTION VI: AUTHORIZER OPERATING COSTS

While the Gilman Board of Education participated in professional development in regards to the role of authorizer and administrative staff reviewed best practices for authorizing and operating a virtual charter school, no operating costs were coded to the charter school and were identified as in-kind expenses.

SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS

Transportation costs for trainings, meetings, and site visits for authorizer and charter school director.

Professional development for use of student information system.

Marketing for recruitment of students and staff.

CESA10 contracted services for charter school director

School District of Gilman

Section VI

SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS

FISCAL YEAR ENDING JUNE 30, 2019

| OPERATING ACTIVITY | WUFAR OBJECT CODE | COST |
|--|--------------------------|-------------|
| EMPLOYEE SALARIES | 100 | |
| EMPLOYEE BENEFITS | 200 | |
| PURCHASED SERVICES | 300 | |
| NON-CAPITAL OBJECTS | 400 | |
| CAPITAL OBJECTS | 500 | |
| INSURANCE & JUDGEMENTS | 700 | |
| OTHER (REPLACE OTHER WITH AN ACTIVITY NAME) | 900 | |
| OTHER (REPLACE OTHER WITH AN ACTIVITY NAME) | 900 | |
| TOTAL | | \$0 |

SCHOOL DISTRICT OF GILMAN

SECTION VII

SCHEDULE OF CHARTER SCHOOL AUTHORIZER SERVICES AND COSTS

FISCAL YEAR ENDING JUNE 30, 2019

| SERVICES PROVIDED | FUNCTION CODE | COST |
|------------------------------|----------------------|---------------------|
| REGULAR CURRICULUM | 120000 | \$100.00 |
| SPECIAL EDUCATION | 150000 | |
| HEALTH SERVICES | 214000 | |
| PSYCHOLOGICAL SERVICES | 215000 | |
| CURRICULUM DEVELOPMENT | 221200 | |
| INSTRUCTIONAL STAFF TRAINING | 221300 | |
| GENERAL ADMINISTRATION | 230000 | \$147,875.31 |
| BUILDING ADMINISTRATION | 240000 | \$3,175.97 |
| BUSINESS SERVICES | 252000 | |
| GENERAL OPERATIONS | 253000 | |
| PUPIL TRANSPORTATION | 256000 | |
| TECHNOLOGY | 266000 | \$16,337.94 |
| INTERNET/SOFTWARE | 295000 | \$1,039.10 |
| TOTAL | | \$168,528.32 |

| LINE | REVENUE ITEMS | TOTAL REVENUES Year 1 |
|------|--|-----------------------|
| | CONTRACT AMOUNT & CONTRIBUTIONS | |
| 1 | CONTRACT AMOUNT | |
| 2 | OPERATORS' SUBSIDY or CONTRIBUTION | |
| 3 | FUND RAISING OR EXTERNAL CONTRIBUTIONS | |
| 4 | TOTAL TUTION & CONTRIBUTIONS | \$ - |
| | SCHOOL FEES | |
| 5 | BOOK & SUPPLY FEES | |
| 6 | PERSONAL USE ITEMS | |
| 7 | SOCIAL AND EXTRA-CURRICULAR FEES | |
| 8 | TOTAL SCHOOL FEES | \$ - |
| | FOOD SERVICE REVENUES | |
| 9 | MEAL AND OTHER FOOD SERVICE CHARGES | |
| 10 | GOVERNMENT FUNDED FOOD SERVICE ASSISTANCE | |
| 11 | TOTAL FOOD SERVICE REVENUES | \$ - |
| | OTHER GOVERNMENT PAYMENTS: List Below | |
| 12a | Charter School Grant \$800,000 | \$ 150,000 |
| 12b | Open Enrollment Y2: 2 Y3: 50 Y4: 70 Y5: 90 @\$7,300 | |
| 12c | Consortium Full-Time Enrollments Y2: 7 Y3:30 Y4: 40 Y5: 40 @ \$3,000 | |
| 13 | TOTAL OTHER GOVERNMENT PAYMENTS | \$ 150,000 |
| 14 | INVESTMENT INCOME | |
| 15 | RENTAL OF FACILTIES TO OTHERS | |
| | OTHER: Describe Below | |
| 16a | Course Fees Y2: 150 Y3: 75 Y4: 100 Y5: 125 @300 | |
| 16b | Consortium Membership Fee 7 Members @8,000 | \$ 21,000 |
| 17 | TOTAL OTHER | \$ 21,000 |
| 18 | TOTAL REVENUES | \$ 171,000 |

| Line | ITEM | TOTAL COST Year 1 |
|------|--|-------------------|
| | SALARIES AND WAGES | |
| 1 | ADMINISTRATIVE STAFF SALARIES AND WAGES - Director & \$8,000 for support staff | |
| 2 | CLASSROOM STAFF SALARIES & WAGES | |
| 3 | EXTENDED CONTRACT-STAFF SALARY AND WAGES \$8,000 per FTE | |
| 4 | BUILDING MAINTENANCE STAFF SALARIES AND WAGES | |
| 5 | SUPPORT STAFF SALARIES AND WAGES - Secretary | |
| 6 | FOOD SERVICES STAFF SALARIES AND WAGES | |
| 7 | PUPIL TRANSPORTATION STAFF SALARIES AND WAGES | |
| 8 | TOTAL SALARIES AND WAGES | \$ - |
| | FICA AND MEDICARE TAXES 7.65% | |

| | | |
|---|--|------------|
| 9 | ADMINISTRATIVE STAFF FICA & MEDICARE TAXES | \$ - |
| 10 | CLASSROOM STAFF FICA & MEDICARE TAXES | |
| 3 | EXTENDED CONTRACT-STAFF FICA & MEDICARE TAXES | |
| 11 | BUILDING MAINTENANCE STAFF FICA & MEDICARE TAXES | |
| 12 | SECURITY STAFF FICA & MEDICARE TAXES | |
| 13 | FOOD SERVICES STAFF FICA & MEDICARE TAXES | |
| 14 | PUPIL TRANSPORTATION STAFF FICA & MEDICARE TAXES | |
| 15 | OTHER STAFF FICA & MEDICARE TAXES | |
| 16 | TOTAL FICA AND MEDICARE TAXES | \$ - |
| UNEMPLOYMENT TAXES | | |
| 17 | ADMINISTRATIVE STAFF UNEMPLOYMENT TAXES | |
| 18 | CLASSROOM STAFF UNEMPLOYMENT TAXES | |
| 19 | BUILDING MAINTENANCE STAFF UNEMPLOYMENT TAXES | |
| 20 | SECURITY STAFF UNEMPLOYMENT TAXES | |
| 21 | FOOD SERVICES STAFF UNEMPLOYMENT TAX & PAYMENTS | |
| 22 | PUPIL TRANSPORTATION STAFF UNEMPLOYMENT TAXES | |
| 23 | OTHER STAFF UNEMPLOYMENT TAXES | |
| 24 | TOTAL UNEMPLOYMENT TAXES | \$ - |
| EMPLOYER PAID BENEFITS | | |
| 25 | ADMINISTRATIVE STAFF EMPLOYER PAID BENEFITS | \$ - |
| 26 | CLASSROOM STAFF EMPLOYER PAID BENEFITS | |
| 27 | BUILDING MAINTENANCE EMPLOYER PAID BENEFITS | |
| 28 | SECURITY STAFF EMPLOYER PAID BENEFITS | |
| 29 | FOOD SERVICES STAFF EMPLOYER PAID BENEFITS | |
| 30 | PUPIL TRANSPORTATION STAFF EMPLOYER PAID BENEFITS | |
| 31 | OTHER STAFF EMPLOYER PAID BENEFITS | |
| 32 | TOTAL EMPLOYER PAID BENEFITS | \$ - |
| CONTRACTED PROFESSIONAL SERVICES | | |
| 33 | ACCOUNTING SERVICES (not to exceed 3%) - Gilman Expenditures | \$ 1,000 |
| | <i>IDENTIFY NAME OF ACCOUNTING SERVICES PROVIDER BELOW</i> | |
| 33a | | |
| 34 | INDEPENDENT AUDITING SERVICES | |
| | <i>IDENTIFY NAME OF INDEPENDENT AUDITING SERVICES PROVIDER BELOW</i> | |
| 34a | | |
| 35 | EDUCATIONAL CONSULTANT SERVICES | |
| | EdVisions | \$ 15,000 |
| | CESA 10 | \$ 118,000 |

| | | |
|-------------|--|-------------------|
| 36 | LEGAL SERVICES | |
| 37 | OTHER PROFESSIONAL SERVICES | \$ 8,000 |
| | Conferences | |
| | Training | |
| | Technology Services | |
| | Whitespace/Community Relations | |
| 38 | TOTAL CONTRACTED PROFESSIONAL SERVICES | \$ 142,000 |
| Line | ITEM | |
| | PURCHASED OPERATIONAL SERVICES | |
| 39 | TELEPHONE | |
| 40 | INTERNET ACCESS | |
| 41 | ELECTRICITY | |
| 42 | GAS FOR FACILITY OPERATION | |
| 43 | EQUIPMENT MAINTAINANCE AND REPAIR | |
| 44 | BUILDING MAINTENANCE | |
| 45 | BUILDING REPAIR | |
| 46 | OTHER BUILDING OPERATION EXPENSE | |
| 47 | FOOD SERVICE PREPARATION AND MEALS | |
| 48 | SECURITY SERVICES | |
| 49 | CONTRACTOR OPERATED PUPIL TRANSPORTATION SERVICES | |
| 50 | PUPIL TRANSPORTATION VEHICLE MAINTENANCE AND REPAIR | |
| 51 | OTHER VEHICLE MAINTENANCE AND REPAIR | |
| 52 | OTHER PURCHASED OPERATIONAL SERVICES | |
| 53 | TOTAL PURCHASED OPERATIONAL SERVICES | \$ - |
| | | |
| | FACILITY OCCUPANCY CHARGE | |
| 54 | FACILITY RENT | |
| | <i>IDENTIFY TO WHOM RENT IS PAID (Enter on line below)</i> | |
| | | |
| | | |
| 55 | TOTAL FACILITY OCCUPANCY CHARGE | |
| | | |
| | SUPPLIES | |
| 56 | ADMINISTRATIVE SUPPLIES | \$ - |
| 57 | CLASSROOM SUPPLIES | |
| 58 | BUILDING MAINTENANCE SUPPLIES | |
| 59 | SECURITY OPERATIONS SUPPLIES | |
| 60 | FOOD SERVICE SUPPLIES | |
| 61 | PUPIL TRANSPORTATION SUPPLIES | |
| 62 | OTHER SUPPLIES * Whitespace | \$ 19,600 |
| 63 | OTHER SUPPLIES * Student Technology | |
| 64 | OTHER SUPPLIES * WEN and course fees | \$ 8,000 |
| 65 | TOTAL SUPPLIES | \$ 27,600 |
| | | |

| | | |
|----|--|------------|
| | INSURANCE | |
| 64 | INSURANCE | \$ - |
| 65 | TOTAL INSURANCE | \$ - |
| | | |
| | OTHER | |
| 66 | OTHER EXPENSES (<i>ATTACH ITEMIZATION IF AMOUNT ON LINE IS OVER \$500</i>) | |
| 67 | TOTAL OTHER | |
| 68 | INTEREST EXPENSE CURRENT CASH FLOW DEBT | |
| 69 | TOTAL OPERATING EXPENSES | \$ 169,600 |

INTERGOVERNMENTAL COOPERATION AGREEMENT

THIS AGREEMENT (“Agreement”) is made by and between the School District of Bruce (“Bruce”), School District of Cadott Community (“Cadott”), School District of Cornell (“Cornell”), School District of Gilman (“Gilman”), School District of Lake Holcombe (“Lake Holcombe”), School District of New Auburn (“New Auburn”), Stanley-Boyd Area School District (“Stanley-Boyd”), and School District of Thorp (“Thorp”) (each a “Member” and collectively the “Consortium” or “Members”) pursuant to Wis. Stat. § 66.0301 and Wis. Admin. Code § PI 14.02.

WHEREAS, Wis. Stat. § 66.0301 and Wis. Admin. Code § PI 14.02 provide that municipalities, including school districts, may contract with one another for the joint exercise of any of their powers or duties as required or authorized by law; and

WHEREAS, all of the Members are school districts in the State of Wisconsin that desire to enter into an intergovernmental cooperation agreement in order to establish and jointly authorize a charter school pursuant to Wis. Stat. §§ 118.40(3)(c)1.a. and (8); and

WHEREAS, this Agreement is intended to define and establish the respective roles and responsibilities of the Members as related to the charter school.

NOW THEREFORE, the Members agree as follows:

1. **Charter School**. The charter school established and jointly authorized by the Members shall be known as eSucceed Charter School (“eSucceed”). The Members shall enter into a Charter School Contract (“Charter Contract”) with the eSucceed Governance Board (“Governance Board”) to operate eSucceed, and the Members agree and acknowledge that such Charter Contract shall include provisions to ensure that the Governance Board has all powers necessary to carry out the terms of the Charter Contract including, but not limited to the following:
 - a. To receive and disburse funds for school purposes;
 - b. To secure appropriate insurance;
 - c. To enter into contracts, including contracts with a University of Wisconsin institution or college campus, technical college district board, or private college or university, for technical or financial assistance, academic support, curriculum review, or other services;
 - d. To incur debt in reasonable anticipation of the receipt of funds;
 - e. To pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit;
 - f. To solicit and accept gifts or grants for school purposes;

- g. To acquire real property for its use;
 - h. To sue and be sued in its own name; and
 - i. To make decisions regarding charter school operations and procedures including, but not limited to:
 - 1.) Budget expenditures, grant funds, and funds donated specifically to the Charter School or generated through sales of Charter School equipment;
 - 2.) Calendar and daily schedule;
 - 3.) Curriculum and instruction;
 - 4.) Policies and procedures specific to the daily operations of the Charter School;
 - 5.) Facilities utilized by the Charter School; and
 - 6.) Marketing, registration, and enrollment processing.
2. **Virtual Charter School Classification.** eSucceed shall be classified under Wis. Stat. § 115.001(16) as a “virtual charter school,” defined as a charter school under contract with a school board under Wis. Stat. § 118.40 in which all or a portion of the instruction is provided through means of the Internet, and the pupils enrolled in and instructional staff employed by the school are geographically remote from each other.
3. **Location.** Pursuant to Wis. Stat. § 118.40(8)(a)2, eSucceed shall be located in the Gilman School District. The Members may authorize the use of one or more physical locations for ancillary purposes including, but not limited to, providing curriculum-based Internet access to eSucceed students, conducting in-person classroom sessions, and providing general student support. In no event, however, shall the use of a physical location be permitted to the extent that it may affect eSucceed’s classification as a “virtual charter school” or its location in the Gilman School District pursuant to Wisconsin law.
4. **Instrumentality.** Pursuant to Wis. Stat. § 118.40(7), eSucceed shall be an instrumentality of Gilman. Gilman shall have the authority to employ staff for eSucceed or to contract with CESA 10, or another third-party educational agency of a similar nature, for such purposes.
5. **Funding and Budget.** For each school year, eSucceed’s funding and budgetary processes shall occur in the manner set forth below.
- a. **Funding.** For each school year during the term of this Agreement, eSucceed’s funding shall be equal to the sum of the following:

- 1.) The number of pupils who are residents of a Member school district and enrolled full-time at eSucceed, multiplied by three thousand dollars (\$3,000); plus
 - 2.) The number of pupils enrolled full-time at eSucceed through open enrollment in a Member school district, multiplied by the per pupil revenue amount statutorily determined under Wis. Stat. §118.51; plus
 - 3.) The number of pupils who are residents of a Member school district and enrolled less than full-time at eSucceed, multiplied by three hundred dollars (\$300) per course or credit for each student; plus
 - 4.) Grants made to or for the benefit of eSucceed; plus
 - 5.) Annual payment of the Consortium Membership Fee by each Member. Each Member shall pay the Consortium Membership Fee to eSucceed on or prior to July 1st annually for the following school year. The Consortium Membership Fee for the 2018-2019 school year shall be three thousand dollars (\$3,000) and the Fiscal Agent shall mail an invoice for such amount to each Member upon full execution of this Agreement, which shall be due and payable upon receipt. The Consortium Membership Fee for the 2019-2020 school year shall be eight thousand dollars (\$8,000). The Fiscal Agent shall have the authority to adjust the Consortium Membership Fee for the following school year by providing notice of such adjustment to the Members by December 31st of the school year prior to such adjustment.
- b. Annual Budget. Based upon the expected revenue for the following school year, the Fiscal Agent shall prepare eSucceed's annual budget for such school year and distribute the annual budget to each Member for review. The annual budget for each upcoming school year shall be approved by the school board of each Member prior to the beginning of eSucceed's Fiscal Year (the "Approved Annual Budget"). The Approved Annual Budget shall include all of the applicable direct instructional costs, and all applicable support service and non-program costs, such as administrative salaries and services, audit costs, fiscal services, custodial services, utilities, maintenance services, space rental, and building administration. "Fiscal Year" shall mean the annual period commencing July 1 through June 30. Prior approval from the school board of each Member shall be required prior to any budget variations.
- c. Prorated Costs. The annual budget shall detail each Member's total prorated share of costs and each Member agrees to contribute its Total Prorated Costs to eSucceed pursuant to the Approved Annual Budget and as further described

below. Each Member's "Total Prorated Costs" for each school year shall be an amount equal to:

- 1.) The number of pupils who are residents of such Member's school district and are enrolled full-time at eSucceed for the following school year multiplied by a three thousand dollar (\$3,000) per pupil amount, plus
- 2.) The number of pupils from such Member's school district who are enrolled less than full-time at eSucceed for the following school year multiplied by three hundred dollars (\$300) per course or credit for each such student, plus
- 3.) The number of pupils who open-enrolled into such Member's school district and were placed by such Member into eSucceed for the following school year multiplied by the per pupil amount statutorily determined per pupil amount under Wis. Stat. §118.51.

The Total Prorated Costs for each Member shall be determined annually prior to June 30th for the following school year. Each Member shall pay eSucceed its Total Prorated Costs for the school year in two equal payments on October 15 and February 15 of such school year (each a "Payment Date").

- d. Actual Cost Adjustments. Within fifteen (15) days after each Payment Date, eSucceed shall provide each Member with an Actual Enrollment Report. The Actual Enrollment Report shall contain a recalculation of the Member's most recent Total Prorated Costs figure by utilizing the Member's actual enrollment at eSucceed as of the most recent Payment Date (the "Total Actual Costs"). Other than the modification stated in the previous sentence, the calculation of the Total Actual Costs shall be consistent with Section 5.c. In the event that the resulting Total Actual Costs figure, if substituted for the Member's most recent Total Prorated Costs figure for the current school year, would have resulted in a higher payment for the most recent Payment Date, then such Member shall pay the difference (the "Cost Adjustment") to eSucceed by December 1 if the most recent Payment date was October 15, or by May 1 if the most recent Payment Date was February 15. This paragraph shall have no effect if the Total Actual Costs figure for a particular Payment Date would have resulted in the same or a lower payment for such Payment Date. This paragraph shall additionally have no effect on the payments due on each Payment Date pursuant to Section 5.c. above.
- e. State Aid Reimbursements. State aid reimbursements shall be prorated to the Members on the same basis as the proration of costs. Pupil membership, for state aid purposes, shall be counted by each pupil's school district of residence.

6. **Annual Revenue Surplus.** For each Fiscal Year during this Agreement, each Eligible Member (as defined below) shall be entitled to receive a distributive share of eSucceed's Annual Revenue Surplus, in the event one exists. The manner of calculating and distributing the Annual Revenue Surplus are set forth below.
- a. **Calculation.** An "Annual Revenue Surplus" for a Fiscal Year shall exist only in the event that the balance in the Fund 90 account of eSucceed at the conclusion of such Fiscal Year, and after all necessary costs for the continued operation of eSucceed have been paid in full, exceeds twenty-five percent (25%) of the Approved Annual Budget for the school year within that Fiscal Year, and in such event, the Annual Revenue Surplus shall be equal to the amount of the account balance that exceeds twenty-five percent (25%) of the Approved Annual Budget in that Fiscal Year.
- b. **Distribution.** For each Fiscal Year, the Annual Revenue Surplus shall be divided and distributed as set forth below:
- 1.) To the extent that the Annual Revenue Surplus amount for a Fiscal Year is less than or equal to the total combined Consortium Membership Fees paid by all Eligible Members for such Fiscal Year ("Combined Membership Fees"), the Annual Revenue Surplus shall be divided equally among the Eligible Members.
 - 2.) In the event the Annual Revenue Surplus for a Fiscal Year exceeds the Combined Membership Fees for such Fiscal Year, the portion of the Annual Revenue Surplus that equals the Combined Membership Fees for such Fiscal Year shall be divided equally among the Eligible Members. The excess amount shall then be divided among the Eligible Members in proportion to the Total Costs (defined below) paid by each Eligible Member during such Fiscal Year, but capped for each Eligible Member at the Total Costs paid by such Eligible Member during the Fiscal Year. In the event there exists any remaining Annual Revenue Surplus after the divisions described in this paragraph, the remaining amount shall be divided equally among the Eligible Members. For purposes of this paragraph, "Total Costs" shall mean the sum of an Eligible Member's Total Prorated Costs and Cost Adjustments during the Fiscal Year.
 - 3.) Each Eligible Member's share of the Annual Revenue Surplus shall be paid by eSucceed within sixty (60) days after the end of the Fiscal Year for which the Annual Revenue Surplus exists.
- c. **Eligibility.** A Member shall be an "Eligible Member" for a given Fiscal Year (as that term is used in Section 6.b.) if it meets both of the following requirements: (1) its Membership has not been terminated under Section 18 below as of the last

day of such Fiscal Year, and (2) it is not in default of any provision of this Agreement. If a Member does not meet the preceding requirements for a given Fiscal Year it shall not be entitled to receive any portion of the Annual Revenue Surplus for such Fiscal Year.

7. **Annual Revenue Deficit.** For each Fiscal Year during this Agreement, each Obligated Member (as defined below) shall be required to pay an equal share of eSucceed's Annual Revenue Deficit, in the event one exists. An "Annual Revenue Deficit" for a Fiscal Year shall exist only in the event that the balance in the Fund 90 account of eSucceed at the conclusion of such Fiscal Year, and after all necessary costs for the continued operation of eSucceed have been paid in full, is less than the balance on the first day of such Fiscal Year, and in such event, the amount of the Annual Revenue Deficit shall be the amount of the balance decrease during such period. Each Obligated Member shall pay its equal share of the Annual Revenue Deficit to eSucceed within thirty (30) days after the end of the Fiscal Year for which the Annual Revenue Deficit exists. A Member shall be an "Obligated Member" for a given Fiscal Year if it was a Member on the first day of such Fiscal Year.
8. **Grant Reimbursements.** Notwithstanding any other provision of this Agreement, in the event that at any time before or after termination of the Charter Contract eSucceed is liable to reimburse any grantor for grant funds received and expended by eSucceed, each Member who is a Member on the first day of the Fiscal Year in which such liability arises shall be responsible for a share of the reimbursement amount, with such share to be calculated based on the proportion of each Member's number of resident students who were at eSucceed during such Fiscal Year.
9. **Admissions.** eSucceed shall be open to students in 9th-12th grade. Admission policies and procedures to eSucceed shall be as provided in the Charter Contract. In the event the number of students seeking to enroll in eSucceed exceeds the enrollment limits, admission preference shall be given to students residing in the Members' school districts.
10. **Statutory Operator and Fiscal Agent.** Gilman shall be the operator and Fiscal Agent for eSucceed for all grants, administrative services, and operations, and perform the following tasks on behalf of eSucceed:
 - a. Establish and maintain records in accordance with the uniform financial accounting system prescribed by the Wisconsin Department of Public Instruction ("Department") under §115.28(13), Wis. Stat.
 - b. File all required reports with the Department.
 - c. Upon request of the Department, file a copy of this Agreement and/or the Charter Contract and the plan of operation of eSucceed with the Department.

11. **Additional Services Provided by Fiscal Agent.** The Fiscal Agent shall provide the following services to eSucceed:
- a. **Administrative Services.** The Fiscal Agent will provide operations and administrative services such as purchasing, accounting, bookkeeping, risk management, auditing, cash management, pupil services, pupil testing, and record keeping.
 - b. **Special Education.** Each Member shall be considered the Local Education Agency (“LEA”) for purposes of its own resident students attending eSucceed. The Fiscal Agent shall be considered the LEA for students open enrolled in the Fiscal Agent’s school district and attending eSucceed. In the event that special education services are not provided by a Member’s school district and such services are instead provided by eSucceed on behalf of such Member, the Fiscal Agent shall be reimbursed by the Member for the services provided.
 - c. **Liability Insurance.** The Fiscal Agent shall provide insurance for all operations and personnel involved in the operations and governance of eSucceed, including without limitation, commercial general liability, umbrella, school leader’s error and omission/educators’ legal liability, fidelity bond/crime, fire and extended coverage and property damage for those acts reasonably related to the operations of eSucceed. Liability for claims and judgments of any nature whatsoever, arising out of the activities under this Agreement and operation of eSucceed, not covered by liability insurance, shall be shared by the participating Members jointly and severally. The insurance costs attributable to eSucceed shall be prorated equally among the Members and paid upon receiving an invoice from the Fiscal Agent.
 - d. **Teacher Licensure and Staff Background Checks.** The Fiscal Agent, or a third-party agency contracted by the Fiscal Agent for employment purposes, shall ensure that all staff providing services to eSucceed hold current and appropriate licenses or permits as required by law and shall also conduct all required pre-employment background screening for all prospective staff of eSucceed.
 - e. **Student Discipline.** Students at eSucceed will be subject to the Fiscal Agent’s policies and procedures for discipline. In the event a disciplinary action triggers due process obligations under state or federal law, the student’s resident district, as the LEA, will be responsible for meeting such obligations.
 - f. **Audit.** Funds provided by or procured for eSucceed are subject to the Fiscal Agent’s fiscal accounting procedures, including audits, and will be included in the Fiscal Agent’s financial statements as determined by its audit team.
12. **Personnel Costs.** The Fiscal Agent shall pay all personnel costs for the staff of eSucceed and shall be reimbursed for such costs from the Approved Annual Budget.

13. **Administrative Fee for Fiscal Agent.** The Member serving as Fiscal Agent under this Agreement shall be entitled to annual compensation for performing the services described herein (“Administrative Fee”). The Administrative Fee for each school year shall not exceed three percent (3%) of the Approved Annual Budget for such school year as determined pursuant to Section 5.b. above. The Administrative Fee for each school year shall be paid to the Fiscal Agent on or prior to March 31st of such school year from the eSucceed Fund 90 account.
14. **Indemnification of Fiscal Agent by Other Members.** Each Member, other than the Member serving as Fiscal Agent, hereby holds harmless, defends and indemnifies the Fiscal Agent (and its board of education and all of its affiliates, officers, employees and representatives) from and against each and every demand, claim, loss, liability, or damage of any kind, including actual attorney’s fees and expenses, whether in tort or contract, whether personal injury or property damage, arising from or in connection with the Fiscal Agent’s performance of its duties set forth in Sections 10, 11, and 12 of this Agreement.
15. **Joint Responsibilities.** The Members shall perform the actions below jointly and collaboratively.
 - a. **Charter Contract.** The Members shall decide upon the renewal or non-renewal of the Charter Contract. No Member shall be obligated to agree to a renewal of the Charter Contract at the expiration of the contract’s term. If the circumstances arise, the Members shall decide, pursuant to the Charter Contract and upon the recommendation of Gilman’s District Administrator, whether grounds exist to terminate the Charter Contract, and if so, whether the contract should be terminated.
 - c. **Insurance.** Each Member shall name all other Members to this Agreement as additional insureds on all insurance policies applicable to students attending eSucceed.
 - d. **Decision-Making and Dispute Resolution.** To the extent not otherwise set forth in this Agreement or the Charter Contract, the Members agree to jointly contribute to the ongoing development and implementation of eSucceed. Unless stated otherwise herein, decision-making as to any matter shall be made by majority vote of the Members. In the event a dispute, claim, question, or disagreement among the Members cannot be resolved by majority vote or other provisions of this Agreement, the Members shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests and the interests of eSucceed and its students and staff, attempt to reach a just and equitable solution satisfactory to the Members. If they do not reach such solution within a period of sixty (60) days, then the Members agree to first try in good

faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure.

16. **Term, Renewal and Termination.** This Agreement shall run concurrently with the Charter Contract and any renewals thereof, and shall terminate upon the expiration or termination of the Charter Contract.
17. **Membership Term; Member Withdrawal.** Each Member's rights and obligations under this Agreement ("Membership") begin on the date hereof and continue until June 30, 2021 ("Initial Membership Term"). A Member may renew its Membership for subsequent two (2) year terms thereafter (each a "Renewal Term") so long as such Member is not in default of any provision of this Agreement or removed by the other Members as set forth in Section 18 below. In the event a Member desires to withdraw from this Agreement and terminate all of its rights and obligations herein upon conclusion of the Initial Membership Term or any Renewal Term, such Member ("Withdrawn Member") must provide notice in writing to the Fiscal Agent's District Administrator at least six (6) months prior to the end of such term. Any outstanding obligations under this Agreement of a Withdrawn Member shall survive such Withdrawn Member's withdrawal.
18. **Member Removal.** The Members may, by Supermajority Vote (defined below), determine that a Member's Membership should be terminated and such Member ("Removed Member") be removed as a party to this Agreement. The Members may remove a Member for any reason, including, but not limited to, the Removed Member's continually low enrollment numbers, poor cooperation with Members, lack of timeliness in satisfying its obligations under this Agreement, or insufficient efforts marketing eSucceed to its resident students. If such vote occurs during a school year, such termination shall take effect upon conclusion of the current Fiscal Year and the Removed Member's obligations under this Agreement shall remain in effect until such time. If such vote occurs after the conclusion of a school year and prior to the following school year, then such termination shall be effective immediately for the following school year. Any outstanding obligations under this Agreement of a Removed Member shall survive such Removed Member's removal. "Supermajority Vote" shall mean the affirmative vote, approval, or consent, as the case may be, of more than sixty-five percent (65%) of the Members other than the Member that is the subject of such vote.
19. **Default.** In the event a Member fails to perform any of its obligations under this Agreement, it shall not be in default unless another Member provides all Members with notice of the nonperformance and the nonperforming Member fails to fully cure the nonperformance within thirty (30) days after such notice is received. In the event of a default, the non-defaulting Members may unanimously agree to take any of the following actions: (1) jointly pay any deficient cost contributions or Consortium Membership Fees

of the defaulting Member as needed and determined by the performing Members; (2) terminate the defaulting Member's Membership and terminate such Member's status as a party to this Agreement immediately or at a future date; and (3) pursue all other rights and remedies available to the Members by law.

20. Miscellaneous.

- a. Governing Law. This Agreement shall be governed by the law of the State of Wisconsin. If this Agreement references a provision of the Wisconsin Statutes or United States Code or implementing code, rule, or regulation, and such provisions, code, rule, or regulation is subsequently amended, such reference in this Agreement shall be deemed to be amended to conform to the amended provision, code, rule, or regulation.
- b. Entire Agreement. The Agreement sets forth the entire agreement between the Members with respect to the subject matter of this Agreement. All prior agreements, contracts, representations, statements, negotiations, understandings and undertakings are superseded by this Agreement.
- c. Severability. If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the Members shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent the agreements of the Members herein set forth.
- d. Amendments. No amendment to this Agreement shall be effective unless the same is in writing and signed by the authorized representatives of all Members.
- e. Assignment. This Agreement is not assignable by any Member without the prior written consent of all other Members.
- f. Non-waiver. Except as provided herein, no term or provision of this Agreement shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the Member claimed to have waived or consented. No consent by any Member to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute consent to, waiver of, or excuse of any different or subsequent breach or default.
- g. Force Majeure. If any circumstances occur which are beyond the control of a Member, which delay or render impossible the obligations of such Member, the Member's obligation to perform such services shall be postponed for an

equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

- h. Counterparts: Signature by Facsimile or Electronic Mail. This Agreement may be signed in counterparts, which shall together constitute the signed original Agreement. A signature delivered by facsimile or electronic mail shall be considered an original for purposes of this Agreement.

IN WITNESS WHEREOF, the Members have caused this Agreement to be executed by their duly authorized representatives as of the date written below. Through their signatures, the representatives of the Members confirm that they have full authority to execute this Agreement.

SCHOOL DISTRICT OF BRUCE

| | |
|------------------------|--------------------|
| By: _____ | ATTEST: _____ |
| School Board President | School Board Clerk |
| Date: _____ | Date: _____ |

SCHOOL DISTRICT OF CADOTT COMMUNITY

| | |
|------------------------|--------------------|
| By: _____ | ATTEST: _____ |
| School Board President | School Board Clerk |
| Date: _____ | Date: _____ |

SCHOOL DISTRICT OF CORNELL

| | |
|------------------------|--------------------|
| By: _____ | ATTEST: _____ |
| School Board President | School Board Clerk |
| Date: _____ | Date: _____ |

SCHOOL DISTRICT OF GILMAN

| | |
|------------------------|--------------------|
| By: _____ | ATTEST: _____ |
| School Board President | School Board Clerk |
| Date: _____ | Date: _____ |

SCHOOL DISTRICT OF CORNELL

By: _____ ATTEST: _____
School Board President School Board Clerk

Date: _____ Date: _____

SCHOOL DISTRICT OF GILMAN

By: Donald Simon ATTEST: Valerie Kulesa
School Board President School Board Clerk

Date: 2/11/2019 Date: 2/11/2019

SCHOOL DISTRICT OF LAKE HOLCOMBE

By: _____ ATTEST: _____
School Board President School Board Clerk

Date: _____ Date: _____

SCHOOL DISTRICT OF NEW AUBURN

By: _____ ATTEST: _____
School Board President School Board Clerk

Date: _____ Date: _____

STANLEY-BOYD AREA SCHOOL DISTRICT

By: _____ ATTEST: _____
School Board President School Board Clerk

Date: _____ Date: _____

SCHOOL DISTRICT OF THORP

By: _____ ATTEST: _____
School Board President School Board Clerk

Date: _____ Date: _____

[Signature Page of Intergovernmental Cooperation Agreement]