

PLEASE POST



SCHOOL DISTRICT OF SHOREWOOD
Shorewood, Wisconsin
January 11, 2022 AGENDA

SCHOOL BOARD MEETING
7:00 PM
Shorewood Intermediate School, Room 214
3830 North Morris Boulevard
Shorewood, WI 53211

Due to active health and safety concerns associated with the ongoing COVID-19 pandemic, community members will not be seated in Room 214; seating will be available in the Shorewood Intermediate School Library. Attendees are encouraged to use the alternative method of access that the District is providing on Zoom:

Join Zoom:

<https://us02web.zoom.us/j/81599627722>

Meeting ID: 815 9962 7722

One tap mobile

+16468769923,,81599627722# US (New York)

+13017158592,,81599627722# US (Washington DC)

Dial by your location

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Meeting ID: 815 9962 7722

Find your local number: <https://us02web.zoom.us/u/kdeePLnyIh>

I. 7 pm CALL TO ORDER

A. Adopt the Agenda (GC2)	
B. Overarching Result for Shorewood School District (R1)	
<i>Our students are leaders who challenge themselves to grow and achieve academically, pursue their passions, navigate change, learn continuously and contribute to the common good.</i>	
C. Awards and Recognitions	
II. 7:05 pm STUDENT ACHIEVEMENT AND RESULTS (R1)	
III. 7:15 pm PUBLIC COMMENTS #1 (GC3)	
<i>Initiate and maintain effective communication with the citizens and other important stakeholder groups as a means to engage them in the work of the Board and the District.</i>	
IV. 7:30 pm BOARD BUSINESS AND POSSIBLE BOARD ACTION	
A. Facilities Projects Updates Mike Huffman	3
B. Approval of the 2021 Auditors Report Heather Heaviland	17
C. Approval of Operating Expectations Report Changes	127
OE 3 (Treatment of Stakeholders - Student Families and Staff)	
D. Board Governance	
Future Meetings: Location and Format	
E. Discussion of WASB Resolution	133
F. Linkage Reports	156
V. 8:30 pm BOARD CONSENT AGENDA (GC2)	
A. Approval of Board Meeting Minutes	157
AMENDED November 30, 2021 Closed Session	
December 14, 2021 Regular Meeting	
VI. 8:35 pm PUBLIC COMMENT #2 (GC3)	
<i>Initiate and maintain effective communication with the citizens and other important stakeholder groups as a means to engage them in the work of the Board and the District.</i>	
VII. 8:50 pm BOARD MEMBER REPORTS	160
VIII. 9:00 pm SUPERINTENDENT'S REPORT	162
IX. 9:10 pm SUPERINTENDENT'S CONSENT AGENDA	
A. Approval of November 2021 Monthly Financial Reports	166
X. 9:15 pm PUBLIC COMMENT #3 (GC3)	
<i>Initiate and maintain effective communication with the citizens and other important stakeholder groups as a means to engage them in the work of the Board and the District.</i>	
XI. 9:30 pm REVIEW OF 'TO DO' ITEMS	
XII. 9:35 pm FUTURE AGENDA ITEMS	
XIII. 9:45 pm RECESS AND DEBRIEF	



Project Status Report for

Shorewood School

District

1/2022

3

Mike Huffman, HFD

Your Partner in
Development

Construction Progress

Atwater & Lake Bluff

- Atwater wheelchair lift installation is complete, electricians are finishing wiring and controls.
- Miron is now addressing deficiencies/problems identified through our December staff survey.

Construction Progress

High School

- Replacement of exterior and interior doors at east and west vestibules of the Administration building is underway.
- Exterior work around the Powerhouse is nearly complete while interior infrastructure improvements are ongoing.
- Scheduling and final planning for summer work at the Arts & Sciences building is taking place.

Intermediate School

- Construction work has begun at SIS! Contents of rooms involved in Phase 1 have been either moved to temp locations for teaching purposes or to storage containers located around the building for long term storage.

Project Administration

FF&E

- Furniture has been delivered and installed in all spaces at SHS other than that for the front lobby and teacher's workroom.
- Furniture plans are being formed for SIS's spaces with Creative Business Interiors.

Construction

- Completion of final punch-list work is being monitored at the elementary schools.
- HVAC system operation for the HS campus, Lake Bluff and Atwater is being reviewed. Boiler operation is currently not satisfactory during summer re-heat conditions.
- Some potential additional work scope has been identified for SIS. These items are in design/pricing and will be presented to SSD for approval in the coming month.

Budget and Bid Updates

In previous reports I have described change orders 1-46 that have been executed. We have now executed the following change orders:

No new change orders have been executed in the past month.

Project Update Photos – Atwater



Installation of wheelchair lift by gym is nearing completion

Project Update Photos – SIS Demolition



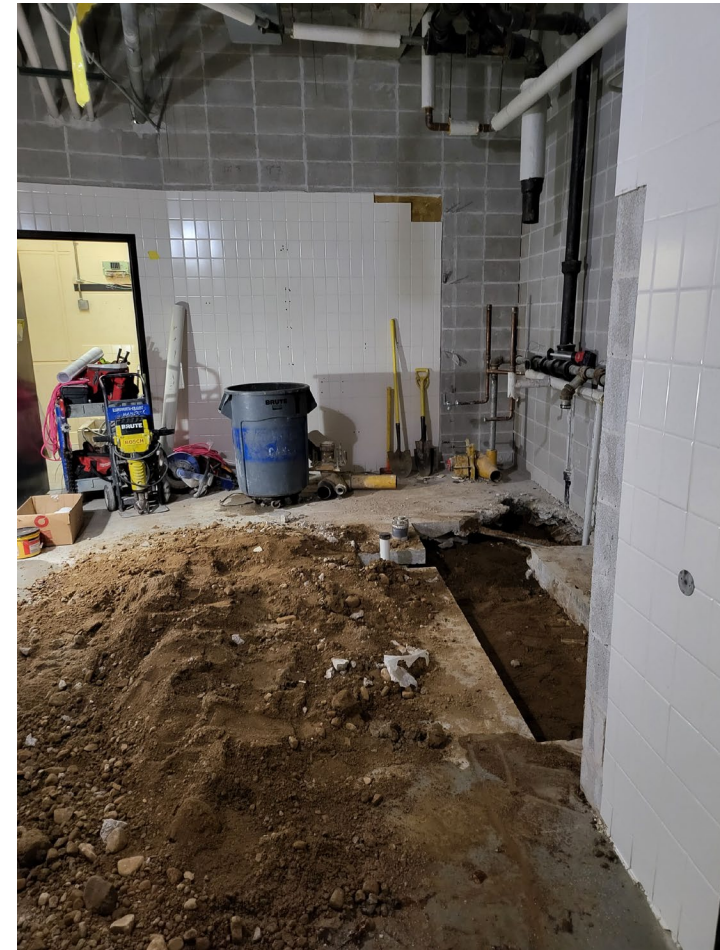
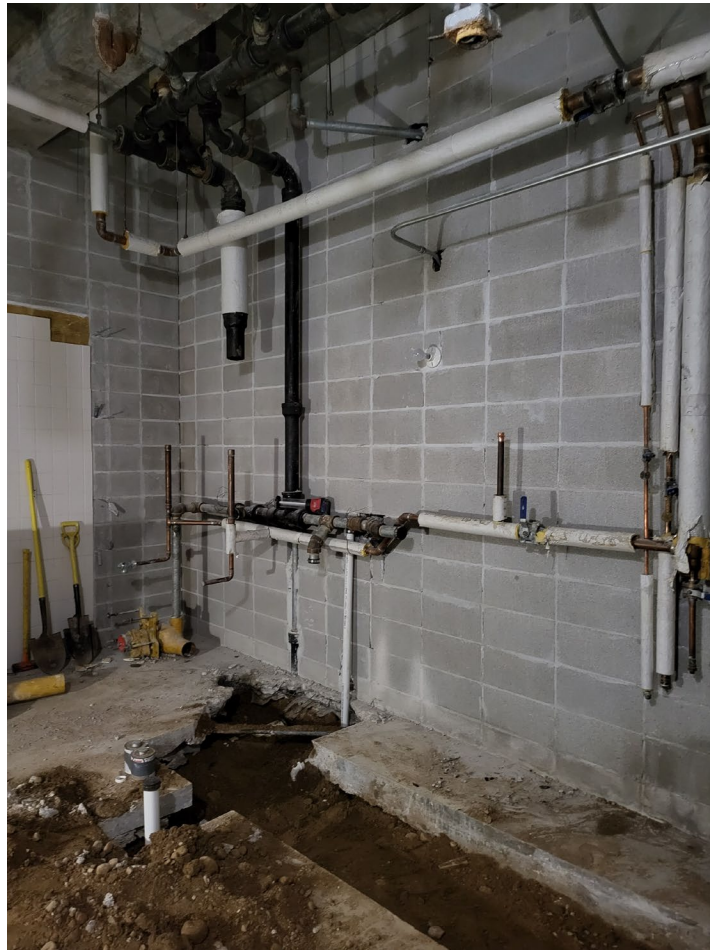
Asbestos abatement is complete and demolition is underway with phase 1

Project Update Photos – SIS Phase 1 Demolition



Phase 1 progress

Project Update Photos – SIS Phase 1 Demolition



Boys Restroom

Project Update Photos – Powerhouse



Concrete cap over lower-level structure



New ADA access ramp (in background)

Project Update Photos – Powerhouse



Improved stormwater management at Arena entry



Bioretention basins are complete

Project Update Photos – Powerhouse



Restored stair access from N. Bartlett Avenue cul-de-sac to HS campus – will be opened after handrail installation

Project Update Photos – SHS



All lockers in LMC have now been electrostatically painted



Main entry lobby expanded by removing side offices – increased daylight

Huffman Facility Development, Inc.

Shorewood School District Referendum Projects
 BUDGET SUMMARY
 01/05/22

DESCRIPTION	BUDGET	FINAL PROJECTED COST	PAYMENTS TO DATE	% Complete
Pre-Development	44,588	39,588	39,588	100.00%
Professional Services <i>Design, Project Mgmt, Legal, Quality Testing</i>	4,381,730	4,647,560	4,223,301	90.87%
Owner Provided Equipment	2,440,000	2,340,000	721,682	30.84%
Construction	52,031,460	57,529,022	48,124,597	83.65%
Other Project Expense	505,000	1,005,000	551,675	54.89%
Additional Funding Sources	0	(1,081,000)	0	0.00%
Owner Contingency	5,597,223	519,831	0	0.00%
TOTAL	65,000,000	65,000,000	53,660,842	82.56%
FINAL PROJECTED COST		<u>65,000,000.00</u>		
Balance - Under / (Over)		<u><u>0.00</u></u>		



EXECUTIVE SUMMARY FOR THE SHOREWOOD SCHOOL BOARD

Topic: Audited Financial Statements for the Year Ended June 30, 2021

Date: January 11, 2022

Prepared by: Heather Heaviland

Recommended action:

- Information only
- Presentation/discussion
- Discussion/action by board of education
- Presentation/action next meeting

Purpose: Recommend acceptance of the audited financial statements for the year ended June 30, 2021.

Background: The financial records of the school district are audited yearly by an independent certified public accountant in compliance with state statutes and good business practices. The audit is conducted in conformance with generally accepted auditing standards and DPI regulatory requirements. The audit is conducted on behalf of the Board of Education and the auditors report directly to the Board.

Representatives of the audit firm, Clifton, Larson, Allen, LLP will be presenting the audited financial statements as well as comments or suggestions, if any.

Attachments:

- Final Report and Financial Statements - FY21
- Executive Summary
- Prior Year Audit and Corrective Action Plan



Business & Human Resource Services
1701 E Capitol Drive
Shorewood, WI 53211
414.963.6911
www.shorewoodschoools.org

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

PRIOR YEAR AUDIT FINDINGS

The findings noted in the 2020 schedule of findings and questioned costs have been reported to the proper federal and state agencies. The current status of the prior year audit findings, as provided by management, follows:

Finding No. Prior Year Audit Finding

2020-001 Preparation of Annual Financial Report

Management continues to rely upon the audit firm to prepare its financial statement. The finding is repeated as 2021-001.

CORRECTIVE ACTION PLAN

Finding No. Corrective Action Plan

2021-001 Preparation of Annual Financial Report

District management believes that the cost of employing internal resources to draft financial statements and related notes under the GASB 34 model, including the related GASB 34 conversion entries, would outweigh the benefits to be received. Furthermore, District management will continue to employ personnel who have the capability to review, approve, and accept responsibility for the financial statements. The Director of Business Services has reviewed and approved the annual financial report prior to issuance.

Name of responsible official: Heather Heaviland, Director of Business Services
Expected Completion Date: Ongoing, no formal expected completion date.



CliftonLarsonAllen LLP
CLAconnect.com

Board of Education
Shorewood School District
Shorewood, Wisconsin

This Executive Audit Summary and Board Communications present information which we believe is important to you as members of the Board of Education. We encourage you to review the sections of this report, the audited financial statements, and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the District for the courtesies, cooperation, and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads "Jake Lenell".

Jake Lenell, CPA
Principal

A handwritten signature in cursive script that reads "Amber Drewieske".

Amber Drewieske, CPA
Manager



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN**

**EXECUTIVE AUDIT SUMMARY AND
BOARD COMMUNICATIONS**

YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

EXECUTIVE AUDIT SUMMARY	1
I. FORMAL REQUIRED COMMUNICATIONS	2
II. INTERNAL CONTROL COMMUNICATIONS	6
APPENDIX A	
FINANCIAL TRENDS OF YOUR DISTRICT	8
APPENDIX B	
TECHNICAL UPDATE	10
APPENDIX C	
MANAGEMENT REPRESENTATION LETTER	

**EXECUTIVE AUDIT SUMMARY FOR
SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
YEAR ENDED JUNE 30, 2021**

We prepared this Executive Audit Summary in conjunction with our audit of Roger Dickson the District's financial statements for the year ended June 30, 2021.

Audit Opinion

The financial statements are fairly stated. We issued what is known as a "clean" audit report.

Internal Controls

Our report on internal control included the following deficiencies in internal controls over financial reporting:

Significant Deficiencies:

- Finding 2021-001 Preparation of Annual Financial Report

In addition, there were no deficiencies in internal control over compliance reported.

Compliance Findings

There were no separate compliance findings reported.

General Fund Balance

The District's General Fund experienced an increase in fund balance of \$211,399 for the year ending June 30, 2021. The ending fund balance of \$2,680,051 at June 30, 2021 represents 10% of expenditures included for the year and is an important aspect in the District's financial well-being since a healthy fund balance represents things such as cash flow and as a cushion against unanticipated expenditures, enrollment fluctuations, and state aid changes.

Budget

The District's General Fund revenues were \$342,210, or 1.28%, less than the final budget, while total expenditures were \$253,397, or 1.07%, less than had been budgeted.



FORMAL REQUIRED COMMUNICATIONS

Board of Education
Shorewood School District
Shorewood, Wisconsin

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Roger Dickson Shorewood School District (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards, 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*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements.

As described in Note 3.E., the District changed accounting policies related to agency and scholarship funds by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in 2021. Accordingly, agency and non-trusted scholarship activity is now recorded in a special revenue fund.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Useful lives of depreciable capital assets
- Supplemental pension and other postemployment benefits
- Net pension asset/liability (WRS)
- Fair value of investments

Management's estimate of useful lives for depreciable assets is based upon analysis of the expected useful life of the capital assets. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Management's estimate of the supplemental pension and other postemployment benefits payable and related deferred inflows and deferred outflows of resources is based on assumptions provided and used in the actuarial valuation including: inflation, salary increases, health-care cost trend rates, and mortality rates. The projected benefit payments also include assumptions about retiree and spouse participation rates, and estimates related to the implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

Management's estimate of the net pension asset/liability related deferred inflows and deferred outflows of resources is based on an actuarially determined calculation of the District's proportionate share of the net pension liability of cost-sharing multiple-employer pension plans sponsored by the Wisconsin Retirement System in which the District participates.

Management's estimate of the fair value of investments is based on published market values.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected Misstatements

None of the misstatements detected as a result of audit procedures and corrected by management are material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 14, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Issues Discussed with Management Prior to Engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other Information in Documents Containing Audited Financial Statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

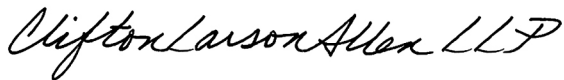
With respect to the schedule of expenditures of federal awards (SEFA) and the schedule of expenditures of state awards (SESA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA and SESA to determine that the SEFA and SESA complies with the requirements of the Uniform Guidance and the *State Single Audit Guidelines*, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA and SESA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA and SESA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 14, 2021.

With respect to the nonmajor fund combining statements, individual fund statements, and supporting schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 14, 2021.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Education and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 14, 2021



INTERNAL CONTROL COMMUNICATIONS

Board of Education
Shorewood School District
Shorewood, Wisconsin

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shorewood School District (the District) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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.

Material Weaknesses

Given the limitations described in the second paragraph, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Significant Deficiencies

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. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

None of the identified significant deficiencies are considered to be material weaknesses.

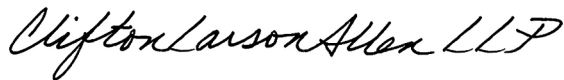
The following significant deficiency was identified and communicated in a prior period:

- **Preparation of Annual Financial Report**

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, results of operations and disclosures in the financial statements, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. As such, management requested us to prepare a draft of the financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in entities of your size and is a result of management's cost benefit decision to rely on auditor expertise rather than incurring this internal resource cost. The design of internal controls over the financial reporting process affects the ability of the organization to report their financial data consistently with the assertions of management in the financial statements.

* * *

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

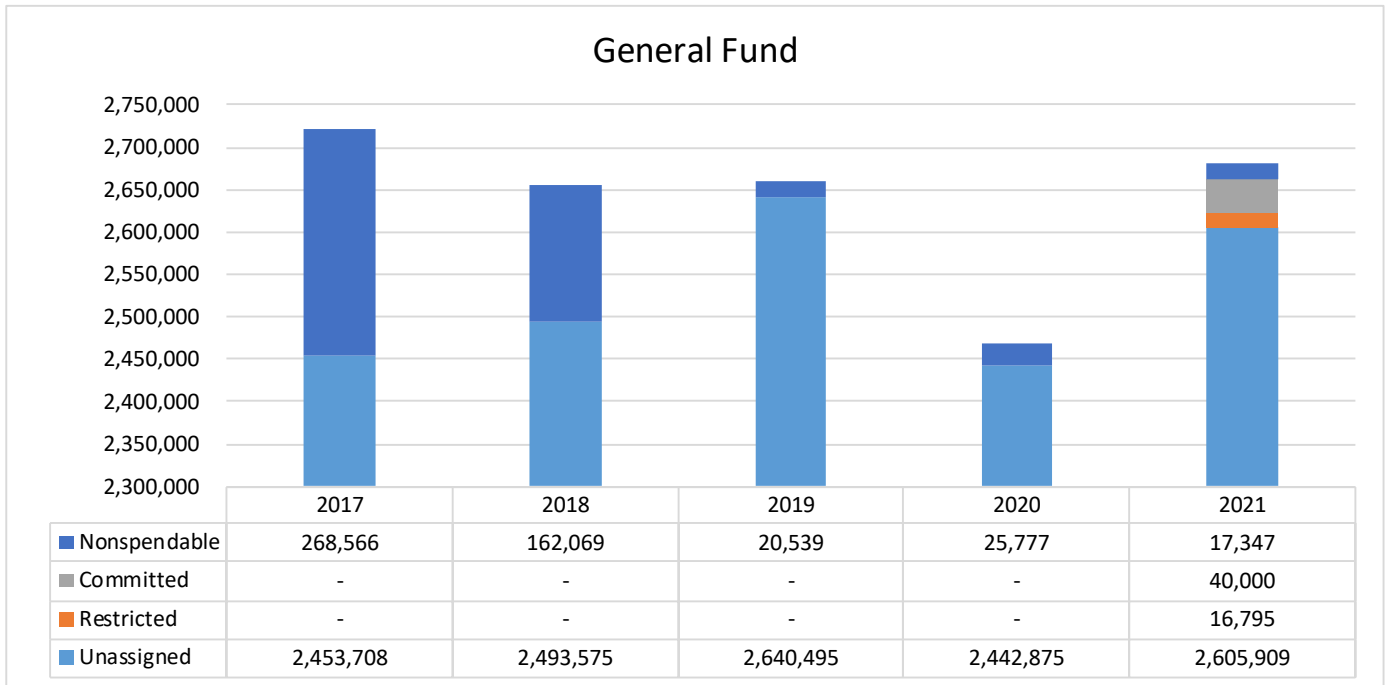


CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 14, 2021

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
APPENDIX A
FINANCIAL TRENDS OF YOUR DISTRICT**

The following graphs reflect financial trends of Shorewood School District. Information related to fund balances, revenues, and expenditures on pages 9 through 10 were obtained from current and prior year audit reports.

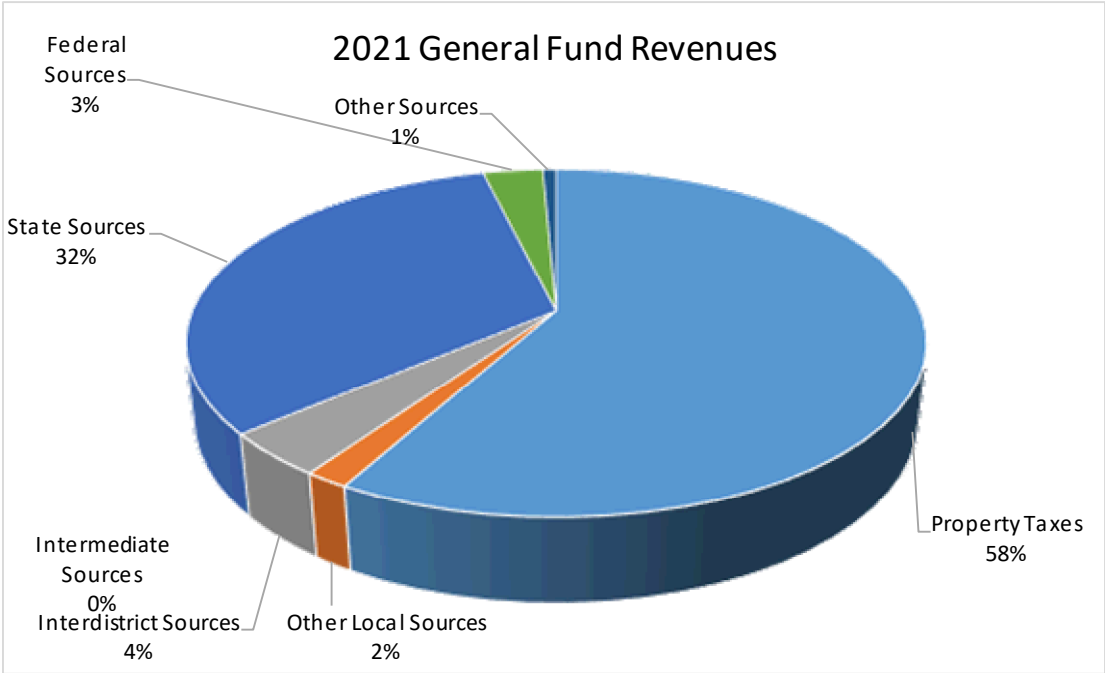


As indicated above, the District’s unassigned General Fund balance totaled \$2,605,909 on June 30, 2021. This amount essentially represents cash available for use during the 2021 - 2022 school year. Based on industry benchmarks, a fund balance of between 20 - 25% of a school district’s General Fund operating expenditures is needed for a working cash reserve based on the following items that have a negative effect on cash flow:

1. The present payment schedule for state aids for school purposes results in approximately 83% of the total school aids due being received after December 1, more than five months after the school year has started. In addition, approximately 35% of aids are not received until June of July.
2. Property taxes levied to finance the school year budget are levied on January 1, six months after the school year has started. In addition, the collection method for property taxes results in a large portion of taxes not being received until August, approximately two months after the school year has ended.

The District issues short-term debt to temporarily finance general fund expenditures in the fall.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
APPENDIX A (CONTINUED)
FINANCIAL TRENDS OF YOUR DISTRICT**



**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
APPENDIX B
TECHNICAL UPDATE**

GASB Standards that will be effective for the District's 2021-2022 fiscal year:

GASB Statement No. 87 – Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Specifically, this statement:

1. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
2. Defines the "lease term" and clarifies when lessees and lessors should reassess the lease term due to lease modifications or terminations.
3. Defines and establishes recognition criteria for short-term leases.
4. Amends accounting and financial reporting requirements for contracts with multiple components, contract combinations, subleases, and leaseback transactions.

The statement is effective for Wisconsin school districts beginning in the 2021-2022 fiscal year. Earlier application is encouraged.

Steps that can be taken now:

1. **Gather leases and contracts.** Depending on the number of leases your organization has, this may be a bigger challenge than anticipated. Keep in mind that not all leases are written "lease" agreements. Some contracts also include embedded leases that were previously treated as expenses, so you may be surprised to find more operating leases than you realized. Checking accounts payable for recurring payments may help you locate agreements that you'll need to analyze.
2. **Analyze all contracts to determine which are leases under the new standard.** GASB 87 defines a lease as a "contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset), as specified in the contract, for a period of time in an exchange or exchange-like transaction." Here are some of the agreements that can be excluded:
 - Short-term leases that are one year or less in duration.
 - Intangibles, such as investment assets, software licenses, and patents.
 - Financed purchases, where ownership of the asset transfers at the end of the lease without an additional payment.
3. **Review leases for multiple components.** Some leases include service agreements that will need to be split off from the entire lease. Many agreements (like service agreements and supply contracts) may qualify as leases under GASB 87. Some examples of service contracts that may have embedded leases can include cafeteria equipment, soda fountains, water coolers, coffee machines, etc. where the government may get to use a particular piece of equipment for free in return for the exclusive use of the provider's products.
4. **Determine appropriate materiality thresholds for capitalization.** Work with your auditor to determine what this should be. Be aware that items that are well below that threshold individually may be material in the aggregate.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
APPENDIX B (CONTINUED)
TECHNICAL UPDATE**

5. **Select a technology solution such as leasing software to help manage your leases.** Unless your organization only has a few leases, the calculations for journal entries and footnote disclosures will most likely be beyond the capabilities of Excel. When choosing a software solution, keep in mind that tracking this information from leases will be an ongoing project, so look for one that's easy to use and provides your organization with all the information you'll need. Make sure to consider document storage as part of the capabilities. Entities with greater than 10-20 identified leases may wish to seriously consider a lease software solution and not rely on spreadsheets. Keep in mind that if a government has many similar leases, it may choose to amortize the lease assets as a group rather than individually. Composite depreciation is applied to groups of dissimilar assets, but should not be applied across classes of assets, such as buildings, equipment, furniture, and vehicles.
6. **Consider the district's bond covenants, loan covenants, and debt limitations to determine impact.** While a recent update from GASB (GASB 88) specifies that lease liabilities are excluded from the definition of debt for the purposes of financial statement disclosures, it's not clear whether banks, credit rating agencies or other stakeholders will take a similar stance.
Adding liabilities for operating leases to the balance sheet may mean that covenants for bond contracts and loan agreements will be violated. If this is the case, you may need to renegotiate those agreements. Contacting these stakeholders and other interested parties early on is crucial.
Adding to the complexity, the rules and statutes governing debt limitations vary across states, counties, and municipalities. You may need to consult with an attorney to determine whether lease liabilities count as debt for those limitations.
7. **Develop new district policies and procedures as necessary.** Unlike many other financial controls, you'll need to work as a team with people outside of accounting, including procurement, IT, and legal, to make sure all leases and contracts go through accounting. You may need to educate others about the balance sheet impacts of leases.
8. **Do your initial calculations and run the results past your auditor.** Because the calculations are different from the previous treatment of leases, some advisors are recommending performing a trial calculation on a subset of your leases. Then, ask us as your auditors to check your numbers before you do the entire population of leases.
9. **Begin the process early.** Early adopters report that they need two or three hours per lease to analyze and extract the data. Adding to the challenge, many government finance professionals wear many hats, and dealing with financial matters may be only a small part of their responsibilities. Be sure to keep the resulting information very organized and accessible and also keep in mind the new information that will be required for footnote disclosures.
10. **Start learning and keep learning.** Understanding the new standards is a steep learning curve. You'll need to dedicate time and resources for your team to get up to speed.

APPENDIX C



Business & Human Resource Services
1701 E Capitol Drive
Shorewood, WI 53211
414.963.6911
www.shorewoodschoools.org

December 14, 2021

CliftonLarsonAllen LLP
2200 Riverside Drive
Green Bay, Wisconsin 54305-3819

This representation letter is provided in connection with your audit of the financial statements of Shorewood School District, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of December 14, 2021, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 28, 2021, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
8. We have not identified or been notified of any uncorrected financial statement misstatements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
12. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
13. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
14. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
15. We believe that all material expenditures that have been deferred to future periods will be recoverable.
16. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
17. We are unable to determine the possibility of a withdrawal liability in a multiple-employer benefit plan.

18. We do not intend to compensate for the elimination of postretirement benefits by granting an increase in pension benefits.
19. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedules of expenditures of federal and state awards.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse whose effects should be considered when preparing financial statements.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Shorewood School District, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
20. The financial statements properly classify all funds and activities.

21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
24. Provisions for uncollectible receivables have been properly identified and recorded.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
31. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
32. We acknowledge our responsibility for presenting the combining nonmajor fund statements and (identify other supplementary information) (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

33. As part of your audit, you prepared the draft financial statements and related notes, schedule of expenditures of federal awards and schedule of expenditures of state awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, schedule of expenditures of federal awards and schedule of expenditures of state awards. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
34. We have evaluated the adequacy and results of the depreciation services performed and accept responsibility for the results. We acknowledge our responsibility for our depreciation schedules and have determined the methods and rates of depreciation and the salvage values used in the calculations. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your depreciation services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
35. In regard to the proposing of routine journal entry and capital asset depreciation services performed by you, we have:
 - a. Made all management judgments and decisions and assumed all management responsibilities.
 - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the service.
36. We agree with the findings of specialists in evaluating the other postemployment benefits, pension benefits, and incurred but not reported claims and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

37. With respect to federal and state award programs:

- a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration including requirements relating to preparation of the schedules of expenditures of federal and state awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance and the schedule of expenditures of state awards (SESA) in accordance with the requirements of the *State Single Audit Guidelines*, and we believe the SEFA and SESA, including their form and content, are fairly presented in accordance with the Uniform Guidance and the *State Single Audit Guidelines*. The methods of measurement and presentation of the SEFA and SESA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA and SESA.
- c. If the SEFA and SESA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SESA no later than the date we issued the SEFA and SESA and the auditors' report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and *State Single Audit Guidelines* compliance audit, and included in the SEFA and SESA expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal or state awards, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major federal and state program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.

- g. We have made available to you all federal and state awards (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.
- h. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement* and the *State Single Audit Guidelines*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and state awards.


We have complied with the direct and material compliance requirements including when applicable, those set forth in the *OMB Compliance Supplement* and the *State Single Audit Guidelines*, relating to federal and state awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal and state awards.

- j. We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.

- p. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
- q. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- r. The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- s. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal and state statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance and *State Single Audit Guidelines*.
- t. We have issued management decisions for audit findings that relate to federal and state awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- u. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- v. We have charged costs to federal and state awards in accordance with applicable cost principles.
- w. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and *State Single Audit Guidelines*, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- x. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- z. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance and *State Single Audit Guidelines*.

aa. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature:  Title: Superintendent

Signature:  Title: Director of Business Services

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	5
STATEMENT OF ACTIVITIES	6
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	7
RECONCILIATION TO THE STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS	14
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	15
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	16
NOTES TO BASIC FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS	51
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND – BUDGETARY BASIS	53
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS	54
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OTHER POSTEMPLOYMENT BENEFIT PLAN	55
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	56
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	56

SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS – SUPPLEMENTAL PENSION	57
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	58
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	62
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	64
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	67
FEDERAL AND STATE AWARDS	
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE <i>STATE SINGLE AUDIT GUIDELINES</i>	70
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	72
SCHEDULE OF EXPENDITURES OF STATE AWARDS	73
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS	74
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	76



INDEPENDENT AUDITORS' REPORT

Board of Education
Shorewood School District
Shorewood, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shorewood School District, Shorewood, Wisconsin (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3.E., during 2021, the District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. As a result, the District identified activities previously reported as fiduciary activities that no longer meet the definition of a fiduciary activity. In prior years, these amounts were reported in the student activity and scholarship funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules relating to pensions and other postemployment benefits listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other 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 financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards and schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 14, 2021, 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.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 14, 2021

BASIC FINANCIAL STATEMENTS

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 15,603,084
Receivables:	
Taxes	2,088,199
Accounts	468,625
Due from Other Governments	537,543
Prepaid Items	120,421
Net Pension Asset	6,601,818
Capital Assets:	
Nondepreciable	35,685,740
Depreciable, Net	21,626,865
Total Assets	82,732,295
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	10,460,096
Other Postemployment Related Amounts	182,157
Total Deferred Outflows of Resources	10,642,253
LIABILITIES	
Accounts Payable	4,102,899
Accrued and Other Current Liabilities	1,302,249
Accrued Interest Payable	351,110
Unearned Revenues	579,818
Deposits Payable	353,579
Long-Term Obligations	
Due in One Year	2,432,905
Due in More Than One Year	42,944,101
Other Postemployment Benefits Liability	2,070,629
Net Pension Liability	973,737
Total Liabilities	55,111,027
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	14,600,456
Other Postemployment Related Amounts	126,886
Total Deferred Inflows of Resources	14,727,342
NET POSITION	
Net Investment in Capital Assets	20,744,038
Restricted:	
Grant Funds	16,795
Community Service	294,516
Food Service	152,579
Capital Projects	93,451
Debt Service	3,021,377
Pension Asset	6,601,818
Unrestricted	(7,388,395)
Total Net Position	\$ 23,536,179

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 16,328,933	\$ 1,423,010	\$ 2,028,324	\$ -	\$ (12,877,599)
Support Services	10,072,225	4,593	966,119	-	(9,101,513)
Community Services	1,098,530	508,052	868	-	(589,610)
Nonprogram	870,303	-	170,279	-	(700,024)
Interest and Fiscal Charges	1,521,339	-	-	-	(1,521,339)
Depreciation - Unallocated	1,123,357	-	-	-	(1,123,357)
Total Governmental Activities	<u>\$ 31,014,687</u>	<u>\$ 1,935,655</u>	<u>\$ 3,165,590</u>	<u>\$ -</u>	(25,913,442)
GENERAL REVENUES					
Property Taxes					22,284,348
State and Federal Aids not Restricted to Specific Functions					7,230,872
Interest and Investment Earnings					492,819
Gain on Disposal of Capital Assets					500
Miscellaneous					563,688
Total General Revenues					<u>30,572,227</u>
CHANGE IN NET POSITION					
Net Position - July 1, as Originally Stated					18,660,569
Cumulative Effect of Change in Accounting Principle					216,825
Net Position - July 1, as Restated					<u>18,877,394</u>
NET POSITION - END OF YEAR					<u>\$ 23,536,179</u>

See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Referendum Debt Service	Capital Projects
ASSETS			
Cash and Investments	\$ -	\$ 2,055,065	\$ 12,050,338
Receivables:			
Taxes	2,088,199	-	-
Accounts	343,467	-	-
Due from Other Funds	2,761,550	1,156,831	-
Due from Other Governments	511,294	-	-
Prepaid Items	17,347	-	100,000
	<u>\$ 5,721,857</u>	<u>\$ 3,211,896</u>	<u>\$ 12,150,338</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 263,416	\$ -	\$ 3,752,699
Accrued and Other Current Liabilities	1,241,092	-	-
Due to Other Funds	1,183,719	-	2,761,550
Unearned Revenues	-	-	500,000
Deposits Payable	353,579	-	-
Total Liabilities	<u>3,041,806</u>	<u>-</u>	<u>7,014,249</u>
FUND BALANCES			
Nonspendable	17,347	-	100,000
Restricted	16,795	3,211,896	5,036,089
Committed	40,000	-	-
Unassigned	2,605,909	-	-
Total Fund Balances	<u>2,680,051</u>	<u>3,211,896</u>	<u>5,136,089</u>
	<u>\$ 5,721,857</u>	<u>\$ 3,211,896</u>	<u>\$ 12,150,338</u>
Total Liabilities and Fund Balances			

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Other Governmental Funds	Totals
ASSETS		
Cash and Investments	\$ 1,497,681	\$ 15,603,084
Receivables:		
Taxes	-	2,088,199
Accounts	125,158	468,625
Due from Other Funds	26,888	3,945,269
Due from Other Governments	26,249	537,543
Prepaid Items	3,074	120,421
Total Assets	\$ 1,679,050	\$ 22,763,141
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 86,784	\$ 4,102,899
Accrued and Other Current Liabilities	61,157	1,302,249
Due to Other Funds	-	3,945,269
Unearned Revenues	79,818	579,818
Deposits Payable	-	353,579
Total Liabilities	227,759	10,283,814
FUND BALANCES		
Nonspendable	3,074	120,421
Restricted	1,104,555	9,369,335
Committed	343,662	383,662
Unassigned	-	2,605,909
Total Fund Balances	1,451,291	12,479,327
Total Liabilities and Fund Balances	\$ 1,679,050	\$ 22,763,141

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2021**

Total Fund Balances as Shown on Previous Page \$ 12,479,327

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 57,312,605

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.

Deferred Outflows Related to Pensions	10,460,096
Deferred Inflows Related to Pensions	(14,600,456)
Deferred Outflows Related to Other Postemployment Benefits	182,157
Deferred Inflows Related to Other Postemployment Benefits	(126,886)

Long-term asset are not considered available; therefore, are not reported in the funds:

Net Pension Asset	6,601,818
-------------------	-----------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds, Notes, and Capital Leases Payable	(43,001,193)
Debt Premium	(2,306,199)
Compensated Absences	(69,614)
Other Postemployment Benefits Liability (Asset)	(2,070,629)
Net Pension Liability	(973,737)
Accrued Interest on Long-Term Obligations	<u>(351,110)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (see Page 5)	<u>\$ 23,536,179</u>
---	----------------------

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Referendum Debt Service</u>	<u>Capital Projects</u>
REVENUES			
Property Taxes	\$ 16,187,953	\$ 3,971,546	\$ -
Other Local Sources	456,133	332	489,737
Interdistrict Sources	1,126,891	-	-
Intermediate Sources	2,855	-	-
State Sources	9,026,914	-	-
Federal Sources	865,559	-	-
Other Sources	195,027	-	-
Total Revenues	<u>27,861,332</u>	<u>3,971,878</u>	<u>489,737</u>
EXPENDITURES			
Instruction:			
Regular Instruction	12,942,965	-	-
Vocational Instruction	160,222	-	-
Special Education Instruction	3,265,185	-	-
Other Instruction	1,125,936	-	-
Total Instruction	<u>17,494,308</u>	<u>-</u>	<u>-</u>
Support Services:			
Pupil Services	1,722,470	-	-
Instructional Staff Services	1,392,664	-	-
General Administration Services	508,498	-	-
School Administration Services	1,285,118	-	-
Business Services	530,995	-	15,480
Operations and Maintenance of Plant	2,748,391	-	30,895,574
Pupil Transportation Services	68,669	-	-
Food Services	-	-	-
Central Services	572,255	-	500
Insurance	377,545	-	-
Other Support Services	139,300	-	-
Total Support Services	<u>9,345,905</u>	<u>-</u>	<u>30,911,554</u>
Debt Service:			
Principal	-	2,675,000	-
Interest and Fiscal Charges	80,457	1,377,685	-
Total Debt Service	<u>80,457</u>	<u>4,052,685</u>	<u>-</u>
Community Service	-	-	-

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Other Governmental Funds	Totals
REVENUES		
Property Taxes	\$ 2,124,849	\$ 22,284,348
Other Local Sources	823,257	1,769,459
Interdistrict Sources	-	1,126,891
Intermediate Sources	-	2,855
State Sources	8,572	9,035,486
Federal Sources	378,988	1,244,547
Other Sources	11,058	206,085
Total Revenues	3,346,724	35,669,671
EXPENDITURES		
Instruction:		
Regular Instruction	72,784	13,015,749
Vocational Instruction	-	160,222
Special Education Instruction	-	3,265,185
Other Instruction	59,256	1,185,192
Total Instruction	132,040	17,626,348
Support Services:		
Pupil Services	-	1,722,470
Instructional Staff Services	64,352	1,457,016
General Administration Services	153,767	662,265
School Administration Services	-	1,285,118
Business Services	28,020	574,495
Operations and Maintenance of Plant	440,372	34,084,337
Pupil Transportation Services	5,557	74,226
Food Services	316,381	316,381
Central Services	595	573,350
Insurance	-	377,545
Other Support Services	-	139,300
Total Support Services	1,009,044	41,266,503
Debt Service:		
Principal	350,000	3,025,000
Interest and Fiscal Charges	100,099	1,558,241
Total Debt Service	450,099	4,583,241
Community Service	1,163,007	1,163,007

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Referendum Debt Service Fund</u>	<u>Capital Projects</u>
EXPENDITURES (CONTINUED)			
Nonprogram:			
General Tuition Payments	\$ 654,800	\$ -	\$ -
Post Second Scholarships	-	-	-
Special Education Tuition Payments	151,053	-	-
Adjustments and Refunds	10,103	-	-
Total Nonprogram	<u>815,956</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>27,736,626</u>	 <u>4,052,685</u>	 <u>30,911,554</u>
 Excess of Revenues Over (Under) Expenditures	 124,706	 (80,807)	 (30,421,817)
OTHER FINANCING SOURCES (USES)			
Capital Lease Issued	86,193	-	-
Proceeds from Sale of Capital Assets	500	-	-
Total Other Financing Sources (Uses)	<u>86,693</u>	<u>-</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 211,399	 (80,807)	 (30,421,817)
Fund Balances - July 1, as Originally Stated	2,468,652	3,292,703	35,557,906
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - July 1, as Restated	<u>2,468,652</u>	<u>3,292,703</u>	<u>35,557,906</u>
 FUND BALANCES - END OF YEAR	 <u>\$ 2,680,051</u>	 <u>\$ 3,211,896</u>	 <u>\$ 5,136,089</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Other Governmental Funds</u>	<u>Totals</u>
EXPENDITURES (CONTINUED)		
Nonprogram:		
General Tuition Payments	\$ -	\$ 654,800
Post Second Scholarships	16,230	16,230
Special Education Tuition Payments	-	151,053
Adjustments and Refunds	38,117	48,220
Total Nonprogram	<u>54,347</u>	<u>870,303</u>
 Total Expenditures	 <u>2,808,537</u>	 <u>65,509,402</u>
 Excess of Revenues Over (Under) Expenditures	 538,187	 (29,839,731)
OTHER FINANCING SOURCES (USES)		
Capital Lease Issued	-	86,193
Proceeds from Sale of Capital Assets	-	500
Total Other Financing Sources (Uses)	<u>-</u>	<u>86,693</u>
 NET CHANGE IN FUND BALANCES	 538,187	 (29,753,038)
Fund Balances - July 1, as Originally Stated	696,279	42,015,540
Cumulative Effect of Change in Accounting Principle	<u>216,825</u>	<u>216,825</u>
Fund Balances - July 1, as Restated	<u>913,104</u>	<u>42,232,365</u>
 FUND BALANCES - END OF YEAR	 <u>\$ 1,451,291</u>	 <u>\$ 12,479,327</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
RECONCILIATION TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances as Shown on Previous Page \$ (29,753,038)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditures Reported in Governmental Fund Statements	30,924,255
Depreciation Expense Reported in the Statement of Activities	(1,123,357)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital Leases Issued	(86,193)
Principal Repaid	3,025,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	19,649
Amortization of Premiums, Discounts and Loss on Advance Refunding	17,253
Compensated Absences	(6,612)
Net Pension Liability (Asset)	3,062,491
Deferred Outflows of Resources Related to Pensions	2,914,926
Deferred Inflows of Resources Related to Pensions	(4,168,144)
Other Postemployment Benefits	(160,285)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(21,258)
Deferred Inflows of Resources Related to Other Postemployment Benefits	14,098
	<u>14,098</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see Page 6)	<u>\$ 4,658,785</u>
---	---------------------

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Private Purpose Trust	Employee Benefit Trust	Custodial Student Activity	Totals
ASSETS				
Cash and Investments	\$ 2,529,122	\$ 8,220,413	\$ 117,530	\$ 10,867,065
Accounts Receivable	900	-	12,300	13,200
Total Assets	2,530,022	8,220,413	129,830	10,880,265
LIABILITIES				
Accounts Payable	900	344,392	112,334	457,626
NET POSITION				
Restricted	\$ 2,529,122	\$ 7,876,021	\$ 17,496	\$ 10,422,639

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Private Purpose Trust	Employee Benefit Trust	Custodial Student Activity	Totals
ADDITIONS				
Other Local Sources	\$ 30,875	\$ -	\$ 30,138	\$ 61,013
Contributions:				
Employer	-	280,397	-	280,397
Investment Earnings	588,851	152,545	-	741,396
Total Additions	<u>619,726</u>	<u>432,942</u>	<u>30,138</u>	<u>1,082,806</u>
DEDUCTIONS				
Trust Fund Disbursements	136,723	295,316	-	432,039
Administrative Expenditures	-	54,151	40,680	94,831
Total Deductions	<u>136,723</u>	<u>349,467</u>	<u>40,680</u>	<u>526,870</u>
CHANGE IN NET POSITION	483,003	83,475	(10,542)	555,936
Net Position - Beginning of Year, as Originally Stated	2,154,891	7,792,546	136,091	10,083,528
Cumulative Effect of Change in Accounting Principle	<u>(108,772)</u>	<u>-</u>	<u>(108,053)</u>	<u>(216,825)</u>
Net Position - Beginning of Year, as Restated	<u>2,046,119</u>	<u>7,792,546</u>	<u>28,038</u>	<u>9,866,703</u>
NET POSITION - END OF YEAR	<u>\$ 2,529,122</u>	<u>\$ 7,876,021</u>	<u>\$ 17,496</u>	<u>\$ 10,422,639</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is organized as a unified school district. The District, governed by an elected five-member board, operates grades K through 12 and is comprised of all or parts of one taxing districts. In accordance with U.S. GAAP, the basic financial statements are required to include the District and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. Government-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are primarily supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The District reports the following major governmental funds:

General Fund – This is the District’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Referendum Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt related to referendum projects.

Capital Projects Fund – This fund accounts for the expenditures related to the recently passed referendum.

Additionally, the District reports the following fund types:

The private purpose trust fund is used to account for resources legally held in trust for scholarship awards. Only earnings on the invested resources may be used to support the scholarships.

The employee benefit trust fund is used to account for resources legally held in trust for other postemployment benefits.

The student activity custodial fund is used to account for parent organization activity.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes

The aggregate District tax levy is apportioned and certified in November 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 must be paid in full or in two or more installments with the first installment payable the subsequent January 31 and a 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.

Property taxes are recognized as revenue in the fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for nonpayment of a scheduled installment, and full receipt of the entire levy is assured within 60 days of fiscal year-end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the period benefited.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities
Land Improvements	20 Years
Buildings and Improvements	50 Years
Machinery and Equipment	5 - 20 Years

7. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All sick leave is accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

9. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Pensions

Wisconsin Retirement System

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

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

10. Pensions (Continued)

Supplemental Pension Plan

Qualifying teachers and administrators are provided with a supplemental pension. The supplemental pension is a single employer defined benefit plan administered by the District. For purposes of measuring the supplemental pension liability, related deferred outflows and inflows and pension expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

11. Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Other Postemployment Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

12. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

12. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of District management. The Board of Education has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The District has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

District-Wide Financial 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.
- **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.

E. Use of Estimates

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

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the custodial fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the District's cash and investments totaled \$26,470,149 on June 30, 2021 as summarized below:

Petty Cash and Cash on Hand	\$	200
Deposits with Financial Institutions		9,562,411
Investments:		
Wisconsin Investment Series Cooperative (WISC):		
Cash Management Series		2,059,619
Investment Series		4,137,490
Exchange Traded Funds		1,453,158
Mutual Funds - Fixed Income		351,844
Money Market Mutual Funds		16,682
Mutual Funds - Equities		653,317
Annuity Contract		8,235,428
Total		<u>\$ 26,470,149</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	15,603,084
Fiduciary Fund Statement of Net Position:		
Private Purpose Trust		2,529,122
Employee Benefit Trust		8,220,413
Custodial Fund - Pupil Activity		117,530
Total		<u>\$ 26,470,149</u>

The investment balance of the WISC Cash Management Series is \$2,746,097. The difference between the book balance of \$2,059,619 and investment balance of \$2,746,097 is outstanding checks drawn on the Cash Management Series at year end.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of June 30, 2021:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Exchange Traded Funds	\$ 1,453,158	\$ -	\$ -
Mutual Funds - Fixed Income	351,844	-	-
Mutual Funds - Equities	653,317	-	-
Total	\$ 2,458,319	\$ -	\$ -

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

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 counterparty (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. Wisconsin Statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of June 30, 2021, none of the District's deposits with financial institutions were in excess of federal and state depository insurance limits.

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 investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Mutual Funds - Fixed Income	\$ 351,844	\$ -	\$ -	\$ 351,844	\$ -
Money Market Mutual Funds	16,682	-	-	-	16,682
Wisconsin Investment Series Cooperative (WISC):					
Cash Management Series	2,746,097	-	2,746,097	-	-
Investment Series	4,137,490	-	4,137,490	-	-
Totals	<u>\$ 7,252,113</u>	<u>\$ -</u>	<u>\$ 6,883,587</u>	<u>\$ 351,844</u>	<u>\$ 16,682</u>

Concentration of Credit Risk

At June 30, 2021, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

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 that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Mutual Funds - Fixed Income	\$ 351,844	\$ -	\$ 236,554	\$ 115,290	\$ -
Money Market Mutual Funds	16,682	16,682	-	-	-
Wisconsin Investment Series Cooperative (WISC):					
Cash Management Series	2,746,097	2,746,097	-	-	-
Investment Series	4,137,490	4,137,490	-	-	-
Totals	\$ 7,252,113	\$ 6,900,269	\$ 236,554	\$ 115,290	\$ -

Investments

The District has established an employee benefit trust fund to pay retiree's postretirement benefits. The trust has \$8,235,428 invested in the fixed interest annuities, which are reported at amortized cost, with American United Life Insurance Company® (AUL), a OneAmerica® Company. These fixed interest annuities are backed by AUL's general account assets. AUL bears the investment risk for the AUL Fixed Interest Account values and for paying interest.

Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$6,883,587 at year-end consisting of \$2,746,097 invested in the Cash Management Series, \$4,137,490 invested in the Investment Series. The book value of the Cash Management Series is \$2,059,619. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14-day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less. The Limited Term Duration Series requires a 30-day notice for quarterly withdrawals based on predetermined withdrawal dates.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperate Statute, Wisconsin Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 44,000	\$ -	\$ -	\$ 44,000
Construction in Progress	4,730,185	30,911,555	-	35,641,740
Total Capital Assets, Nondepreciable	4,774,185	30,911,555	-	35,685,740
Capital Assets, Depreciable:				
Land Improvements	7,173,398	-	-	7,173,398
Buildings and Improvements	32,290,870	-	-	32,290,870
Machinery and Equipment	6,719,107	12,700	-	6,731,807
Subtotals	46,183,375	12,700	-	46,196,075
Less Accumulated Depreciation for:				
Land Improvements	3,026,990	353,726	-	3,380,716
Buildings and Improvements	14,422,733	588,438	-	15,011,171
Machinery and Equipment	5,996,130	181,193	-	6,177,323
Subtotals	23,445,853	1,123,357	-	24,569,210
Total Capital Assets, Depreciable, Net	22,737,522	(1,110,657)	-	21,626,865
Governmental Activities Capital Assets, Net	\$ 27,511,707	\$ 29,800,898	\$ -	57,312,605
Less: Capital Related Debt, net of unspent bond proceeds				27,813,113
Less: Capital Related Accounts and Retainage Payable				6,514,249
Less: Debt Premium				2,241,205
Net Investment in Capital Assets				\$ 20,744,038

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables between individual funds of the District, as reported in the fund financial statements, as of June 30, 2021 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance Operating		
Cash Deficits		
General	\$ 2,761,550	\$ 1,183,719
Referendum Debt Service	1,156,831	-
Nonreferendum Debt Service	26,888	-
Capital Projects	-	2,761,550
Total	<u>\$ 3,945,269</u>	<u>\$ 3,945,269</u>

D. Short-Term Obligations

The District issued tax and revenue anticipation promissory notes in advance of property tax collections. The notes are needed because District expenses for the year begin in July whereas tax collections are not received until January. Short-term debt activity for the year ended June 30, 2021 was as follows:

	<u>Outstanding 7/1/20</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 6/30/21</u>
Tax and Revenue Anticipation Notes	<u>\$ -</u>	<u>\$ 4,700,000</u>	<u>\$ 4,700,000</u>	<u>\$ -</u>

Total interest paid for the year on short-term debt totaled \$64,233.

In September, 2021, the District issued \$3,250,000 of Tax and Revenue Anticipation Notes to be repaid in January, 2022.

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 45,940,000	\$ -	\$ 3,025,000	\$ 42,915,000	\$ 2,370,000
Debt Premium	2,445,378	-	139,179	2,306,199	-
Capital Leases	-	86,193	-	86,193	45,501
Compensated Absences	63,002	94,760	88,148	69,614	17,404
Governmental Activities Long-Term Obligations	<u>\$ 48,448,380</u>	<u>\$ 180,953</u>	<u>\$ 3,252,327</u>	<u>\$ 45,377,006</u>	<u>\$ 2,432,905</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Total interest paid during the year on long-term debt totaled \$1,477,784.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/21
General Obligation Bonds	02/01/13	10/01/28	2.00-2.20%	\$ 5,515,000	\$ 4,395,000
General Obligation Bonds	04/01/15	10/01/35	3.00-3.95%	5,055,000	3,545,000
School Improvement Bonds	07/01/19	04/01/39	3.00-4.00%	40,000,000	34,975,000
Total Outstanding General Obligation Debt					<u>\$ 42,915,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$42,915,000 on June 30, 2021 are detailed below:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,370,000	\$ 1,382,659	\$ 3,752,659
2023	2,890,000	1,313,885	4,203,885
2024	2,125,000	1,232,335	3,357,335
2025	2,340,000	1,173,836	3,513,836
2026	2,420,000	1,093,486	3,513,486
2027-2031	12,735,000	4,114,707	16,849,707
2032-2036	10,755,000	2,094,726	12,849,726
2037-2039	7,280,000	441,150	7,721,150
Total	<u>\$ 42,915,000</u>	<u>\$ 12,846,784</u>	<u>\$ 55,761,784</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2021 was \$135,589,800 as follows:

Equalized Valuation of the District	\$ 1,785,048,001
Statutory Limitation Percentage	10%
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	178,504,800
Total Outstanding General Obligation Debt Applicable to Debt Limitation	42,915,000
Legal Margin for New Debt	<u>\$ 135,589,800</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Capital Lease

The District is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$158,400 and the related accumulated depreciation is \$72,207 as of June 30, 2021.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments as of June 30, 2021:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2022	\$ 47,217
2023	20,955
2024	20,955
Subtotal	<u>89,127</u>
Less: Amount Representing Interest	2,934
Present Value of Future Minimum Lease Payments	<u><u>\$ 86,193</u></u>

F. Pension Plans

The District reports pension related balances as of and for the year ended June 30, 2021, as summarized below:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Expense (Revenue)</u>
Wisconsin Retirement System (WRS)	\$ 6,601,818	\$ -	\$ 10,421,027	\$ 14,487,400	\$ (741,691)
Supplemental or Stipend Pension Plan	-	973,737	39,069	113,056	101,576
Total	<u><u>\$ 6,601,818</u></u>	<u><u>\$ 973,737</u></u>	<u><u>\$ 10,460,096</u></u>	<u><u>\$ 14,600,456</u></u>	<u><u>\$ (640,115)</u></u>

1. WRS Pension 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 1200 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.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/publications/cafr.htm>

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2011	-1.2	11
2012	7.0	-7
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

Contributions

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

During the year ending June 30, 2021, the WRS recognized \$1,164,897 in contributions from the District.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%

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

At June 30, 2021, the District reported an asset of \$6,601,818 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 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, 2020, the District's proportion was 0.10574518%, which was a decrease of 0.00072254% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense (revenue) of (\$741,691).

At June 30, 2021, 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	\$ 9,554,856	\$ 2,058,099
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	12,394,375
Changes in Assumptions	149,742	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,077	34,926
Employer Contributions Subsequent to the Measurement Date	711,352	-
Total	<u>\$ 10,421,027</u>	<u>\$ 14,487,400</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

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

\$711,352 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 (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Expense</u>
2022	\$ (1,234,157)
2023	(337,133)
2024	(2,251,155)
2025	(955,280)
Total	<u>\$ (4,777,725)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

* No postretirement 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 postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Actuarial Assumptions (Continued)

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	0.8%
Inflation Sensitive Assets	16.0%	2.0%	-0.4%
Real Estate	8.0%	5.6%	3.1%
Private Equity/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	3.3%
Cash	-15.0%	0.9%	N/A
Total Core Fund	100.0%	6.6%	4.1%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.40%

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

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Actuarial Assumptions (Continued)

Single Discount Rate – A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2019. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 members 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of The District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,284,016	\$ (6,601,818)	\$ (16,066,367)

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>.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

Payable to the Pension Plan

At June 30, 2021, the District reported a payable of \$403,272 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2021.

2. Supplemental or Stipend Pension Plan

Pension Description

The plan, a single-employer pension plan, is a defined benefit pension plan established to provide a cash stipend to some retirees. The plan is administered by the District. No assets are accumulated in a trust. The Plan does not issue separate financial statements.

Benefits Provided

A summary of eligibility requirements and plan benefits follows:

Administrators retiring on or after July 1, 2014 who were at least age 55 (if hired prior to July 1, 2007) or 57 (if hired on or after July 1, 2007) will receive a lump-sum payment in cash upon retirement equal to one week of pay per year of service, not to exceed 25 years of service.

Teachers retiring on or after July 1, 2014 who were at least age 57 will receive a lump-sum payment in cash upon retirement equal to the sum of the following: the daily rate of pay times years of services plus a flat dollar amount based on years of services: 15-24 years \$1,000, 25-29 years \$2,000, 30-34 years \$3,000, and more than 35 years \$3,500.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently		
Receiving Benefit Payments		6
Active Employees		188
Total		194

Funding Policy

The entire cost of these benefits is paid by the District. Benefits are currently funded on a pay-as-you-go basis and no assets exist to prefund retiree benefits.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Supplemental or Stipend Pension Plan (Continued)

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

<u>Component</u>	<u>Amount</u>
Total Pension Liability at July 1, 2020	\$ 867,415
Changes for the Year:	
Service Cost	89,991
Interest	20,483
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Input	-
Benefit Payments	<u>(4,152)</u>
Net Changes	<u>106,322</u>
Total Pension Liability at June 30, 2021	<u>\$ 973,737</u>

For the year ended June 30, 2021, the District recognized pension expense of \$101,576.

At June 30, 2021, the District reported deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 66,830
Changes in Assumptions	<u>39,069</u>	<u>46,226</u>
Total	<u>\$ 39,069</u>	<u>\$ 113,056</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Supplemental or Stipend Pension Plan (Continued)

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

Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Expense</u>
2022	\$ (8,898)
2023	(8,898)
2024	(8,898)
2025	(8,898)
2026	(8,898)
Thereafter	(29,497)
Total	<u>\$ (73,987)</u>

Actuarial Assumptions

The District's total pension liability was measured as of June 30, 2021.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary, Open Basis
Actuarial Assumptions:	
Discount Rate	2.25%
Inflation	2.00%

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from 2015 to 2017. The total pension liability for June 30, 2021 is based upon a roll-forward of the liability calculated from the June 30, 2020 actuarial valuation.

Mortality assumptions are based on the Wisconsin 2018 Mortality Table adjustment for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

Single Discount Rate – A single discount rate of 2.25% was used to measure the total pension liability. This single discount rate was based on the Bond Buyer 20-Bond GO Index.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Supplemental or Stipend Pension Plan (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the District's Total Pension Liability to Changes in the Discount Rate – The following presents the District's total pension liability at June 30, 2020 calculated using the discount rate of 2.25%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate.

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Total Pension Liability	\$ 1,022,799	\$ 973,737	\$ 925,837

Payable to the Supplemental Pension Plan

At June 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2021.

G. Other Postemployment Benefits

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District. Eligible retired employees have access to group medical coverage through the District's group plan. District paid medical benefits are paid for as indicated below. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided

The District provides medical (including prescription drugs) coverage for retired employees through the District's self-insured plans.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	19
Active Employees	189
Total	208

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. District paid medical and dental benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.00%
Salary Increases:	3.00%
Investment Rate of Return:	2.25%
Healthcare Cost Trend Rates:	7.50% Decreasing by 0.50% Per Year Down to 6.50%, Then by 0.10% Per Year Down to 5.0% and Level Thereafter

Mortality rates are the same as those used in the December 2018 Wisconsin Retirement System's annual report.

The actuarial assumptions used in the June 30, 2019 valuation were based on the "Wisconsin Retirement System 2015 - 2017 Experience Study."

The long-term expected rate of return on OPEB plan investments was valued at 2.25%. A blend of expected earnings on District funds and the current yield for 20-year tax-exempt AA Municipal bond rate or higher as of the measurement date was used for all years of benefit payments.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.25%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 2,039,619	\$ 129,275	\$ 1,910,344
Changes for the Year:			
Service Cost	190,951	-	190,951
Interest	46,855	-	46,855
Differences Between Expected and Actual Experience	-	-	-
Contributions - Employer	-	105,294	(105,294)
Changes in Assumptions or Other Input	-	-	-
Net Investment Income	-	3,278	(3,278)
Benefit Payments	(105,294)	(105,294)	-
Adjustment	-	(31,051)	31,051
Net Changes	<u>132,512</u>	<u>(27,773)</u>	<u>160,285</u>
Balance at June 30, 2021	<u>\$ 2,172,131</u>	<u>\$ 101,502</u>	<u>\$ 2,070,629</u>

OPEB Expense

For the year ended June 30, 2021, the District recognized OPEB expense of \$272,739.

At June 30, 2021, 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	\$ -	\$ 126,886
Changes in Assumptions	182,045	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	112	-
Total	<u>\$ 182,157</u>	<u>\$ 126,886</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

OPEB Expense (Continued)

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

<u>Year Ended June 30,</u>	<u>Expense</u>
2022	\$ 6,791
2023	6,793
2024	5,915
2025	6,365
2026	6,438
Thereafter	22,969
Total	<u>\$ 55,271</u>

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-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	<u>1% Decrease to Discount Rate (1.25%)</u>	<u>Current Discount Rate (2.25%)</u>	<u>1% Increase to Discount Rate (3.25%)</u>
Net OPEB Liability	\$ 2,197,814	\$ 2,070,629	\$ 1,948,577

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-percentage-point lower (6.50% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	<u>1% Decrease (6.5% Decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (7.5% Decreasing to 5.0%)</u>	<u>1% Increase (8.5% Decreasing to 6.0%)</u>
Net OPEB Liability	\$ 1,839,086	\$ 2,070,629	\$ 2,344,529

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

OPEB Expense (Continued)

OPEB Plan Fiduciary Net Position – Information about the OPEB plan’s fiduciary net position is presented in the Employee Benefit Trust Fund in these financial statements. The portion of net position in the Employee Benefit Trust Fund related to the District’s OPEB plan totals \$101,502 and which represents 4.67% of the total OPEB liability.

Investments – The Plan does not have a separate investment policy from the District. At June 30, 2021, the Plan asset allocation policy is to invest Plan assets in the fixed interest annuities with American United Life Insurance Company® (AUL), a OneAmerica® Company. These fixed interest annuities are backed by AUL’s general account assets. AUL bears the investment risk for the AUL Fixed Interest Account values and for paying interest. Plan investments have an expected rate of return of approximately 2.25%. For the year ended June 30, 2021, the annual money-weighted rate of return, net of investment expenses, was 0.16%, and this is assumed to be the best estimate of the long-term arithmetic rate of return for the Plan’s investments.

Payable to the OPEB Plan

At June 30, 2021, the District reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended June 30, 2021.

H. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2021, nonspendable fund balance was as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor</u>
Nonspendable:			
Prepaid Items	<u>\$ 17,347</u>	<u>\$ 100,000</u>	<u>\$ 3,074</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2021, restricted fund balance was as follows:

General Fund:	
Restricted for:	
Common School Funds	\$ 16,795
Special Revenue Funds:	
Restricted for:	
Community Service	294,516
Food Service	152,579
Debt Service Funds:	
Restricted for:	
Nonreferendum Debt Service	160,591
Referendum Debt Service	3,211,896
Capital Projects Fund:	
Restricted for:	
Capital Projects	<u>5,532,958</u>
Total Restricted Fund Balance	<u>\$ 9,369,335</u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by School Board action. At June 30, 2021, fund balance was committed as follows:

General Fund:	
Committed for:	
Capital Asset Purchases	\$ 40,000
Special Revenue Funds:	
Committed for:	
Donations	<u>343,662</u>
Total Committed Fund Balance	<u>\$ 383,662</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Minimum General Fund Balance Policy

The District has also adopted a minimum fund balance policy of 10 - 15% of subsequent year budgeted expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2022 General Fund Expenditures	\$	27,075,034
Minimum Fund Balance %		10 - 15%
Minimum Fund Balance Amount		<u>\$2,707,503 - \$4,061,255</u>

The District's unassigned General Fund balance of \$2,605,909 is slightly beneath the minimum fund balance range.

NOTE 3 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage.

B. Contingencies and Commitments

The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

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

In April, 2019, District residents approved a \$65 million dollar referendum for District-wide facilities projects at all four District schools. During the previous year, the District issued \$40 million of general obligation debt, with \$25 million to be issued subsequently. Construction commenced in Spring, 2020 with projected completion by Summer of 2023. As of June 30, 2021, the District has incurred \$35,641,739 of costs.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Limitation on School District Revenues

Wisconsin Statutes limit the amount of revenues a school district may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

This limitation does not apply to revenue needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

D. Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the District, COVID-19 may impact parts of its 2022 operations and financial results. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 14, 2021.

E. Restatement

During fiscal year ended June 30, 2021 the District adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the District reported a restatement for the change in accounting principle of \$216,825. The funds were previously reported in an agency fund and trust fund.

	Governmental Activities	Donations Fund	Fiduciary Activities
Fund Balance/Net Position, Beginning of Year, as Previously Reported	\$ 18,660,569	\$ 77,217	\$ 10,083,528
Change in Accounting Principle	<u>216,825</u>	<u>216,825</u>	<u>(216,825)</u>
Fund Balance/Net Position, End of Year, as Restated	<u>\$ 18,877,394</u>	<u>\$ 294,042</u>	<u>\$ 9,866,703</u>

F. Subsequent Events

On July 6, 2021 the District issued general obligation refunding bonds in the amount of \$3,875,000 for the purpose of refinancing general obligation debt from 2013 to generate debt service savings.

On July 6, 2021 the District issued a bond anticipation note in the amount of \$25,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Property Taxes	\$ 16,189,953	\$ 16,189,953	\$ 16,187,953	\$ (2,000)
Other Local Sources	924,462	924,462	455,013	(469,449)
Interdistrict Sources	1,050,300	1,050,300	1,126,891	76,591
State Sources	7,949,754	7,949,754	7,936,206	(13,548)
Federal Sources	465,267	465,267	410,473	(54,794)
Other Sources	73,902	73,902	194,892	120,990
Total Revenues	<u>26,653,638</u>	<u>26,653,638</u>	<u>26,311,428</u>	<u>(342,210)</u>
EXPENDITURES				
Instruction:				
Regular Instruction	13,249,145	13,249,145	12,942,965	306,180
Vocational Instruction	144,206	144,206	160,222	(16,016)
Other Instruction	<u>1,223,337</u>	<u>1,223,337</u>	<u>1,125,936</u>	<u>97,401</u>
Total Instruction	<u>14,616,688</u>	<u>14,616,688</u>	<u>14,229,123</u>	<u>387,565</u>
Support Services:				
Pupil Services	1,091,111	1,091,111	1,237,039	(145,928)
Instructional Staff Services	1,265,114	1,265,114	1,046,135	218,979
General Administration Services	589,804	589,804	508,498	81,306
School Administration Services	1,292,920	1,292,920	1,285,118	7,802
Business Services	584,463	584,463	530,995	53,468
Operations and Maintenance of Plant	2,965,361	2,965,361	2,747,906	217,455
Pupil Transportation Services	102,200	102,200	51,615	50,585
Central Services	456,978	456,978	570,558	(113,580)
Insurance	347,513	347,513	377,545	(30,032)
Other Support Services	<u>43,557</u>	<u>43,557</u>	<u>139,300</u>	<u>(95,743)</u>
Total Support Services	<u>8,739,021</u>	<u>8,739,021</u>	<u>8,494,709</u>	<u>244,312</u>
Debt Service:				
Interest and Fiscal Charges	<u>14,000</u>	<u>14,000</u>	<u>80,457</u>	<u>(66,457)</u>

See accompanying Notes to Required Supplementary Information.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Nonprogram:				
General Tuition Payments	\$ 352,880	\$ 352,880	\$ 654,800	\$ (301,920)
Adjustments and Refunds	-	-	10,103	(10,103)
Total Nonprogram	<u>352,880</u>	<u>352,880</u>	<u>664,903</u>	<u>(312,023)</u>
 Total Expenditures	 <u>23,722,589</u>	 <u>23,722,589</u>	 <u>23,469,192</u>	 <u>253,397</u>
 Excess of Revenues Over Expenditures	 2,931,049	 2,931,049	 2,842,236	 (88,813)
OTHER FINANCING SOURCES (USES)				
Capital Lease Issued	-	-	86,193	86,193
Proceeds from Sale of Capital Assets	-	-	500	500
Transfers Out	<u>(2,931,245)</u>	<u>(2,931,245)</u>	<u>(2,717,530)</u>	<u>213,715</u>
Total Other Financing Sources (Uses)	<u>(2,931,245)</u>	<u>(2,931,245)</u>	<u>(2,630,837)</u>	<u>300,408</u>
 NET CHANGE IN FUND BALANCE	 (196)	 (196)	 211,399	 211,595
 Fund Balance - Beginning of Year	 <u>2,468,652</u>	 <u>2,468,652</u>	 <u>2,468,652</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 2,468,456</u></u>	 <u><u>\$ 2,468,456</u></u>	 <u><u>\$ 2,680,051</u></u>	 <u><u>\$ 211,595</u></u>

See accompanying Notes to Required Supplementary Information.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL EDUCATION SPECIAL REVENUE FUND –
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Other Local Sources	\$ -	\$ -	\$ 1,120	\$ 1,120
Intermediate Sources	-	-	2,855	2,855
State Sources	1,023,699	1,023,699	1,090,708	67,009
Federal Sources	503,773	503,773	455,086	(48,687)
Other Sources	-	-	135	135
Total Revenues	<u>1,527,472</u>	<u>1,527,472</u>	<u>1,549,904</u>	<u>22,432</u>
EXPENDITURES				
Instruction:				
Special Education Instruction	3,405,461	3,405,461	3,265,185	140,276
Support Services:				
Pupil Services	446,544	446,544	485,431	(38,887)
Instructional Staff Services	285,750	285,750	346,529	(60,779)
Operations and Maintenance of Plant	-	-	485	(485)
Pupil Transportation Services	32,850	32,850	17,054	15,796
Central Services	4,500	4,500	1,697	2,803
Total Support Services	<u>769,644</u>	<u>769,644</u>	<u>851,196</u>	<u>(81,552)</u>
Nonprogram:				
Special Education Tuition Payments	274,637	274,637	151,053	123,584
Adjustments and Refunds	8,875	8,875	-	8,875
Total Nonprogram	<u>283,512</u>	<u>283,512</u>	<u>151,053</u>	<u>132,459</u>
Total Expenditures	<u>4,458,617</u>	<u>4,458,617</u>	<u>4,267,434</u>	<u>191,183</u>
Excess of Revenues Under Expenditures	(2,931,145)	(2,931,145)	(2,717,530)	213,615
OTHER FINANCING SOURCES				
Transfers In	<u>2,931,145</u>	<u>2,931,145</u>	<u>2,717,530</u>	<u>(213,615)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Required Supplementary Information.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ***

	2021	2020	2019	2018
Total OPEB Liability:				
Service Cost	\$ 190,951	\$ 141,192	\$ 136,289	\$ 136,289
Interest	46,855	67,502	72,561	80,463
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	(155,082)	-	-
Changes of Assumptions	-	195,370	30,522	-
Benefit Payments	(105,294)	(134,783)	(361,516)	(493,421)
Net Change in Total OPEB Liability	132,512	114,199	(122,144)	(276,669)
Total OPEB liability - Beginning	2,039,619	1,925,420	2,047,564	2,324,233
Total OPEB liability - Ending (a)	<u>\$ 2,172,131</u>	<u>\$ 2,039,619</u>	<u>\$ 1,925,420</u>	<u>\$ 2,047,564</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 105,294	\$ 134,783	\$ -	\$ -
Net Investment Income	3,278	6,548	6,736	13,296
Benefit Payments	(105,294)	(134,783)	(361,516)	(493,421)
Administrative Expenses	-	-	-	-
Adjustment	(31,051)	-	-	-
Net Change in Plan Fiduciary Net Position	(27,773)	6,548	(354,780)	(480,125)
Plan Fiduciary Net Position - Beginning	129,275	122,727	477,507	957,632
Plan Fiduciary Net Position - Ending (B)	<u>\$ 101,502</u>	<u>\$ 129,275</u>	<u>\$ 122,727</u>	<u>\$ 477,507</u>
District's Net OPEB Liability - Ending (A) - (B)	<u>\$ 2,070,629</u>	<u>\$ 1,910,344</u>	<u>\$ 1,802,693</u>	<u>\$ 1,570,057</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.67%	6.34%	6.37%	23.32%
Covered-Employee Payroll	\$ 15,532,836	\$ 15,532,836	\$ 14,050,149	\$ 14,050,149
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	13.33%	12.30%	12.83%	11.17%
Weighted-Average Investment Income	0.16%	0.33%	0.34%	0.61%

* The amounts presented for each fiscal year were determined as of the current fiscal year-end. Amounts for prior years were not available.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN
LAST 10 FISCAL YEARS ***

	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 253,063	\$ 245,692	\$ 199,615	\$ 193,801
Contributions in Relation to the ADC	105,294	134,783	-	-
Contribution Deficiency (Excess)	<u>\$ 147,769</u>	<u>\$ 110,909</u>	<u>\$ 199,615</u>	<u>\$ 193,801</u>
Covered-Employee Payroll	\$ 15,532,836	\$ 15,532,836	\$ 14,050,149	\$ 14,050,149
Contributions as a Percentage of Covered-Employee Payroll	0.68%	0.87%	0.00%	0.00%

Key Methods and Assumption Used to Calculate ADC

	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Market Value	Market Value	Market Value	Market Value
Asset Valuation Method	30 Year Level	30 Year Level	30 Year Level	30 Year Level
Amortization Method	Percentage	Percentage	Percentage	Percentage
Discount Rate	2.25%	2.25%	3.50%	3.75%
Amortization Growth Rate	3.00%	3.00%	3.00%	3.00%
Inflation	2.00%	2.00%	2.50%	2.50%

* The amounts presented for each fiscal year were determined as of the current fiscal year-end.
Amounts for prior years were not available.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST 10 MEASUREMENT PERIODS**

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.09937690%	\$ (2,440,970)	\$ 13,959,685	17.49%	102.74%
12/31/15	0.10134680%	1,646,966	14,867,318	11.08%	98.20%
12/31/16	0.10385620%	856,023	15,385,293	5.56%	99.12%
12/31/17	0.10539545%	(3,129,315)	15,612,340	20.04%	102.93%
12/31/18	0.10629260%	3,781,557	16,494,000	22.93%	96.45%
12/31/19	0.10646772%	(3,433,005)	17,122,529	20.05%	102.96%
12/31/20	0.10574518%	(6,601,818)	17,230,590	38.31%	105.26%

**SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 1,060,610	\$ 1,060,610	\$ -	\$ 15,430,745	6.87%
6/30/16	959,565	959,565	-	14,384,432	6.67%
6/30/17	1,030,060	1,030,060	-	15,327,269	6.72%
6/30/18	1,088,468	1,088,468	-	16,150,536	6.74%
6/30/19	1,104,518	1,104,518	-	16,711,018	6.61%
6/30/20	1,158,333	1,158,333	-	17,366,845	6.67%
6/30/21	1,164,897	1,164,897	-	17,257,727	6.75%

See accompanying Notes to Required Supplementary Information

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL PENSION
LAST 10 FISCAL YEARS ***

	2021	2020	2019	2018	2017	2016
Total Pension Liability:						
Service Cost	\$ 89,991	\$ 67,579	\$ 65,363	\$ 67,152	\$ 70,192	\$ 74,781
Interest	20,483	29,040	29,786	21,568	21,645	20,364
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(2,258)	-	(93,776)	-	-
Changes in Assumptions	-	36,497	10,643	(66,770)	-	-
Benefit Payments	(4,152)	(118,709)	(24,257)	(117,177)	(34,841)	(33,111)
Net Change in Total Pension Liability	106,322	12,149	81,535	(189,003)	56,996	62,034
Total OPEB Liability - Beginning	867,415	855,266	773,731	962,734	905,738	843,704
Total OPEB Liability - Ending	\$ 973,737	\$ 867,415	\$ 855,266	\$ 773,731	\$ 962,734	\$ 905,738
Covered-Employee Payroll	\$ 12,877,745	\$ 12,877,745	\$ 11,088,313	\$ 11,088,313	\$ 11,455,490	\$ 11,286,199
District's Net Pension Liability as a Percentage of Covered-Employee Payroll	7.56%	6.74%	7.71%	6.98%	8.40%	8.03%

* The amounts presented for each fiscal year were determined as of the current fiscal year-end. Amounts for prior years were not available.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit Postemployment Benefit Plan

There is no change of benefit terms.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The District is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

NOTE 2 PENSION BENEFITS

Wisconsin Retirement System (WRS)

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

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

The District is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 years are presented.

Supplemental Pension Plan

There is no change of benefit terms.

The District is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes. Budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.
- Once the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
- Appropriations lapse at year-end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance in the fund financial statements.
- Encumbrance accounting is used by the District as an extension of formal budgetary control during the year.
- The DPI requires the District to separate special education revenues and expenditures from other General Fund amounts.

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2021.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund in accordance with requirements from the Wisconsin Department of Public Instruction. In accordance with generally accepted accounting principles, this fund is included as part of the general fund in the financial statements. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a U.S. GAAP General Fund basis is summarized below:

	<u>General</u>	<u>Special Education Fund</u>
Revenues:		
Actual Amounts (Budgetary Basis)	\$ 26,311,428	\$ 1,549,904
Reclassification of Special Education Fund	1,549,904	(1,549,904)
Total Revenues	<u>27,861,332</u>	<u>-</u>
Expenditures:		
Actual Amounts (Budgetary Basis)	23,469,192	4,267,434
Reclassification of Special Education Fund	4,267,434	(4,267,434)
Total Expenditures	<u>27,736,626</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures:		
Actual Amounts (Budgetary Basis)	2,842,236	(2,717,530)
Reclassification of Special Education Fund	(2,717,530)	2,717,530
Excess of Revenues Over (Under) Expenditures	<u>124,706</u>	<u>-</u>
Other Financing Sources (Uses):		
Actual Amounts (Budgetary Basis)	(2,630,837)	2,717,530
Reclassification of Special Education Fund	2,717,530	(2,717,530)
Total Other Financing Sources (Uses)	<u>86,693</u>	<u>-</u>
Net Change In Fund Balance:		
Actual Amounts (Budgetary Basis)	<u>211,399</u>	<u>-</u>
Fund Balance - Beginning of Year:		
Actual Amounts (Budgetary Basis)	<u>2,468,652</u>	<u>-</u>
Fund Balance - End of Year:		
Actual Amounts (Budgetary Basis)	<u>\$ 2,680,051</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue		
	Donations	Community Service	Food Service
ASSETS			
Cash and Investments	\$ 255,084	\$ 362,515	\$ 171,710
Receivables:			
Accounts	110,020	8,335	6,803
Due from Other Funds	-	-	-
Due from Other Governments	-	-	26,249
Inventories and Prepaid Items	-	3,074	-
	<u>-</u>	<u>3,074</u>	<u>-</u>
Total Assets	<u>\$ 365,104</u>	<u>\$ 373,924</u>	<u>\$ 204,762</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 21,442	\$ 15,177	\$ 50,165
Accrued and Other Current Liabilities	-	61,157	-
Unearned Revenues	-	-	2,018
Total Liabilities	<u>21,442</u>	<u>76,334</u>	<u>52,183</u>
FUND BALANCE			
Nonspendable	-	3,074	-
Restricted	-	294,516	152,579
Committed	343,662	-	-
Total Fund Balances	<u>343,662</u>	<u>297,590</u>	<u>152,579</u>
	<u>\$ 365,104</u>	<u>\$ 373,924</u>	<u>\$ 204,762</u>
Total Liabilities and Fund Balances	<u>\$ 365,104</u>	<u>\$ 373,924</u>	<u>\$ 204,762</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Nonreferendum Debt Service Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 211,503	\$ 496,869	\$ 1,497,681
Receivables:			
Accounts	-	-	125,158
Due from Other Funds	26,888	-	26,888
Due from Other Governments	-	-	26,249
Inventories and Prepaid Items	-	-	3,074
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 238,391</u>	<u>\$ 496,869</u>	<u>\$ 1,679,050</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 86,784
Accrued and Other Current Liabilities	-	-	61,157
Unearned Revenues	77,800	-	79,818
Total Liabilities	<u>77,800</u>	<u>-</u>	<u>227,759</u>
FUND BALANCE			
Nonspendable	-	-	3,074
Restricted	160,591	496,869	1,104,555
Committed	-	-	343,662
Total Fund Balances	<u>160,591</u>	<u>496,869</u>	<u>1,451,291</u>
	<u>\$ 238,391</u>	<u>\$ 496,869</u>	<u>\$ 1,679,050</u>
Total Liabilities and Fund Balances	<u>\$ 238,391</u>	<u>\$ 496,869</u>	<u>\$ 1,679,050</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue		
	Donations	Community Service	Food Service
REVENUES			
Property Taxes	\$ -	\$ 1,250,000	\$ -
Other Local Sources	310,337	508,327	4,593
State Sources	-	-	8,572
Federal Sources	-	-	378,988
Other Sources	9,042	2,016	-
Total Revenues	<u>319,379</u>	<u>1,760,343</u>	<u>392,153</u>
EXPENDITURES			
Instruction:			
Regular Instruction	72,784	-	-
Other Instruction	59,256	-	-
Total Instruction	<u>132,040</u>	<u>-</u>	<u>-</u>
Support Services:			
Instructional Staff Services	64,352	-	-
General Administration Services	43,001	110,766	-
Business Services	-	27,660	360
Operations and Maintenance of Plant	14,136	415,594	-
Pupil Transportation Services	-	5,557	-
Food Services	-	-	316,381
Central Services	-	595	-
Total Support Services	<u>121,489</u>	<u>560,172</u>	<u>316,741</u>
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Community Service	-	1,163,007	-
Nonprogram:			
Post Secondary Scholarships	16,230	-	-
Adjustments and Refunds	-	38,117	-
Total Nonprogram	<u>16,230</u>	<u>38,117</u>	<u>-</u>
Total Expenditures	<u>269,759</u>	<u>1,761,296</u>	<u>316,741</u>
Excess of Revenues Over (Under) Expenditures	<u>49,620</u>	<u>(953)</u>	<u>75,412</u>
NET CHANGE IN FUND BALANCES	49,620	(953)	75,412
Fund Balances - July 1, as Originally Stated	77,217	298,543	77,167
Cumulative Effect of Change in Accounting Principle	216,825	-	-
Fund Balances - July 1, as Restated	<u>294,042</u>	<u>298,543</u>	<u>77,167</u>
FUND BALANCES - END OF YEAR	<u>\$ 343,662</u>	<u>\$ 297,590</u>	<u>\$ 152,579</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Nonreferendum Debt Service Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 599,849	\$ 275,000	\$ 2,124,849
Other Local Sources	-	-	823,257
State Sources	-	-	8,572
Federal Sources	-	-	378,988
Other Sources	-	-	11,058
Total Revenues	<u>599,849</u>	<u>275,000</u>	<u>3,346,724</u>
EXPENDITURES			
Instruction:			
Regular Instruction	-	-	72,784
Other Instruction	-	-	59,256
Total Instruction	<u>-</u>	<u>-</u>	<u>132,040</u>
Support Services:			
Instructional Staff Services	-	-	64,352
General Administration Services	-	-	153,767
Business Services	-	-	28,020
Operations and Maintenance of Plant	-	10,642	440,372
Pupil Transportation Services	-	-	5,557
Food Services	-	-	316,381
Central Services	-	-	595
Total Support Services	<u>-</u>	<u>10,642</u>	<u>1,009,044</u>
Debt Service:			
Principal	350,000	-	350,000
Interest and Fiscal Charges	100,099	-	100,099
Total Debt Service	<u>450,099</u>	<u>-</u>	<u>450,099</u>
Community Service	-	-	1,163,007
Nonprogram:			
Post Secondary Scholarships	-	-	16,230
Adjustments and Refunds	-	-	38,117
Total Nonprogram	<u>-</u>	<u>-</u>	<u>54,347</u>
Total Expenditures	<u>450,099</u>	<u>10,642</u>	<u>2,808,537</u>
Excess of Revenues Over (Under) Expenditures	<u>149,750</u>	<u>264,358</u>	<u>538,187</u>
NET CHANGE IN FUND BALANCES	149,750	264,358	538,187
Fund Balances - July 1, as Originally Stated	10,841	232,511	696,279
Cumulative Effect of Change in Accounting Principle	-	-	216,825
Fund Balances - July 1, as Restated	<u>10,841</u>	<u>232,511</u>	<u>913,104</u>
FUND BALANCES - END OF YEAR	<u>\$ 160,591</u>	<u>\$ 496,869</u>	<u>\$ 1,451,291</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

Board of Education
Shorewood School District
Shorewood, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shorewood School District, Shorewood, Wisconsin (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2021.

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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying the schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

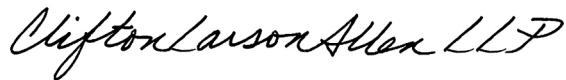
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Shorewood School District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 14, 2021

FEDERAL AND STATE AWARDS



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

Board of Education
Shorewood School District
Shorewood, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the Shorewood School District, Shorewood, Wisconsin's (the District's) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 14, 2021

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/21	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Child Nutrition Cluster:								
COVID 19 - School Breakfast Program	10.553	WI DPI	2021-405355-DPI-SB-546	\$ (15,515)	\$ 135,928	\$ 9,803	\$ 130,216	\$ -
Total School Breakfast Program				(15,515)	135,928	9,803	130,216	-
COVID 19 - National School Lunch Program	10.555	WI DPI	2021-405355-DPI-NSL-547	(29,343)	225,939	16,446	213,042	-
Non-Cash Assistance (Commodities)	10.555	WI DPI	2021-405355-DPI-NSL-547	-	35,729	-	35,729	-
Total National School Lunch Program				(29,343)	261,668	16,446	248,771	-
Total U.S. Department of Agriculture				(44,858)	397,596	26,249	378,987	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010	WI DPI	2021-405355-TIA-141	(26,885)	132,452	22,298	127,865	-
Special Education Cluster (IDEA):								
Special Education Grants to States	84.027	WI DPI	2021-405355-DPI-IDEA-F-341	(57,451)	274,849	227,181	444,579	-
Special Education Grants to States	84.027	WI DPI	2021-405355-DPI-IDEA-F-341	(1,062)	24,980	21,487	45,405	-
Total Special Education Grants to States				(58,513)	299,829	248,668	489,984	-
Special Education - Preschool Grants:	84.173	WI DPI	2021-405355-DPI-IDEA-P-347	(5,662)	5,662	3,626	3,626	-
Total Special Education Cluster (IDEA)				(64,175)	305,491	252,294	493,610	-
English Language Acquisition State Grants	84.365	WI DPI	2021-405355-DPI-T3 -391	(2,264)	2,264	13,993	13,993	-
Improving Teacher Quality State Grants	84.367	WI DPI	2021-405355-TIIA-365	(17,200)	44,245	25,000	52,045	-
Student Support and Academic Enrichment Program	84.424	WI DPI	2021-405355-TIVA - DPI-381	(3,661)	3,661	11,922	11,922	-
COVID-19 Elementary and Secondary School Emergency Relief	84.425D	WI DPI	2021-405355-DPI-ESSERF-160	-	125,653	-	125,653	-
Total U.S. Department of Education				(114,185)	613,766	325,507	825,088	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicaid Cluster:								
Medical Assistance Program	93.778	WI DHS	44234700	(2,601)	43,073	-	40,472	-
Total U.S. Department of Health and Human Services				(2,601)	43,073	-	40,472	-
Total Federal Programs				\$ (161,644)	\$ 1,054,435	\$ 351,756	\$ 1,244,547	\$ -
RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS								
Federal Sources							\$ 1,244,547	

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/21	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	405355-100	\$ -	\$ 1,073,708	\$ -	\$ 1,073,708	\$ -
Special Education and School Age Parents	255.101	CESA No. 1	N/A	-	1,713	1,142	2,855	-
Total Special Education and School Age Parents				-	1,075,421	1,142	1,076,563	-
State School Lunch Aid	255.102	Direct Program	405355-107	-	5,693	-	5,693	-
Common School Fund Library Aid	255.103	Direct Program	405355-104	-	80,084	-	80,084	-
Bilingual Bicultural Aid Lea	255.106	Direct Program	405355-111	(10,058)	11,057	-	999	-
Equalization Aids	255.201	Direct Program	405355-116	(77,152)	5,856,430	93,439	5,872,717	-
Integration Transfer - Non Resident	255.204	Direct Program	405355-106	-	522,268	-	522,268	-
Supplemental Per Pupil Aid	255.245	Direct Program	405355-181	-	5,525	-	5,525	-
School Based Mental Health Services	255.297	Direct Program	405355-177	(34,960)	34,960	75,846	75,846	- 119
State School Breakfast Aid	255.344	Direct Program	405355-117	-	2,879	-	2,879	-
Educator Effective Evaluation System	255.940	Direct Program	405355-154	-	-	14,080	14,080	-
Per Pupil Aid	255.945	Direct Program	405355-113	-	1,348,956	-	1,348,956	-
Assessments of Reading Readiness	255.956	Direct Program	405355-166	-	4,041	-	4,041	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	405355-168	-	17,000	-	17,000	-
Total Wisconsin Department of Public Instruction				(122,170)	8,964,314	184,507	9,026,651	-
WISCONSIN DEPARTMENT OF JUSTICE								
School Safety Initiative - Security Updates and Mental Health Training	455.206	Direct Program	N/A	-	7,920	-	7,920	-
Total State Programs				\$ (122,170)	\$ 8,972,234	\$ 184,507	\$ 9,034,571	\$ -

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

State Sources	\$ 9,035,486
Intermediate Sources	2,855
Less: State Sources not Considered State Financial Assistance	
State Tax-Exempt Aids	(1,279)
Office of School Safety Supplies Reimbursement	(2,491)
Total Expenditures of State Awards	<u>\$ 9,034,571</u>

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the Shorewood School District are 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* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the District. Because the schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2021 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The District has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2020-2021 eligible costs under the State Special Education Program as reported by the District are \$3,712,746. Compiled information required by compliance requirement 1-1 of the Special Education Audit Program was reported to the Wisconsin Department of Public Instruction.

NOTE 4 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2021**

NOTE 5 OVERSIGHT AGENCIES

The federal and state oversight agencies for the District are as follows:

Federal – U.S. Department of Education

State – Wisconsin Department of Public Instruction

NOTE 6 PASS-THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DHS – Wisconsin Department of Health Services

WI DPI – Wisconsin Department of Public Instruction

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I – Summary of the Auditors' Results

Basic Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to basic financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

10.553
10.555

Name of Federal Program or Cluster

Child Nutrition Cluster:
COVID-19 School Breakfast Program
COVID-19 National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Section I – Summary of the Auditors' Results (Continued)

State Awards

1. Internal control over major state programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ Yes x none reported

2. Type of auditors' report issued on compliance for major state programs Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? _____ Yes x no

Identification of Major State Programs:

State ID Number

255.201
255.204
255.945

Name of State Programs

Equalization Aids
Integration Transfer Non Resident
Per Pupil Aid

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

Auditee qualified as low-risk auditee? x yes _____ no

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

2021-001

**Control Deficiency
Preparation of Annual Financial Report
Repeat of Finding 2020-001**

Type of Finding

Significant deficiency in internal control over financial reporting

Condition

Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The District contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the District's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the District had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

Criteria

The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.

Cause

District management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect

The District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation

We recommend the District continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the District's operations and activities. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (Continued)

Management Response

Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

Views of Responsible Officials

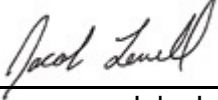
Management agrees with the finding. Management believes that the cost of hiring staff to prepare year-end adjusting and closing entries and to prepare financial reports outweighs the benefits to be received. Management will have the appropriate staff review the adjusting, closing and GASB 34 conversion entries along with the prepared financial reports, as recommended, to obtain an adequate understanding of the District's financial report.

Section III – Federal and State Award Findings and Questioned Costs

There are no audit findings and questioned costs required to be reported under the Uniform Guidance and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration for the year ended June 30, 2021.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Section IV – Other Issues

- | | | |
|----|--|--|
| 1. | Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. | Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue, or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| | a. Department of Health Services | No |
| | b. Department of Public Instruction | No |
| | c. Department of Justice | No |
| 3. | Was a management letter or other document conveying audit comments issued as a result of this audit? | Yes |
| 4. | Name and signature of partner | 

Jake Lenell, CPA |
| 5. | Date of report | December 14, 2021 |



Shorewood
SCHOOL DISTRICT

Operational Expectations Monitoring Document
OE-3 Treatment of Stakeholders
(Student Families and Staff)

Certification of the Superintendent: *With respect to Operational Expectation 3 (Treatment of Stakeholders), taken as a whole, the superintendent certifies that the proceeding information is accurate and complete, and is:*

- In Compliance
- In Compliance with Noted Exceptions
- Not in Compliance

Signed: _____, Interim Superintendent **Date:**

Reporting Period and Notes:

Compliance Summary

OE 3.1 Protect confidential information	
OE 3.2 Effectively handle complaints	
OE 3.3 Maintain a District culture that: A. values differences of opinion, experience and perspective; B. reasonably includes people in decisions that affect them; C. provides open and honest communication in written and interpersonal interaction; D. focuses on common achievement of the Student Results policies; E. is open, collaborative, responsive and welcoming; and F. commits to identity, ability and cultural equity.	

Executive Summary

Disposition of the Board: *With respect to Operational Expectation 3 (Treatment of Stakeholders - Student Families and Staff) (~~Character and Citizenship~~)*, the Board:

- Accepts the report as fully compliant
- Accepts the report as compliant with noted exceptions
- Finds the report to be noncompliant

Summary statement/motion of the Board:

Signed: _____, Board President Date: _____

OE-3: Treatment of Stakeholders

The Superintendent shall maintain a District culture that encourages the involvement of **its stakeholders** ~~all stakeholders and staff~~, treating them with respect, dignity and courtesy. Oversight of the District will address constituents with empathy and sincere consideration.

Superintendent Interpretation:

- **Stakeholders** shall mean all persons who have a **direct relationship with the District: resident & non-resident parents and guardians, students and staff** ~~community members~~. **Staff** shall mean all persons who are employed in any capacity by the District.
- **A District culture** shall mean a manner of behaving and operating respectfully, with dignity and courtesy as evidenced by actions, protocols, practices, and procedures outlined in Board and District policies.

Board Comments:

OE 3.1 Protect confidential information.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Compliant with Exceptions	Compliant with Exceptions
	Not Compliant	Not Compliant

Superintendent Interpretation:

- **Protect** shall mean processes and procedures to receive, disseminate, process, or store official records in the District, so that third parties are not able to determine the confidential identity of others.
- **Confidential** shall mean a category of information that is not made public (except as provided for by law) and is only communicated to authorized personnel (who require the information for legitimate professional purposes).

<p>Board Indicator 1: We will know we are compliant when: There is no unauthorized release of confidential information in the District as evidenced by the lack of complaints resulting from such release.</p>	<p><u>Superintendent</u></p> <p>Compliant</p> <p>Not Compliant</p>	<p><u>Board</u></p> <p>Compliant</p> <p>Not Compliant</p>
<p>Evidence:</p>		

<p>Board Indicator 2 We will know we are compliant when: There is no favorable (Claimant wins over district) grievance or legal action taken against the District for unauthorized release of confidential information.</p>	<p><u>Superintendent</u></p> <p>Compliant</p> <p>Not Compliant</p>	<p><u>Board</u></p> <p>Compliant</p> <p>Not Compliant</p>
<p>Evidence:</p>		

Board Comments:

<p>OE-3.2 Effectively handle complaints.</p>	<p><u>Superintendent</u></p> <p>Compliant</p> <p>Compliant with Exceptions</p> <p>Not Compliant</p>	<p><u>Board</u></p> <p>Compliant</p> <p>Compliant with Exceptions</p> <p>Not Compliant</p>
---	---	--

Superintendent Interpretation:

- **Effectively handle** shall mean to abide by established procedures to address concerns as necessary and resolve such concerns with a defined course of action per District Policies ~~870 and 410~~ Guideline 1.
- **Complaint** shall mean a concern for discrimination and/or harassment received by administration.

Board Indicator 1: We will know we are compliant when: Complaints not involving students are resolved without legal action or by the District being declared the prevailing party when formal hearings or litigation results.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Not Compliant	Not Compliant
Evidence:		

Board Indicator 2: We will know we are compliant when: Complaints received from parents or guardians involving schools (including students) are handled by the Pupil Services Office, per the requirements of the Department of Public Instruction’s Pupil Nondiscrimination and Education Equity report, which takes into account the nature of the complaint and is documented in the Office of Civil Rights Non-Discrimination Report.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Not Compliant	Not Compliant
Evidence:		

Board Comments:

OE - 3.3 Maintain a District culture that: A. values differences of opinion, experience and perspective; B. reasonably includes people in decisions that affect them; C. provides open and honest communication in written and interpersonal interaction; D. focuses on common achievement of the Student Results policies; E. is open, collaborative, responsive and welcoming; and F. commits to identity, ability and cultural equity.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Compliant with Exceptions	Compliant with Exceptions
	Not Compliant	Not Compliant

Superintendent Interpretation:

- **“Values individual differences”** shall mean that stakeholders in the District can express their thoughts and ideas, whether aligned with/or contrary to a given direction adopted by District leadership.
- **“Reasonably includes”** shall mean stakeholders have ample opportunity to provide feedback and share different points of views when decisions allow for such input. Since the District budget and major initiatives

are driven by the annual District Action Plan, its development will reflect opportunities for input from teachers, parents and staff administrators, and the community for each year.

- **“Open and honest communication”** shall mean having the opportunity to freely express oneself about the progress toward or achievement of District goals.
- **“Interpersonal interaction”** shall mean the exchange of information, feelings and meaning, both verbal and nonverbal messages.
- **“Open, responsive and welcoming”** shall mean an environment where people with varying viewpoints can express their thoughts and opinions openly without fear of ridicule or other negative repercussions.
- **“Commits to identity, ability and cultural equity”** shall mean people are provided with resources as they need them regardless of their differences.

Board Indicator 1: We will know we are compliant when: The District provides at least five (5) mediums for feedback and input from stakeholders.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Not Compliant	Not Compliant
Evidence:		

Board Indicator 2: We will know we are compliant when: At least 80% 70%* of stakeholders believe that the District communicates effectively.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Not Compliant	Not Compliant
<i>*Benchmark provided by the National School Public Relations Association</i>		
Evidence:		

Board Indicator 3: We will know we are compliant when: At least 80% 70%* of stakeholders believe their interactions with District personnel have been positive and they feel comfortable visiting District facilities.	<u>Superintendent</u>	<u>Board</u>
	Compliant	Compliant
	Not Compliant	Not Compliant
<i>*Benchmark provided by the National School Public Relations Association</i>		
Evidence:		

<p>Board Indicator 4: We will know we are compliant when: The district website includes accessibility features to increase access for all stakeholders.</p>	<p><u>Superintendent</u></p> <p>Compliant</p> <p>Not Compliant</p>	<p><u>Board</u></p> <p>Compliant</p> <p>Not Compliant</p>
<p>Evidence:</p>		

1 **WISCONSIN ASSOCIATION OF SCHOOL BOARDS, INC.**

2 Madison, Wisconsin

3 November 23, 2021

4
5 **REPORT TO THE MEMBERSHIP ON PROPOSED 2022 RESOLUTIONS**

6 WASB Policy & Resolutions Committee

7 Barbara Herzog, Oshkosh Area School Board, Chair

8
9
10 **Resolution 22-01: *Safe Harbor Legislation***

11
12 **Create:** The WASB supports passage of state legislation to protect youth who have been subject
13 to child sex trafficking from criminal prosecution for prostitution.

14
15 **Rationale:** Child sex trafficking has become a prevalent problem in Wisconsin, with all 72
16 counties reporting occurrences. In recent years, overall reported occurrences have averaged
17 roughly 100 per year. On average, child victims are only 13 years old when they are trafficked
18 for the first time. Traffickers target runaway and homeless youth, particularly those with a
19 history of sexual abuse and lure them into a cycle of abuse that is hard to escape for many
20 reasons, including that child victims face potential prosecution under child prostitution laws.

21
22 The board that proposed this resolution and other proponents of Safe Harbor legislation suggest
23 that eliminating the threat of prosecution would have several benefits. It could: a) help enable
24 victims to receive rehabilitative services and counseling; b) prevent traffickers from using the
25 threat of criminalization as a way to keep control over the children being trafficked; and c)
26 increase the likelihood that children who have been trafficked can and will testify against their
27 abusers. Proponents note that after a similar law was enacted in Minnesota, convictions of
28 traffickers quadrupled, in large part because child sex trafficking victims were more likely to
29 testify against their abusers/traffickers. Adoption of a Safe Harbor law would bring Wisconsin
30 law into conformity with the federal Trafficking Victims Protection Act, something 30 other
31 states have already done by enacting similar provisions.

32
33
34 **Resolution 22-02: *Annual Inflationary or Greater Increases in Per Pupil Spendable***
35 ***Resources***

36
37 **Create:** The WASB supports annual increases in per pupil spendable resources for public school
38 districts that meet or exceed inflation.

39
40 **Rationale:** Under current law, lawmakers may provide additional spending authority to school
41 districts in one of three ways: 1) by increasing per pupil revenue limits; 2) by providing an
42 increase in per pupil categorical aid (which is outside revenue limits); or 3) by providing a
43 combination of increased per pupil revenue limits and increased per pupil categorical aid. This
44 resolution supports annual increases provided through any of these three mechanisms that meet
45 or exceed the rate of inflation.

1 **Resolution 22-03: *Funding for Children with Disabilities***

2
3 **Amend** the first paragraph of existing Resolution 2.31 to read as follows:

4
5 **2.31 Funding for Children with Disabilities** The WASB supports increasing the special
6 education categorical aid reimbursement level to not less than 60 percent of prior year
7 eligible costs and maintaining funding at not less than this percentage each year
8 thereafter *via a sum sufficient appropriation*. The WASB further supports the following
9 provisions related to funding for children with disabilities:

10
11 **Rationale:** This resolution calls for converting special education categorical aid from a sum
12 certain appropriation to a *sum sufficient* appropriation, which would guarantee that the specified
13 or promised percentage level of support is met. Providing special education categorical aid
14 through a sum sufficient appropriation would mean that the Legislature must provide whatever
15 amount of funding it takes to meet the promised percentage reimbursement level of support (in
16 this case 60 percent).

17
18
19 **Resolution 22-04: *Advanced Learning***

20
21 **Amend** existing Resolution 2.37 to add the following language:

22
23 The WASB encourages that schools focus less on identifying “gifted” students and more
24 on identifying and addressing unmet learning needs of students capable of high levels of
25 achievement.

26
27 The WASB further encourages districts to provide a variety of advanced programming
28 opportunities for K-12 students, including acceleration options, and to offer opportunities
29 to individuals such that students from every background are able to achieve at their
30 highest possible levels.

31
32 **Rationale:** State statutes mandate that each school board must “ensure that all gifted and talented
33 pupils enrolled in the school district have access to a program for gifted and talented pupils” and
34 that each school board must “provide access to an appropriate program for pupils identified as
35 gifted or talented.” However, the state currently provides only \$474,400 per year in direct aid to
36 school districts for gifted and talented programming. Prior to the enactment of 2021-23 state
37 budget that amount was only \$237,200 per year.

38
39 Advocates for gifted and talented students, such as the Wisconsin Association for the Talented
40 and Gifted (WATG), have long decried that having a state mandate for identification and
41 services for gifted and talented students does not necessarily guarantee their availability. The
42 WATG argues that there is lack of clarity in the definition of “gifted and talented” and that due
43 to that lack of clarity, schools should identify “needs” not “children.” This resolution
44 encourages schools to provide relatively low-cost pathways to meet unmet learning needs of
45 high achieving students such as by offering acceleration options. Acceleration options may
46 include, but are not limited to, providing such things as: early admission to Kindergarten, first

1 grade or high school; curricular modifications; access to dual enrollment courses in high school;
2 AP courses in high school; or international baccalaureate (IB) curricula, etc.

3
4 **Resolution 22-05: *Broadening Staff Expenditures Eligible for State Categorical Aid for***
5 ***School Mental Health Services***

6
7 **Create:** The WASB supports legislation to broaden the scope of DPI-issued pupil services
8 licenses eligible to qualify for state categorical aid for school mental health programs to include
9 school social workers, school counselors, and school psychologists.

10
11 **Rationale:** Broadening the scope of DPI-issued pupil services license categories eligible to
12 qualify for state categorical aid for school mental health programs would enable schools to
13 better meet student mental health needs and could enable a broader range of school district
14 expenditures to qualify for state categorical aid for school mental health programs.

15
16 Under current law, state categorical aid for school mental health programs is funded at \$12
17 million per year and reimburses eligible districts and schools for school social worker service
18 expenditures as follows: (a) 50% reimbursement of the increase in expenditures for school social
19 worker services from one year to the next; and (b) a proportion of unreimbursed expenditures for
20 school social workers, based on the amount remaining in the appropriation after payments are
21 made under (a).

22
23
24 **Resolution 22-06: *Broadening the Scope of Mental Health Services Eligible for***
25 ***Reimbursement***

26
27 **Create:** The WASB supports legislation to broaden the scope of mental health service
28 professionals eligible for reimbursement from the state to include licensed mental health social
29 workers, licensed mental health counselors, licensed mental health psychologists, and
30 community mental health coordinators.

31
32 **Rationale:** Broadening the scope of mental health providers eligible to have their services
33 reimbursed by the state to include licensed mental health social workers, licensed mental health
34 counselors, licensed mental health psychologists, and community mental health coordinators
35 would enable schools to better meet student mental health needs and would help to address
36 unfunded mental health needs in Wisconsin schools.

37
38
39 **Resolution 22-07: *Curriculum and Professional Training on Asian Americans & Pacific***
40 ***Islanders***

41
42 **Create:** The WASB encourages Wisconsin public schools to develop an educational curriculum
43 and professional training to teach the history, culture, and contributions of Asian Americans &
44 Pacific Islanders to the economic, cultural, and social development of Wisconsin and the USA.
45 The WASB also requests the state Legislature provide sufficient funding to develop an
46 appropriate model curriculum and training package.

1 **Rationale:** “Asian Americans & Pacific Islanders (AAPI)” refers to those persons who trace
2 their origins and ancestries back to the countries of East Asia, Southeast Asia, South Asia or the
3 Pacific Islands. Asian Americans & Pacific Islanders have lived and worked in Wisconsin for
4 over 100 years, and have contributed greatly to our state’s rich history, culture, economy, and
5 public service.

6
7 Between the 2010 to the 2020 Census periods, the population of Asian Americans & Pacific
8 Islanders in Wisconsin grew 36% from 131,061 to 177,901 (consistent with the nationwide trend
9 of 35.5% growth) – increasing significantly faster than the state’s overall growth rate of 3.6%.

10
11 At the same time, the COVID-19 Pandemic and the Delta variant have engendered the targeting
12 of Asian Americans & Pacific Islanders in WI and the USA with Anti-Asian hate and
13 harassment. (According to the group *Stop AAPI Hate*, the number of anti-Asian hate incidents
14 from March 2020 to June 2021 totaled 9,081 across the USA, with 4,533 in January-June 2021
15 alone).

16
17 This resolution aims to build greater understanding of Asian American & Pacific Islanders’
18 economic, cultural, and other contributions to our state and nation. This in turn may reduce
19 violence or threats of violence against Asian Americans & Pacific Islanders.

20
21 Proponents of this resolution note that in 2021, Wisconsin lawmakers officially recognized the
22 contributions of AAPI people in Wisconsin, including by recognizing May 2021 as Asian
23 Pacific Islander Desi American (APIDA) Heritage Month and by designating May 14 annually
24 as Hmong-Lao Veterans Day. Both these legislative resolutions received bipartisan support.

25
26
27
28 **Resolution 22-08: WASB National Presence and/or National Association Membership**

29
30 **Repeal and recreate** existing resolution 5.16 as follows:

31
32 The WASB will maintain a national presence and/or membership in a national
33 association(s) and will participate in and support that national presence and/or
34 membership(s), when compatible with WASB programs and policies. The WASB urges
35 members to actively participate in and support national presence activities and/or national
36 association(s).

37
38 **Rationale:** The WASB Board of Directors, under its authority as spelled out in the WASB
39 Bylaws, may place resolutions before the Delegate Assembly.

40
41 Under existing Resolution 5.16, the WASB is required to maintain membership in the National
42 School Board Association (NSBA). The changes proposed by this resolution would require the
43 WASB to maintain “a national presence and/or membership in a national association(s)” but that
44 national association would not necessarily have to be the NSBA. These proposed changes would
45 also not require the WASB to leave the NSBA. That decision would be up to the Board of
46 Directors. The nature of the national presence and/or membership in a national association or
47 associations would fall under the purview of the WASB Board of Directors.

1 **Resolution 22-09: Impact Aid**

2
3 **Amend** existing Resolution 2.63 **Impact Aid** as follows:

4
5 The WASB petitions the Wisconsin Legislature to adopt a joint resolution asking
6 Congress to fully fund Impact Aid as it did from the creation of the program in 1950 until
7 1969, and will also work with our national presence and/or a national association(s) ~~the~~
8 ~~NSBA~~ to try to secure greater funding of Impact Aid, including by offering a proposed
9 resolution to ~~the NSBA~~ a national association or associations urging ~~NSBA~~ it or them to
10 lobby Congress for a similar increase in federal Impact Aid.

11
12 **Rationale:** The WASB Board of Directors, under its authority as spelled out in the WASB
13 Bylaws, may place resolutions before the Delegate Assembly.

14
15 Under existing resolution 5.16, the WASB is required to maintain membership in the National
16 School Board Association (NSBA). The proposed changes to resolution 5.16 in Resolution 22-08
17 would require the WASB to maintain “a national presence and/or membership in a national
18 association(s)” but the association(s) would not have to be the NSBA. The proposed changes to
19 resolution 5.16 would also not require the WASB to leave the NSBA. The national presence
20 and/or membership in a national association(s) decisions would be in the hands of the WASB
21 Board of Directors.

22
23 In light of the proposed changes to existing Resolution 5.16, existing Resolution 2.63 is likewise
24 proposed to be amended because it directly refers to the NSBA. References to the NSBA in the
25 existing resolution are replaced by references to a national association or associations and/or to a
26 national presence.

27
28
29 **Resolution 22-10: Elementary and Secondary Education Act (ESEA)**

30
31 **Amend** the first paragraph of existing Resolution 3.17 as follows:

32
33 The WASB opposes a mandated national test. The WASB will work with our legislators,
34 ~~the National School Boards Association,~~ our national presence and/or a national
35 association(s), the Department of Public Instruction and other education groups to adapt
36 the Elementary and Secondary Education Act to:

37
38 **Rationale:** The WASB Board of Directors, under its authority as spelled out in the WASB
39 Bylaws, may place resolutions before the Delegate Assembly.

40
41 Under existing resolution 5.16, the WASB is required to maintain membership in the National
42 School Board Association (NSBA). The proposed changes to resolution 5.16 in Resolution 22-08
43 would require the WASB to maintain “a national presence and/or membership in a national
44 association(s)” but the association would not have to be the NSBA. The proposed changes to
45 resolution 5.16 would also not require the WASB to leave the NSBA. The national presence
46 and/or membership decision would fall under the purview of the WASB Board of Directors.

1 In light of the proposed changes to existing Resolution 5.16, existing Resolution 3.17 is likewise
2 proposed to be amended because it directly refers to the NSBA. References to the NSBA in the
3 existing resolution are replaced by references to a national association or associations and/or to a
4 national presence.

RESOLUTIONS SUBMITTED BY MEMBER SCHOOL BOARDS

The Policy and Resolutions Committee received five (5) resolution proposals from member school boards by the Sept. 15, 2021, deadline as recommendations for the 2022 Delegate Assembly.

The Committee deliberated at length before deciding to recommend six (6) resolutions for consideration to the Delegate Assembly based on submissions from member boards and one resolution from the Committee itself. In two cases where a resolution was submitted that arguably addressed multiple topics, the committee separated the submitted resolution into two resolutions that were both advanced to the Delegate Assembly.

According to the WASB Bylaws, the member board resolutions turned down by the committee may be brought up for action from the Delegate Assembly floor by a two-thirds favorable vote.

Where a resolution was turned down, the committee's rationale for turning down the member board's resolution is briefly explained below. Similarly, where a submitted resolution was split into two resolutions, the committee's rationale is explained.

Member Board Resolutions Submitted by Sept. 15:

Superior: Safe Harbor Legislation (p. 1)

- The committee recommended that this resolution move forward to the Delegate Assembly with minor modifications. It is reflected in **Resolution 22-01: *Safe Harbor Legislation***.

Sun Prairie: State Standardized Testing (p. 3)

- The committee turned down this resolution. A majority of committee members opined that the subject matter of this resolution had already been addressed by existing WASB resolutions.

South Milwaukee: School Funding (p. 6)

- The committee recommended that this resolution move forward to the Delegate Assembly but split it into two separate resolutions. Committee members believed the proposal as submitted addresses two distinct topics and that each topic should be the subject of its own separate resolution. For that reason, this proposed resolution is reflected in **Resolution 22-02: *Annual Inflationary or Greater Increases in Per Pupil Spendable Resources*** and in **Resolution 22-03: *Funding for Children with Disabilities***.

Oregon: Advanced Learning (p. 8)

- The committee recommended that this resolution move forward to the Delegate Assembly with modifications. It is reflected in **Resolution 22-04: *Advanced Learning***.

Algonia: Broadening the Scope of Mental Health Services (p. 9)

- The committee recommended that this resolution move forward to the Delegate Assembly but split it into two separate resolutions. Committee members believed the proposed resolution as submitted could be viewed to address two distinct topics, and therefore each topic should be the subject of its own separate resolution. For that reason, this proposed resolution is reflected in **Resolution 22-05: *Broadening Staff Expenditures Eligible for State Categorical Aid for School Mental Health Services*** and in **Resolution 22-06: *Broadening the Scope of Mental Health Services Eligible for Reimbursement***.



2022 WASB DELEGATE ASSEMBLY

Date: 2021-09-15 11:01:54

Subject of Resolution: Support the passage of Safe Harbor SB 245 and AB185 to protect youth from criminal repercussions (sex trafficking)

Submitted by the School Board of: Superior School District

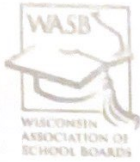
RESOLUTION: The School District of Superior urges WASB, our legislators, DPI, Wisconsin CESAs, and other school districts in Wisconsin to support the passage of Safe Harbor SB 245 and AB185 to protect youth from criminal repercussions.

RATIONALE: RESOLUTION RELATING TO SUPPORT FOR THE PASSAGE OF SAFE HARBOR SB245 and AB185 WHEREAS, The Trafficking Victims Protection Act of 2000, as amended (TVPA) states commercial sexual exploitation is inherently harmful and defined as sexual abuse of someone through the act of commercial sexual activity. Commercial sexual activity occurs when anything of value or a promise of anything of value, (such as money, drugs, food, shelter, protection, or anything else) is provided to a person by any means in exchange for any type of sexual activity. A survivor need not be physically transported from one location to another for the crime to fall within this definition. A third person may or may not be involved; and WHEREAS, sex trafficking and CSE is a market built on force, fraud, coercion, and manipulation. Traffickers profit by linking sex buyers to people they consider are "for sale". People who buy sex use money and power to exploit others, and drive the demand for purchasing sex. Both the trafficker and exploiter use power and control to continue systematic exploitation of specific needs and vulnerabilities; and WHEREAS, Under current law, a person who is under the age of 18 may be prosecuted or adjudicated delinquent for committing an act of prostitution, a Class A misdemeanor. Under the Wisconsin proposed bills (SB245 and AB185), a person who is under the age of 18 may not be prosecuted or adjudicated delinquent for committing an act of prostitution. This bill eliminates the option under current law in cases where a person under the age of 18 has committed an act of prostitution for a court to enter a consent decree under the Juvenile Justice Code, or a deferred prosecution agreement under the Juvenile Justice Code or adult criminal statutes, if the court determines that a consent decree or deferred prosecution agreement will serve the best interests of the person being prosecuted and will not harm society. WHEREAS, the best approach to human trafficking and CSE of youth is to follow the United States' Department of Children and Families advice to address these societal issues as a public health crisis and must be addressed within a multidisciplinary team response. NOW, THEREFORE, BE IT RESOLVED, the School District of Superior urges WASB, our legislators, DPI, Wisconsin CESAs, and other school districts in Wisconsin to support the passage of Safe Harbor SB 245 and AB185 to protect youth from criminal repercussions.

- Checking the box (at left) confirms that this submitted resolution was duly approved by the School Board.
- Checking the box (at left) and typing in the name of the board president (below) confirms that the board president signed this resolution.

Board President:

Date of Approved Resolution:



2022 WASB DELEGATE ASSEMBLY

Date: 2021-09-09 19:57:56

Subject of Resolution: State Standardized testing

Submitted by the School Board of: Sun Prairie Area School Board

RESOLUTION:

WHEREAS, our nation’s future well-being relies on a high-quality public education system that prepares all students for college, careers, and lifelong learning, and strengthens the nation’s social and economic well-being; and

WHEREAS, the Sun Prairie Area School District Board of Education (hereinafter referred to as the “Board) believes that assessing student learning needs requires development of relationships and authentic assessments and the time used on standardized testing takes away from mitigating pandemic related learning challenges and creates an environment where students may only feel valued by a test score and not as individuals as the only face to face contact they may have had this past year was to take a standardized test; and

WHEREAS, the Sun Prairie Area School District (hereinafter referred to as the “District”) continues to assess student learning through various methods (e.g. common formative assessments and curricular assessments), including the use of standardized tests as mandated by law; and

WHEREAS, the Board firmly believes that standardized test scores should not be the ultimate goal of measuring student achievement because they fail to measure the primary goal of student learning which is to challenge students to think critically and deeply in multiple contexts and to transfer their knowledge and skills successfully into a variety of environments and opportunities; and

WHEREAS, our nation’s school systems have been spending growing amounts of time, money and energy on high-stakes standardized testing in which student performance on standardized tests is used to make major decisions affecting individual students, educators and schools; and

WHEREAS, the Board is very concerned with the resources being diverted to standardized testing in classrooms and in districts across the state and the overuse of standardized tests which disproportionately impacts our most vulnerable children: students of color, low-income students, students with disabilities, as well as students who do not speak English as their first language; particularly when those tests are used to determine ranking, admission, and graduation of students or to evaluate teachers and school staff and overall school performance; and

WHEREAS, the overreliance on high-stakes standardized testing in state and federal accountability systems is undermining educational quality and equity in U.S. public schools by hampering educators' efforts to focus on the broad range of learning experiences that promote the innovation, creativity, problem solving, collaboration, communication, critical thinking and deep subject-matter knowledge that will allow students to thrive in a democracy and an increasingly global society and economy; and

WHEREAS, it is widely recognized that standardized testing is an inadequate and often unreliable measure of both student learning and educator effectiveness and more post secondary institutions are eliminating ACT and SAT scores as part of the admission process as these scores are generally not considered predictors of success in colleges or universities; and

WHEREAS, the U.S. test-prep and private tutoring industry which grew to \$12 billion dollars in 2014 and was projected to reach \$17.5 billion dollars in 2020 is predominantly concentrated in Asian and White communities, who score the highest on standardized tests; and

WHEREAS, the Board is further concerned about how standardized testing is not aligned with the multiple efforts by this District regarding equity, anti-racist and culturally and linguistically inclusive and sensitive curriculum and related staff professional development; and

WHEREAS, the Board is also concerned about other possible consequences of standardized testing, including: the loss of learning opportunities; the stress placed on our students; the triggering of behaviors that may interfere with learning; the interruption of schedules of our special education's students and students in our ELL programs; the time spent on professional development for testing that could be put to other purposes; and, the potential for implicit bias in the testing process that would disproportionately affect students of color;

THEREFORE BE IT RESOLVED, that the Sun Prairie Area School District Board of Education supports locally developed, authentic assessments as drivers of instruction, to give more time for educators to teach and students to learn and encourages our staff to continue to develop systems that measure student learning without having to rely on standardized tests; and

BE IT FURTHER RESOLVED, that the Board calls on the governor, state legislature, and the Wisconsin Department of Public Instruction to reexamine public school accountability systems in this state, and to develop a system based on multiple forms of evidence that does not require extensive standardized testing, more accurately reflects the broad range of student learning, and is used to support students and improve schools; and

BE IT FURTHER RESOLVED, that the Board calls on the U.S. Congress and Federal Administration to reduce the federal testing mandates, promote multiple forms of evidence of student learning and school quality.

IN WITNESS WHEREOF, this Proclamation was unanimously adopted by the members of the Board of Education of the Sun Prairie Area School District present on the 10th day of May, 2021.

RATIONALE:

We have long held that standardized tests don't tell us anything that we don't already know and that they are biased against students of color, students in poverty, and students with disabilities. Our district even makes a concerted effort to provide snacks for students before and during testing so we know that all kids have a full stomach and aren't hungry while taking tests.

While testing has its place in ways of assessing students, it should not take precedence and be used in a way to penalize our teachers and students. There are many more authentic ways to assess students that could allow for voice and choice in a classroom and help teachers spend time building relationships with students rather than prepping for tests.

The Sun Prairie Area School Board has resolved to do what is required by the state and federal government but to not make that the main priority. It is time to make a change and push back against what the legislators have required us to do and then punished us for.

We would like to see other school districts make a vocal stand and work together to move away from mandated standardized testing and allow teachers to build relationships with their students and measure their learning and success in more meaningful ways. Our district has committed to working through what those measurements would look like and coming up with new ways to show how our district is succeeding.

Checking the box (at left) confirms that this submitted resolution was duly approved by the School Board.

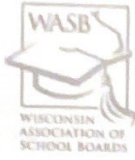
Checking the box (at left) and typing in the name of the board president (below) confirms that the board president signed this resolution.

Board President:

Steve Schroeder

Date of Approved Resolution:

5/10/2021



2022 WASB DELEGATE ASSEMBLY

Date: 2021-08-27 14:02:20

Subject of Resolution: School Funding

Submitted by the School Board of: South Milwaukee

RESOLUTION:

Whereas, the school board, administrators, teachers, staff, parents and community members of the School District of South Milwaukee are united in our effort to provide all children with the highest quality educational opportunities possible; and

Whereas, School Districts throughout Wisconsin and the Nation have worked hard and continue to work hard to fulfill the educational needs of our students throughout the COVID-19 pandemic; and

Whereas, the federal COVID-19 funds were created to address the additional stressors due to the pandemic, and were not created to supplant state and local funding; and

Whereas, revenue limits are the single biggest factor putting stress on the School District of South Milwaukee’s operational budget and ability to fund student learning; and

Whereas, revenue limit challenges are further worsened by the COVID-19 pandemic as enrollments have decreased; and

Whereas, the School District of South Milwaukee transfers over \$4 million from the general fund to the special education fund thus limiting opportunities for all students; and

Whereas, the 2021-23 State Biennial budget has defunded our public schools by not providing inflationary adjustments to sustain student programs and services; and

Whereas, the State has funds available to invest in public schools; and

Whereas, inflation is trending over 4% for the current year which will cause significant hardship on public schools that have been defunded through the 2021-23 biennial budget; and

Therefore, Be It Resolved, the School District of South Milwaukee School Board calls on the Wisconsin Legislature and the Governor to support the following investments in public education: \$200 per pupil revenue limit adjustment in 2021-22 and \$400 per pupil in 2022-23 50% reimbursement for special education programs, funded as a sum sufficient allocation.

RATIONALE:

Schools throughout Wisconsin have dealt with and continue to deal with a pandemic that challenges our finances and ability to execute our mission. Further, the 2021-23 Wisconsin Budget has starved schools of important spendable resources to maintain our programs. We are also aware of the CPI trending above 4% for 2022-23 negotiations which will further stress a system that is receiving no increase to revenue limits in the state budget. It is also important to relieve the pressure of special education on the Fund 10 budget.



2022 WASB DELEGATE ASSEMBLY

Date:

Subject of Resolution:

Submitted by the School Board of:

RESOLUTION:

RATIONALE:

Checking the box (at left) confirms that this submitted resolution was duly approved by the School Board.

Checking the box (at left) and typing in the name of the board president (below) confirms that the board president signed this resolution.

Board President:

Date of Approved Resolution:



2022 WASB DELEGATE ASSEMBLY

Date: 2021-09-03 12:29:45

Subject of Resolution: Broadening the scope of mental health services

Submitted by the School Board of: Algoma

RESOLUTION:

Resolution in Support of Broadening the Scope of Mental Health Services in Wisconsin Administrative Code PI34, Sub Chapter VII

WHEREAS, there is a significant unmet mental health crisis in our state and in our schools; and

WHEREAS, early recognition and intervention strategies can help avoid serious consequences to those struggling with mental health issues; and

WHEREAS, the WI School Mental Health Framework recognizes the need for an intensive level of mental health supports; and

WHEREAS, easy access to care is the key to successful treatment; and

WHEREAS, services from community partners with appropriately trained professionals often have wait times and complicated paperwork creating barriers to timely treatment; and

WHEREAS, offering appropriate mental health services in the school setting would increase the access for our students in need; and

WHEREAS, current licenses listed in Chapter PI 34, sub chapter VII do not include trained mental health professionals; and

WHEREAS, staff with the currently listed educator licenses of school counselor, school psychologist, and school social worker neither have the time or the professional training to give appropriate mental health therapy to students; and

WHEREAS, with no license category, districts with student mental health expenses cannot count the expense as pupil services and are caught between trying to meet a significant need and having no funding opportunity; and

WHEREAS, having a mental health professional category in PI 34 sub chapter VII would allow districts a mechanism to receive some reimbursement for pupil mental health expenses through general or categorical aids; and

WHEREAS, determination of the percentage of reimbursement given through the aids is on the legislative side limiting the potential to have a large impact on the state school budget;

RATIONALE:

THEREFORE, be it resolved that the Algoma School Board calls on the WI State Assembly and the WI Senate to address this unfunded mental health need in the schools and broaden the scope of mental health service licenses in the pupil service area of Chapter PI 34 sub chapter VII to include licensed mental health social worker, licensed mental health counselor, licensed mental health psychologist, and community mental health coordinator.

Checking the box (at left) confirms that this submitted resolution was duly approved by the School Board.

Checking the box (at left) and typing in the name of the board president (below) confirms that the board president signed this resolution.

Board President:

Date of Approved Resolution:

1 **Resolution 22-03: *Funding for Children with Disabilities***

2
3 **Amend** the first paragraph of existing Resolution 2.31 to read as follows:

4
5 **2.31 Funding for Children with Disabilities** The WASB supports increasing the special
6 education categorical aid reimbursement level to not less than 60 percent of prior year
7 eligible costs and maintaining funding at not less than this percentage each year
8 thereafter *via a sum sufficient appropriation*. The WASB further supports the following
9 provisions related to funding for children with disabilities:

10
11 **Rationale:** This resolution calls for converting special education categorical aid from a sum
12 certain appropriation to a *sum sufficient* appropriation, which would guarantee that the specified
13 or promised percentage level of support is met. Providing special education categorical aid
14 through a sum sufficient appropriation would mean that the Legislature must provide whatever
15 amount of funding it takes to meet the promised percentage reimbursement level of support (in
16 this case 60 percent).

17
18
19 **Resolution 22-04: *Advanced Learning***

20
21 **Amend** existing Resolution 2.37 to add the following language:

22
23 The WASB encourages that schools focus less on identifying “gifted” students and more
24 on identifying and addressing unmet learning needs of students capable of high levels of
25 achievement.

26
27 The WASB further encourages districts to provide a variety of advanced programming
28 opportunities for K-12 students, including acceleration options, and to offer opportunities
29 to individuals such that students from every background are able to achieve at their
30 highest possible levels.

31
32 **Rationale:** State statutes mandate that each school board must “ensure that all gifted and talented
33 pupils enrolled in the school district have access to a program for gifted and talented pupils” and
34 that each school board must “provide access to an appropriate program for pupils identified as
35 gifted or talented.” However, the state currently provides only \$474,400 per year in direct aid to
36 school districts for gifted and talented programming. Prior to the enactment of 2021-23 state
37 budget that amount was only \$237,200 per year.

38
39 Advocates for gifted and talented students, such as the Wisconsin Association for the Talented
40 and Gifted (WATG), have long decried that having a state mandate for identification and
41 services for gifted and talented students does not necessarily guarantee their availability. The
42 WATG argues that there is lack of clarity in the definition of “gifted and talented” and that due
43 to that lack of clarity, schools should identify “needs” not “children.” This resolution
44 encourages schools to provide relatively low-cost pathways to meet unmet learning needs of
45 high achieving students such as by offering acceleration options. Acceleration options may
46 include, but are not limited to, providing such things as: early admission to Kindergarten, first

1 grade or high school; curricular modifications; access to dual enrollment courses in high school;
2 AP courses in high school; or international baccalaureate (IB) curricula, etc.

3
4 **Resolution 22-05: *Broadening Staff Expenditures Eligible for State Categorical Aid for***
5 ***School Mental Health Services***

6
7 **Create:** The WASB supports legislation to broaden the scope of DPI-issued pupil services
8 licenses eligible to qualify for state categorical aid for school mental health programs to include
9 school social workers, school counselors, and school psychologists.

10
11 **Rationale:** Broadening the scope of DPI-issued pupil services license categories eligible to
12 qualify for state categorical aid for school mental health programs would enable schools to
13 better meet student mental health needs and could enable a broader range of school district
14 expenditures to qualify for state categorical aid for school mental health programs.

15
16 Under current law, state categorical aid for school mental health programs is funded at \$12
17 million per year and reimburses eligible districts and schools for school social worker service
18 expenditures as follows: (a) 50% reimbursement of the increase in expenditures for school social
19 worker services from one year to the next; and (b) a proportion of unreimbursed expenditures for
20 school social workers, based on the amount remaining in the appropriation after payments are
21 made under (a).

22
23
24 **Resolution 22-06: *Broadening the Scope of Mental Health Services Eligible for***
25 ***Reimbursement***

26
27 **Create:** The WASB supports legislation to broaden the scope of mental health service
28 professionals eligible for reimbursement from the state to include licensed mental health social
29 workers, licensed mental health counselors, licensed mental health psychologists, and
30 community mental health coordinators.

31
32 **Rationale:** Broadening the scope of mental health providers eligible to have their services
33 reimbursed by the state to include licensed mental health social workers, licensed mental health
34 counselors, licensed mental health psychologists, and community mental health coordinators
35 would enable schools to better meet student mental health needs and would help to address
36 unfunded mental health needs in Wisconsin schools.

37
38
39 **Resolution 22-07: *Curriculum and Professional Training on Asian Americans & Pacific***
40 ***Islanders***

41
42 **Create:** The WASB encourages Wisconsin public schools to develop an educational curriculum
43 and professional training to teach the history, culture, and contributions of Asian Americans &
44 Pacific Islanders to the economic, cultural, and social development of Wisconsin and the USA.
45 The WASB also requests the state Legislature provide sufficient funding to develop an
46 appropriate model curriculum and training package.

1 **Rationale:** “Asian Americans & Pacific Islanders (AAPI)” refers to those persons who trace
2 their origins and ancestries back to the countries of East Asia, Southeast Asia, South Asia or the
3 Pacific Islands. Asian Americans & Pacific Islanders have lived and worked in Wisconsin for
4 over 100 years, and have contributed greatly to our state’s rich history, culture, economy, and
5 public service.
6

7 Between the 2010 to the 2020 Census periods, the population of Asian Americans & Pacific
8 Islanders in Wisconsin grew 36% from 131,061 to 177,901 (consistent with the nationwide trend
9 of 35.5% growth) – increasing significantly faster than the state’s overall growth rate of 3.6%.

10
11 At the same time, the COVID-19 Pandemic and the Delta variant have engendered the targeting
12 of Asian Americans & Pacific Islanders in WI and the USA with Anti-Asian hate and
13 harassment. (According to the group *Stop AAPI Hate*, the number of anti-Asian hate incidents
14 from March 2020 to June 2021 totaled 9,081 across the USA, with 4,533 in January-June 2021
15 alone).

16
17 This resolution aims to build greater understanding of Asian American & Pacific Islanders’
18 economic, cultural, and other contributions to our state and nation. This in turn may reduce
19 violence or threats of violence against Asian Americans & Pacific Islanders.
20

21 Proponents of this resolution note that in 2021, Wisconsin lawmakers officially recognized the
22 contributions of AAPI people in Wisconsin, including by recognizing May 2021 as Asian
23 Pacific Islander Desi American (APIDA) Heritage Month and by designating May 14 annually
24 as Hmong-Lao Veterans Day. Both these legislative resolutions received bipartisan support.
25
26
27

28 **Resolution 22-08: WASB National Presence and/or National Association Membership**

29
30 **Repeal and recreate** existing resolution 5.16 as follows:
31

32 The WASB will maintain a national presence and/or membership in a national
33 association(s) and will participate in and support that national presence and/or
34 membership(s), when compatible with WASB programs and policies. The WASB urges
35 members to actively participate in and support national presence activities and/or national
36 association(s).
37

38 **Rationale:** The WASB Board of Directors, under its authority as spelled out in the WASB
39 Bylaws, may place resolutions before the Delegate Assembly.
40

41 Under existing Resolution 5.16, the WASB is required to maintain membership in the National
42 School Board Association (NSBA). The changes proposed by this resolution would require the
43 WASB to maintain “a national presence and/or membership in a national association(s)” but that
44 national association would not necessarily have to be the NSBA. These proposed changes would
45 also not require the WASB to leave the NSBA. That decision would be up to the Board of
46 Directors. The nature of the national presence and/or membership in a national association or
47 associations would fall under the purview of the WASB Board of Directors.

1 **Resolution 22-09: Impact Aid**

2
3 **Amend** existing Resolution 2.63 **Impact Aid** as follows:

4
5 The WASB petitions the Wisconsin Legislature to adopt a joint resolution asking
6 Congress to fully fund Impact Aid as it did from the creation of the program in 1950 until
7 1969, and will also work with our national presence and/or a national association(s) ~~the~~
8 ~~NSBA~~ to try to secure greater funding of Impact Aid, including by offering a proposed
9 resolution to ~~the NSBA~~ a national association or associations urging ~~NSBA~~ it or them to
10 lobby Congress for a similar increase in federal Impact Aid.

11
12 **Rationale:** The WASB Board of Directors, under its authority as spelled out in the WASB
13 Bylaws, may place resolutions before the Delegate Assembly.

14
15 Under existing resolution 5.16, the WASB is required to maintain membership in the National
16 School Board Association (NSBA). The proposed changes to resolution 5.16 in Resolution 22-08
17 would require the WASB to maintain “a national presence and/or membership in a national
18 association(s)” but the association(s) would not have to be the NSBA. The proposed changes to
19 resolution 5.16 would also not require the WASB to leave the NSBA. The national presence
20 and/or membership in a national association(s) decisions would be in the hands of the WASB
21 Board of Directors.

22
23 In light of the proposed changes to existing Resolution 5.16, existing Resolution 2.63 is likewise
24 proposed to be amended because it directly refers to the NSBA. References to the NSBA in the
25 existing resolution are replaced by references to a national association or associations and/or to a
26 national presence.

27
28
29 **Resolution 22-10: Elementary and Secondary Education Act (ESEA)**

30
31 **Amend** the first paragraph of existing Resolution 3.17 as follows:

32
33 The WASB opposes a mandated national test. The WASB will work with our legislators,
34 ~~the National School Boards Association,~~ our national presence and/or a national
35 association(s), the Department of Public Instruction and other education groups to adapt
36 the Elementary and Secondary Education Act to:

37
38 **Rationale:** The WASB Board of Directors, under its authority as spelled out in the WASB
39 Bylaws, may place resolutions before the Delegate Assembly.

40
41 Under existing resolution 5.16, the WASB is required to maintain membership in the National
42 School Board Association (NSBA). The proposed changes to resolution 5.16 in Resolution 22-08
43 would require the WASB to maintain “a national presence and/or membership in a national
44 association(s)” but the association would not have to be the NSBA. The proposed changes to
45 resolution 5.16 would also not require the WASB to leave the NSBA. The national presence
46 and/or membership decision would fall under the purview of the WASB Board of Directors.

1 In light of the proposed changes to existing Resolution 5.16, existing Resolution 3.17 is likewise
2 proposed to be amended because it directly refers to the NSBA. References to the NSBA in the
3 existing resolution are replaced by references to a national association or associations and/or to a
4 national presence.

Lake Bluff Leadership Team Linkage
December 21, 2021

Tammy Rasco, Principal
Shana Lucas, Instructional Coach
Katy Thompson, 6th Grade Teacher
Sam Pietenpol, 6th Grade Teacher
Dominic McFerrin, Special Education Teacher
Tom Dittl, 1st Grade Teacher
Jennifer Conigliaro, ML Teacher
Katherine Myciewski, Band Teacher

Wellness

- Being back in person, very optimistic from where we were
- Supportive Staff
- Working to solve problems together, combat isolation, and keep everyone safe.
- There is joy both within staff and students but struggles remain
 - Social skills and behavior norms have slipped. An assumption of good intentions and reminders of how bad behavior disrupts everyone has been needed.
 - It was mentioned literacy gaps in the little ones are apparent as well as social skills, sharing, and how to play together. Remembering that for our K4-1st grade students there school experience has been anything but “normal.”

Communication

- More consistent communication
 - e.g. Delivering safety information
 - sometimes it's been reactionary
 - a lot of the discomfort has come from the communication piece (goal-oriented, intentional, examples of ICS)

ICS/EL

- Important to remember systems changes require a growth-mindset from everyone.
- Synergy between the continued work of EL accreditation and ICS.



School Board Meeting - Closed Session
Tuesday, November 30, 2021
AMENDED Meeting Minutes

Board Members Present: Paru Shah, President
Hilary DeBlois, Vice President
Pablo Muirhead, Clerk
Emily Berry, Treasurer
Ellen Eckman, Member at Large

District Participation: JoAnn Sternke, Interim Superintendent

Call to Order: President Paru Shah called the meeting to order at 6:15 pm.

Motion by Paru Shah to go to a Closed Session per posting.

The School Board convened in Closed Session to consider employment, promotion, compensation and/or performance evaluation data, pursuant to Wis. Stat. 19.85(1)(c).

Motion to leave Closed Session by Paru Shah.

Meeting adjourned by Paru Shah without objection at 6:55 pm.



SCHOOL DISTRICT OF SHOREWOOD
Board Meeting Minutes
Shorewood Intermediate School, Room 214
December 14, 2021

Board Member Participation: Paru Shah, President
Hilary DeBlois, Vice President
Pablo Muirhead, Clerk
Emily Berry, Treasurer
Ellen Eckman, Board Member
Bobby Gronert, Student Representative
Alexis Hu, Student Representative

District Staff Participation: JoAnn Sternke, Interim Superintendent
Heather Heaviland, Director of Business Services
Shari Tucker, Director of Equity

I. 7:03 pm CALL TO ORDER

Motion to Adopt the Agenda

MOVED by Hilary DeBlois and SECONDED by Ellen Eckman

Motion to move the November 30 Closed Meeting Minutes to Board Action

MOVED by Hilary DeBlois and SECONDED by Ellen Eckman

AYE: 5 NAY: 0

II. 7:06 pm STUDENT ACHIEVEMENT

SHS Drama Workshop with Actor Kate Baldwin (SHS '93)

III. 7:20 pm PUBLIC COMMENT #1 - No Comments

IV. 7:22 pm BOARD BUSINESS AND BOARD ACTION

A. Facilities Projects Updates, Mike Huffman

B. Approval of the Interim Superintendent's Contract Extension

MOVED by Pablo Muirhead and SECONDED by Ellen Eckman

AYE: 5 NAY: 0

C. Approval of OE1 (Global Operational Expectation) Monitoring Report

MOVED by Pablo Muirhead and SECONDED by Emily Berry

Motion to Amend Board Indicator 1 to Compliant

MOVED by Hilary DeBlois and SECONDED by Pablo Muirhead

AYE: 5 NAY: 0

D. Approval of OE2 (Emergency Superintendent Succession Plan) Operational Monitoring Report

MOVED by Pablo Muirhead and SECONDED by Hilary DeBlois

AYE: 5 NAY: 0

E. District ICS (Integrated Comprehensive Systems for Equity) Update, Shari Tucker

F. Board Governance: Key Communicators Group, Linkages, Community-Based Finance Committee

G. Correction to November 30, 2021 Closed Meeting Minutes: Updates to Board Roster

V. 9:19 pm BOARD CONSENT AGENDA

Approval of Board Meeting Minutes: November 30 Regular Board Meeting
MOVED by Pablo Muirhead and SECONDED by Ellen Eckman

AYE: 5 NAY: 0

VI. 9:20 pm PUBLIC COMMENT #2 - No comments

VII. 9:21 pm BOARD REPORTS

VIII. 9:30 pm SUPERINTENDENT'S REPORT

IX. 9:43 pm SUPERINTENDENT'S CONSENT AGENDA - No action items

X. 9:43 pm PUBLIC COMMENT #3 - No comments

XI. 9:45 pm REVIEW OF 'TO DO' ITEMS

XII. 9:47 pm FUTURE AGENDA ITEMS

XIII. 9:47 pm RECESS AND DEBRIEF

Paru Shah
Jan 11, 2022
Board Report

[1] Diversity Workgroup Meeting
December 21, 2021

Welcome and Introductions: Led by Shari
Introduce all members and welcome new members

Ongoing Business:

- A. Glows, Grows, and Goals for next year- Dr. Sternke
- B. Staff diversity, recruitment, and retention updates - Shari Tucker (continuing to review/revise our interview process as well as our onboarding process)

New Business:

- A. Update from Elementary Schools- Mrs. Carter and Mrs. Rasco
- B. [ICS UPDATES](#) - Shari Tucker
[ICS Board Update 12/14/2021](#)

Data Analysis and Discussion

- A. Inquiries submitted to online portal [Edlio Portal Entries](#) - Shari Tucker

Board Report
Emily Berry
January 11, 2022

The Community-Based Finance Committee met on Monday, Dec. 20 via Zoom call.

All but one of our members attended - one was ill.

James Robinson, Nat Davauer, Clarke Warren, Janet Kreilein, Brian Feiges were present along with myself and Hilary DeBlois.

Our single agenda item was to chart a path to making recommendations to the full board within a few months.

After discussing a few different ways to achieve that, we settled on forming three subgroups who would each take a major topic facing the board, and will write up questions, comments, suggestions and findings related to that topic.

We chose (1) enrollment, (2) staffing and compensation and (3) state budget advocacy as our three topics. I emphasized to the group that they needn't feel that their findings are as well-researched or comprehensive as a Ph.D. thesis. We can't reasonably expect that of a volunteer group that meets once a month. Even suggestions based on a bit of research and a working understanding of school finance are helpful for me as a board member, and I hope would be for the rest of the board. Again, whatever the group submits will be purely advisory.

At our next meeting, set for Jan. 24, we will settle on a format for the write-ups, and our aim is to finalize our submission to the board at our February meeting. The board can therefore expect to see that document at or before our March 8 meeting if all goes as planned.

-Emily Berry
January 6, 2022



SHOREWOOD SCHOOL BOARD

Topic: Superintendent's Report

Date: January 11, 2022

Prepared by: JoAnn Sternke

Board Action:

X Information only

Presentation/discussion

Discussion/action by board of education

Presentation/action next meeting

Purpose:

To summarize current District education, administrative and operations priorities and provide follow up on items from prior Board meetings.

COVID Report

We are grateful to everyone in the District and Village for their thoughtful consideration of travel and social plans over Winter Break, and their use of mitigation strategies we know are critical to reducing virus spread. Expanded testing provided by Summit Clinical Laboratories in the Shorewood Village Center during this time have been immensely helpful in meeting the needs of our students and staff, and their family members.

We have extended the expanded testing opportunities at this time. Summit and the Village Center will continue [expanded testing hours](#) later into January to provide more testing support for the District. Additionally the North Shore Health Department will host a vaccination clinic on January 20 at this location. We hope families and staff will take advantage of this convenient resource.

In preparation for our return to school on January 4, Summit provided rapid testing for District staff on Monday, January 3, and more than 100 teachers and staff members took advantage of this opportunity. While we have had positive and pending cases among staff, our team collaborated to provide coverage where needed and classes resumed on schedule on Tuesday, January 4. The District is recruiting for both a health aide vacancy as well as a temporary nursing position at this time, and securing substitute teachers continues to be challenging. We

appreciate our staff helping in classrooms when necessary, and we value the work of our school leaders and front office staff in filling staff absences each day.

As you know, District parents concerned about the virus surge were provided with the option to excuse their student(s) through January 14, with classroom assignments available through Google Classroom and Seesaw. On the first day back, approximately 75 students (4%) total (all schools) were excused, citing virus concerns. This number has remained fairly constant through the week.

To address the surge of Omicron cases in our region, the North Shore Health Department (NSHD) recommended these notification changes, which we adopted:

- A building-wide notification **will continue** to be sent following confirmation of a positive case in order to prioritize this critical communication to staff and families and enhance timeliness; classroom notifications will not be provided;
- We are also following the NSHD advice to prioritize contact tracing for *unvaccinated* students and staff who were in close contact, based on data made available to the District. This strategy is focused on isolating those most at risk for serious illness to ease the strain on local healthcare systems and frontline professionals; and
- Finally - regardless of vaccination status - we now encourage families to regularly test; twice each week is recommended. Additional testing is recommended as needed due to symptoms or close contact.

Changes in these communication procedures will be evaluated and revised as needed. We encourage people to use rapid tests as a means to verify COVID status, and to take advantage of the expanded PCR testing hours at the Village Center as needed.

Please note that the definition of "fully vaccinated" has recently been amended. Students who received two vaccine doses were considered fully vaccinated before authorization of a booster (the FDA authorized boosters for children ages 12-15 just last week). Similarly, only adults who have received boosters are considered "fully vaccinated" or "up-to-date." Again, routine testing - twice each week - for students and adults, regardless of vaccination, status is highly encouraged at this time.

As you know, in late December the CDC made changes to the isolation guidelines for those who contract COVID. We have received information about these changes from Health Officers from Milwaukee County Health Departments, but we are awaiting clarification from the DPI and North Shore Health Department on a few items. Some school districts have moved forward to shorten the quarantine period for students and staff to five days using this CDC guidance. We are still reviewing the impact on our protocols. I hope we can announce any District policy changes no later than Friday, January 14.

With the emphasis on vaccination status in new guidelines, the District has included a student vaccination documentation tool in our COVIDresults@shorewood.k12.wi.us communication and

on the COVID-19 page on the District website. The Human Resources Department will also be asking staff to update their vaccination status. These are voluntary opportunities, pending mandates.

Increasing community vaccination coverage and testing, a better understanding of mitigation, and compelling research about the importance of keeping schools open have changed how we approach decision making concerning in-person vs. virtual learning. To be clear, these are not gating criteria with specific numbers attached to them, but important markers in measuring our ability to keep students and staff in school:

1. Adequate staff - both in classrooms and other key operational areas - is key to determining if we can operate safely and effectively. We prioritize evaluation of staff absences that directly impact student learning as we review daily staffing information.
2. We look at positive COVID cases among staff and students in each of our schools as well as the District. We draw upon all we have learned as we have responded to COVID challenges, and we seek to move classrooms to temporary virtual learning before we consider more significant changes at the school level or District-wide.
3. Data regarding public health conditions provided by the North Shore Health Department are also part of our decision-making process. In addition to the community case burden in Shorewood, we look at comparative data in surrounding communities, case levels and vaccination coverage among specific age groups, and other information.

All of these tools, as well as close communication with school leadership teams, faculty and staff, have helped us maintain in-person learning with success. Again, the Omicron variant presents unique issues. Please know that we are monitoring operations throughout each day and continuously evaluating the conditions outlined above, and we are prepared to make informed decisions regarding teaching and learning in our schools.

School programs and student services have been running smoothly; adjustments are being made to address student and staff absences, and we are continuously reviewing upcoming activities to ensure that we are taking every precaution at this challenging time. SHS Department Chairs have helped shape the SHS assessment schedule for January 18 -20 with this in mind, and the high school will be notifying students and caregivers about this schedule. They are being thoughtful in their planning and very cognizant of students' needs as they plan for this mid-year assessment time.

2022-2023 Budget Development

Director of Business Services, Heather Heaviland, has begun the 2022-2023 budget preparation cycle in earnest. In addition to distributing a community budget survey soon, four community input sessions on the 2022-2023 budget have been scheduled: February 10 and 17, and March 1 and 3.

Earlier plans called for holding these sessions in our schools; in keeping with our COVID protocols, we will make decisions about the feasibility of holding these meetings in-person later

this month and provide an update and details for each at the January 25 Board meeting, on the District website and elsewhere. Each of these sessions will be complemented by a separate budget input meeting with members of each school's staff. We hope that all staff and community members will take advantage of the survey opportunity and/or input sessions to provide their input in ways that respect their interests and time.

Concurrently, the District's leadership team will also be preparing their departmental budget proposals, and Heather and I will be conducting a series of budget meetings with each school principal in the weeks ahead. This work will conclude during the first week of March.

Leadership Staff

Recruitment for a new Director of Special Education and Pupil Services has begun, and we are beginning to receive credentials from candidates and are beginning the resume review process.

The beginning of 2022 has been extremely challenging for our Administrative Leadership and building teams in all of our schools. Thanks to everyone's collaborative efforts, we have worked as a team to cover staff absences at each school and respond to additional, daily challenges that the Omicron variant has presented. These include rapid responses to facilities and operations needs and student safety concerns - lunchroom protocols, decisions about academic, recreation and athletics programs - and more. I could not be more impressed by their energy and can-do spirit, and I am deeply grateful for all that they continue to do to support our goals for students during a third year of learning and teaching impacted by the pandemic.



**EXECUTIVE SUMMARY
FOR THE SHOREWOOD SCHOOL BOARD**

Topic: Monthly Financial Reports

Date: Jan 11, 2022

Prepared by: Heather Heaviland

Recommended action:

- Information only
- Presentation/discussion
- Discussion/action by board of education
- Presentation/action next meeting

Purpose: Financial reports are provided to the Board monthly to assist with monitoring of financial condition and compliance with the adopted budget.

Notes and Comments:

November 2021 Statements

November 2021 financial statements reflect activities and financial changes for the first five months of the fiscal year.

- Revenue and Expenses
 - General fund revenues are, for our largest sources of revenue, on par with expectations. Smaller revenue sources, including rental and student fee income is currently not on track to meet our budgeted revenue amounts. Revenue from rental of buildings by outside parties has been impacted by COVID-19. It is not clear if student fee income will catch up over the course of the year. In order to mitigate any potential shortfalls, school and recreation program staff have been asked to increase communications regarding any unpaid fees.
 - Expenses are, in the aggregate, on par with expectations. In monitoring performance of individual school and department budgets, some concerning

trends have been flagged and addressed through modifications to planned spending for the balance of the year.

- Balance Sheet
 - The general fund balance decreased in value due to the typical and expected timing of revenue receipt.

Attachments:

- Budget Performance Update
- Revenue Dashboard
- Expense Dashboard
- Cash Receipts 2021-11
- Budget Status 2021-11
- Check Register 2021-11
- Balance Sheet 2021-11

Additional Information

Understanding Account Numbers: Account numbers are shown on several of the monthly reports. A complete description of account codes and how they are used can be obtained from the Business Office or Department of Public Instruction / School Financial Services website. The following is provided to assist with reading the provided monthly reports.

Fund- the 1st two digits are a designation of an accounting entity. The accounting entity is assigned by the DPI to ensure compliance with various statutory requirements related to the type of financial transactions reported. The common funds are:

- 10 General Fund is for recording any transaction not required to be recorded in another fund. This fund accounts for about 75% of total financial transactions.

- 21 Special Revenue Trust Fund is used to record transactions financed with non-governmental donations or other receipts designated for a specific educational purpose. Examples include support from PTO's, booster clubs, SEED and so forth.

- 27 The Special Education Fund is considered a sub-fund to the General Fund and is used to segregate financial transactions related to extraordinary costs for meeting the needs of students identified as requiring an Individualized Education Plan.

- 38 & 39 These funds are used to record property taxes levied for the purpose of repayment of long-term debt and the corresponding transactions for the principal and interest payments.

- 41 & 49 Capital Projects funds track revenue specifically raised to pay the costs of a capital project and the expenses thereof. Revenue are typically a segregated property tax levy or borrowed amounts.

- 50 The fund is used to segregate financial transactions related to operating the school food service program. A deficit, if any, in this fund is covered with a transfer from the General Fund.
- 80 Financial transactions related to operating the Fitness Center , Recreation Programs or other community oriented activities are recorded in the Community Services Fund.

Type - accounts codes have the following account types:

- A Asset
- L Liability
- Q Equity
- E Expense
- R Revenue

Shorewood Sch Dist - Budget Performance Update - General Fund



Fund summary basis: General and Special Education

Month of November (fiscal year 2022):

↑ Total MTD Revenues: \$494,643; over plan* (favorable) by +\$282,418
 ↑ Total MTD Expenditures: \$2,487,359; over plan (unfavorable) by +\$17,094

Fiscal year to date (July-November):

↑ Total YTD Revenues: \$1,677,870 (5.3% of annual budget compared to 4.3% prior YTD); over plan (favorable) year-to-date (YTD) by +\$324,337

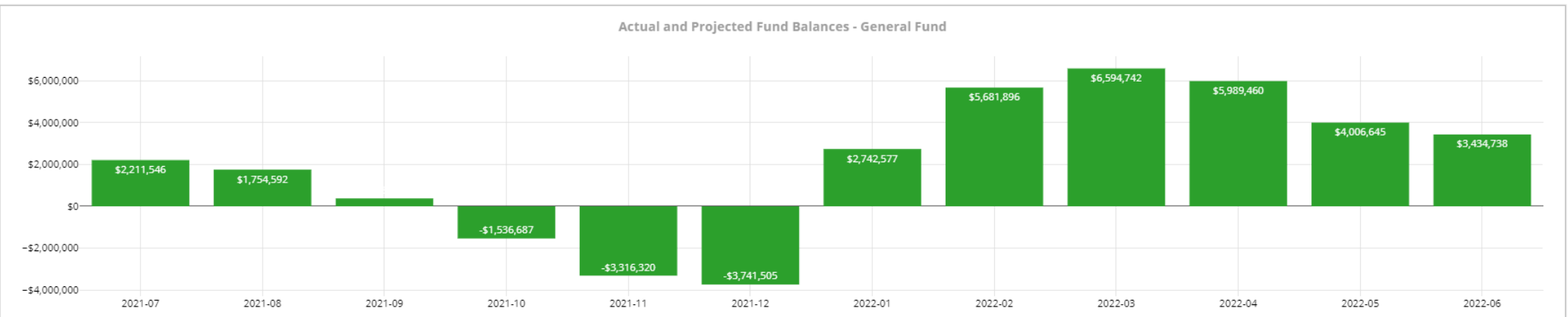
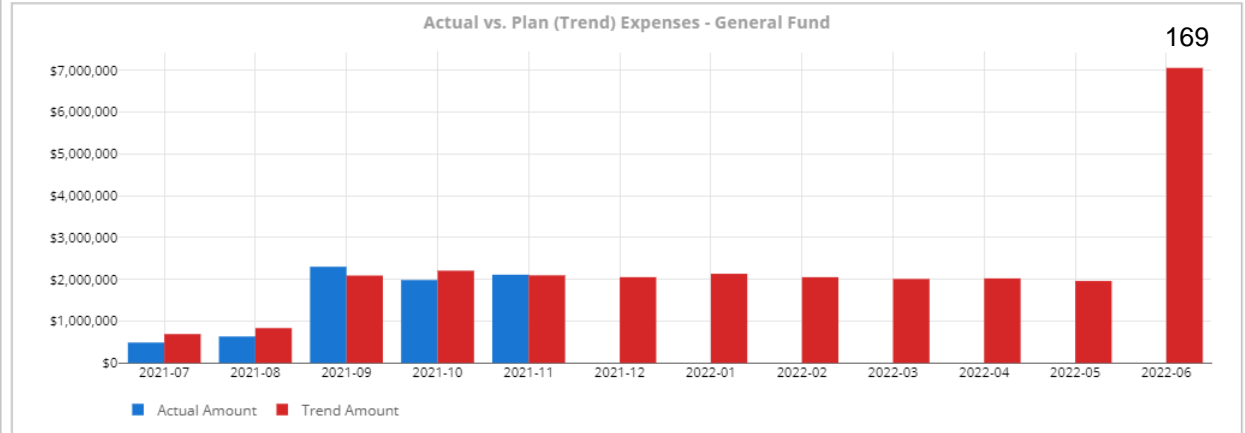
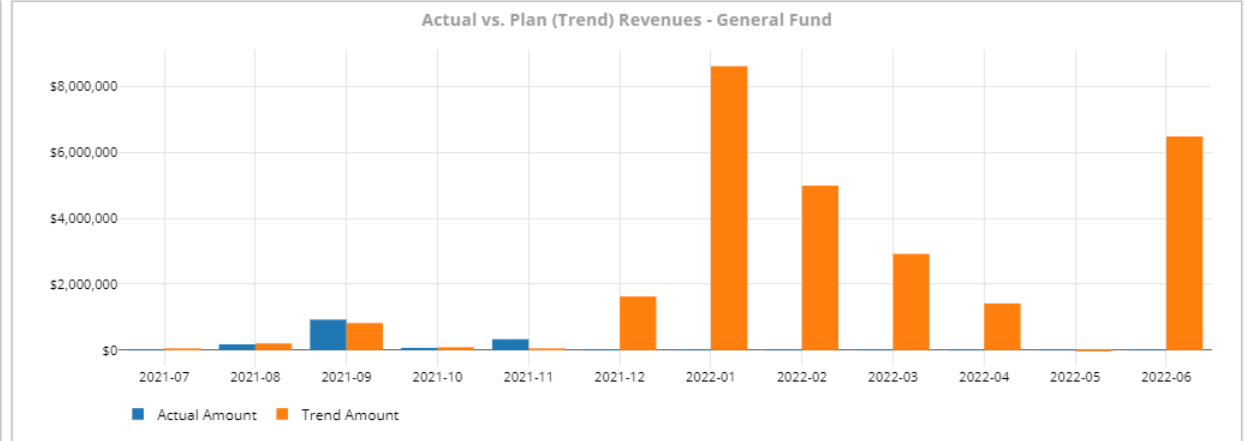
- 100 TRANSFERS - IN FROM ANOTHER FUND: +\$0
- ↓ 200 REVENUE FROM LOCAL SOURCES: -\$45,335
- ↓ 300 INTERDISTRICT PAYMENTS WITHIN WISCONSIN: -\$1,424
- ↓ 500 REVENUE FROM INTERMEDIATE SOURCES: -\$648
- ↑ 600 REVENUE FROM STATE SOURCES: +\$127,552
- ↑ 700 REVENUE FROM FEDERAL SOURCES: +\$262,432
- ↓ 900 OTHER REVENUES: -\$18,241

↓ Total YTD Expenditures: \$8,642,191 (27.4% of annual budget compared to 26.1% prior YTD); under plan (favorable) year-to-date (YTD) by -\$469,343

- ↓ 100 SALARIES: -\$134,450
- ↓ 200 EMPLOYEE BENEFITS: -\$39,746
- ↓ 300 PURCHASED SERVICES: -\$204,524
- ↓ 400 NON-CAPITAL OBJECTS: -\$98,074
- ↑ 500 CAPITAL OBJECTS: +\$39,652
- ↑ 600 DEBT RETIREMENT: +\$9,925
- ↓ 700 INSURANCE AND JUDGMENTS: -\$62,605
- ↓ 800 TRANSFERS: -\$11,054
- ↑ 900 OTHER OBJECTS: +\$31,534

End of Fiscal Year Projection

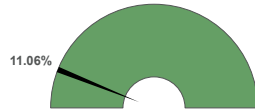
	Projected	Annual Budget	Variance
Total Revenues	\$31,899,451	\$31,575,114	+\$324,337
Total Expenditures	\$31,088,258	\$31,557,601	-\$469,343



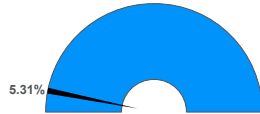
General and Special Education Funds | Revenue Dashboard

For the Period Ending November 30, 2021

Projected Year End Fund Balance as % of Budgeted Revenues

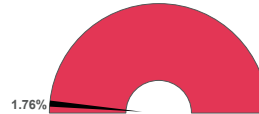


Actual YTD Total Revenues



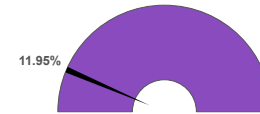
Projected YTD Total Revenues
4.29%

Actual YTD Local Sources



Projected YTD Local Sources
2.04%

Actual YTD State Sources



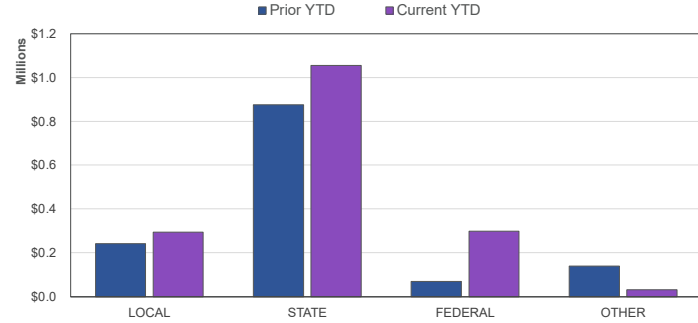
Projected YTD State Sources
10.51%

Top 10 Sources of Revenue (Year-to-Date)

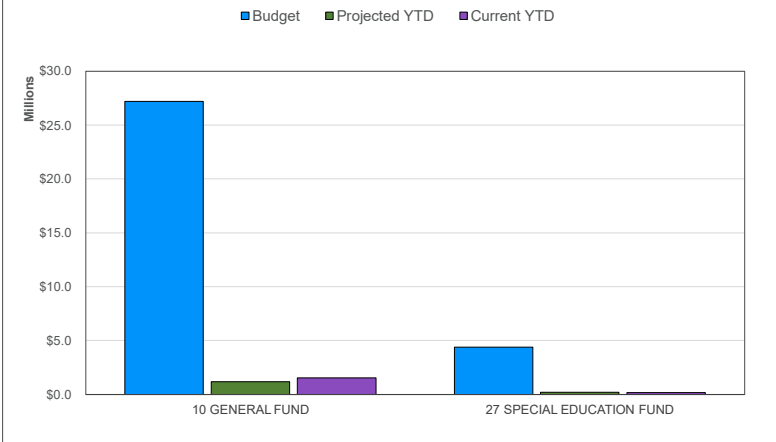
Equalization Aid	\$884,114.00
Federal Special Projects Aid Transited Through Dpi	\$285,518.93
Student Fees	\$201,054.45
Special Education State Aid	\$165,904.00
Rentals	\$40,057.75
Other School Activity Income	\$25,203.70
Debt Premium And Accrued Interest On Non-Refinancing Debt	\$21,775.00
School Co-Curricular Admissions	\$15,905.00
Federal Aid Received Through State Agencies Other Than Dpi	\$12,332.46
Supply Resales	\$10,564.00

Percent of Total Revenues Year-to-Date **99.08%**

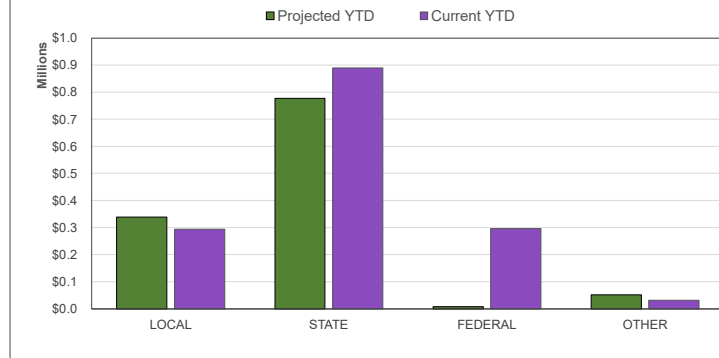
Revenues by Source



Total Revenues



Revenues by Source



Total YTD Revenues

\$1,677,870

Variance to Budget \$324,337

FAVORABLE

YTD Local Sources

\$293,553

Variance to Budget \$-45,335

UNFAVORABLE

YTD State Sources

\$1,054,967

Variance to Budget \$127,552

FAVORABLE

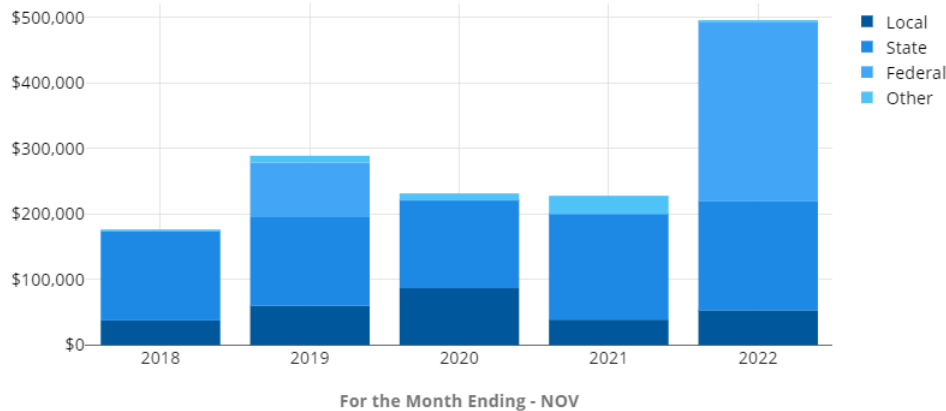
YTD Federal Sources

\$297,851

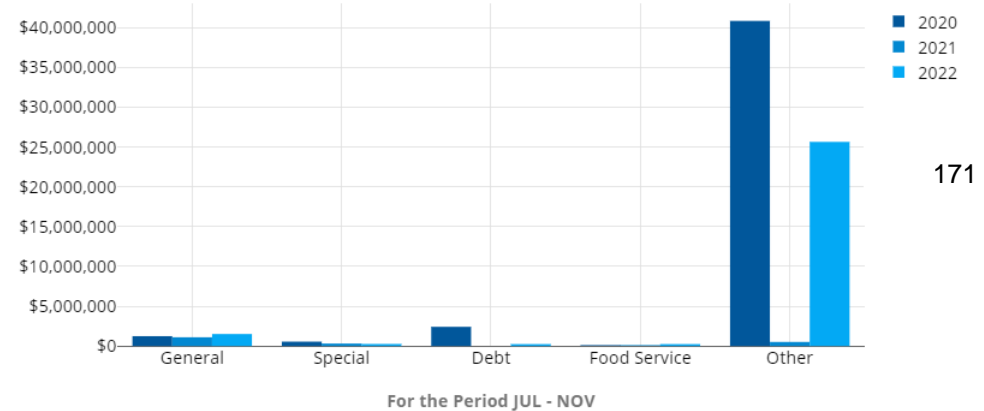
Variance to Budget \$262,432

FAVORABLE

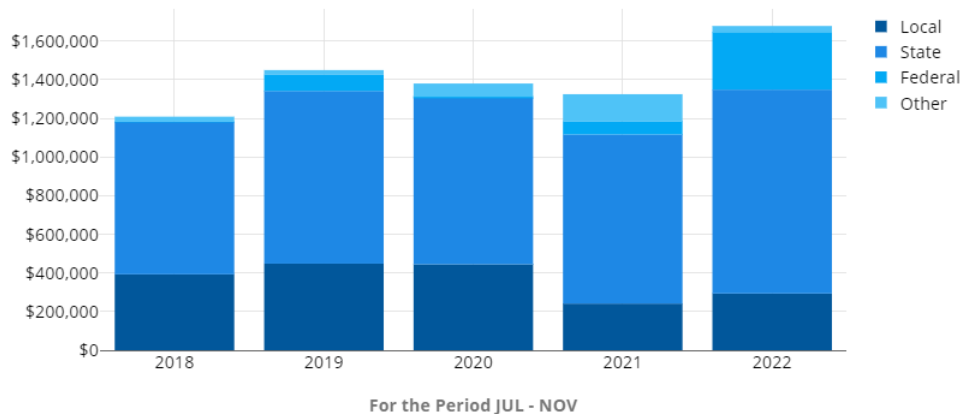
Historical Revenues for Current Month



Year to Date Revenues by Fund



Year to Date Revenues by Source



Source Level 2	For the Period JUL - NOV			
	2018 YTD Amount	2019 YTD Amount	2020 YTD Amount	2021 YTD Amount
290 OTHER REVENUE FROM LOCAL SOURCES	\$345,640	\$384,160	\$385,008	\$228,500
610 STATE AID - CATEGORICAL	\$135,494	\$135,306	\$139,159	\$161,200
620 STATE AID - GENERAL	\$653,302	\$758,341	\$722,948	\$699,800
690 OTHER REVENUE FROM STATE SOURCES	\$26	\$0	\$0	\$0
730 FEDERAL SPECIAL PROJECTS AID TRANSITED THROUGH DPI	\$0	\$77,981	\$0	\$58,500
750 ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA)	\$0	\$0	\$0	\$7,000

Shorewood Sch Dist - Monthly Expenditure Overview - Funds 10 & 27 (Transfers Not Included)

Total YTD Expenses

\$8,642,191

Variance to Budget \$-469,343

FAVORABLE

YTD Salaries & Benefits

\$6,968,063

Variance to Budget \$-174,196

FAVORABLE

YTD Purchased Services

\$956,017

Variance to Budget \$-204,524

FAVORABLE

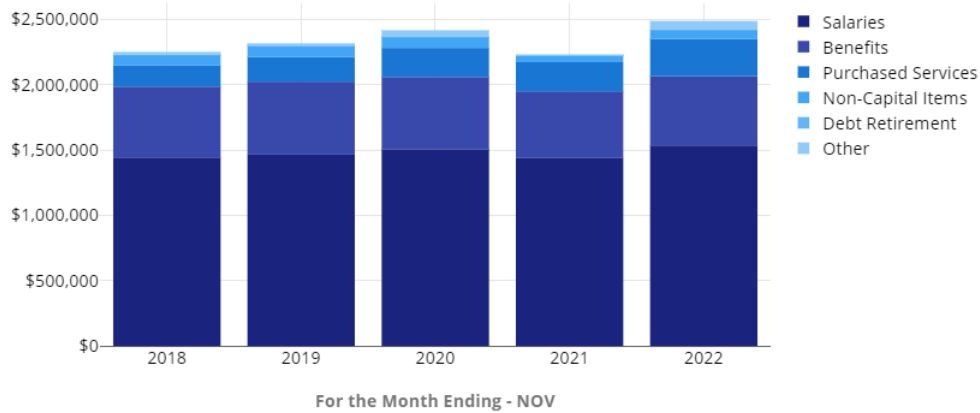
YTD Other Expenses

\$718,112

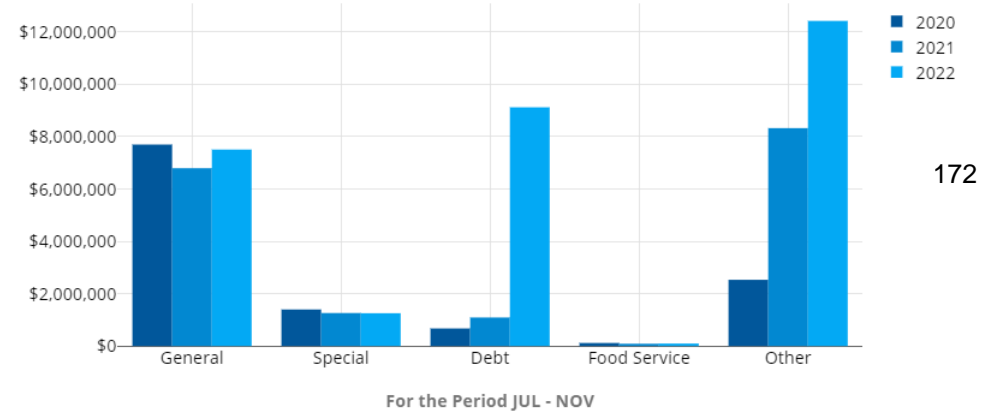
Variance to Budget \$-79,568

FAVORABLE

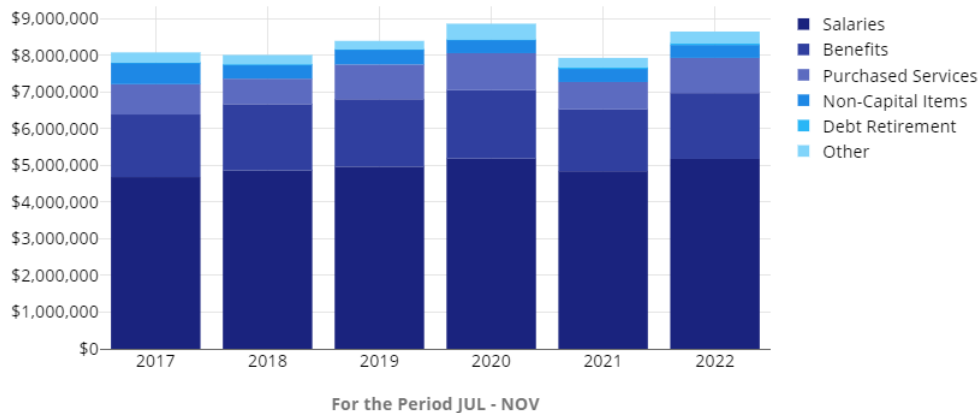
Historical Expenses for Current Month



Year to Date Expenses by Fund



Year to Date Expenses by Object



Object Level 1	For the Period JUL - NOV			
	2019 YTD Amount	2020 YTD Amount	2021 YTD Amount	2022 YTD Amount
Salaries	\$4,962,950	\$5,181,901	\$4,839,547	\$5,172,917
Benefits	\$1,837,585	\$1,862,566	\$1,681,331	\$1,795,146
Purchased Services	\$946,310	\$1,008,987	\$746,877	\$956,017
Non-Capital Items	\$405,596	\$366,857	\$378,819	\$354,095
Capital Items	\$1,611	\$18,418	\$11,640	\$39,652
Debt Retirements	\$2,300	\$0	\$16,224	\$38,016
District Insurance	\$148,552	\$307,030	\$202,662	\$186,600
Other	\$83,461	\$110,902	\$47,710	\$99,748
Transfers	\$0	\$0	\$0	\$0