

PLEASE POST



SCHOOL DISTRICT OF SHOREWOOD
Shorewood, Wisconsin
February 13, 2024 AGENDA

SCHOOL BOARD MEETING
7:00 PM
Shorewood High School Library Media Center (LMC)
1701 East Capitol Drive
Shorewood, WI 53211

The School Board meeting will begin at 7 pm. To attend, please enter through the Administration Building doors and take the west stairs up to the second floor to reach the Library Media Center. The building elevator can be accessed near the east stairs.

Community members can use the alternative method of School Board meeting 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>

This meeting notice was posted on February 9, 2024.



I. 7 pm CALL TO ORDER

- A. Adopt the Agenda (GC2)
- B. Overarching Result for Shorewood School District (R1)
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.
- C. Awards and Recognitions

II. 7:15 pm PUBLIC COMMENTS #1 (GC3)

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.

III. 7:30 pm SUPERINTENDENT'S REPORT 3

IV. 7:40 pm SUPERINTENDENT'S CONSENT AGENDA

- A. Approval of District Staffing Changes 7
 - Annette Koerten Retirement
 - Sasha Albrecht Resignation
 - Katherine Thompson Resignation

V. 7:45 pm BOARD BUSINESS AND POSSIBLE BOARD ACTION

- A. Review and Approval of the Annual Audit Report 10
- B. R2 Student Growth and Achievement Policy and Reporting Discussion 113
- C. OE 1 Revisions

VI. 8:40 pm BOARD CONSENT AGENDA (GC2)

- A. Approval of Board Meeting Minutes 120
 - January 23, 2024 Regular Board Meeting

VII. 8:45 pm PUBLIC COMMENT #2 (GC3)

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.

VIII. 8:55 pm BOARD MEMBER REPORTS 122

- Village Bi-Board Meeting
- WPEN

IX. 9:05 pm REVIEW OF 'TO DO' ITEMS

X. 9:10 pm FUTURE AGENDA ITEMS

XI. 9:15 pm RECESS AND DEBRIEF



**EXECUTIVE SUMMARY
FOR THE SHOREWOOD SCHOOL BOARD**

Topic: Superintendent's Report

Date: February 13, 2024

Prepared by: Laurie Burgos, Superintendent

Recommended action:

- Information only
- Presentation/discussion
- Discussion/action by School Board
- Presentation/action next meeting

Purpose:

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

Budget Development and Community Engagement Updates

In addition to the Board Budget workshop on February 20, I want to remind Board and community members that the final installment of our *Let's Talk About: School Budgets* series will be held on March 1 at 8:30 am at Shorewood High School. The previous sessions provided in-depth information about the sources and uses of District revenue, our expenses, and the use of financial forecasting in budget development; these presentations have been shared with SEA leadership and posted in the Annual Budget Information section of the [District website](#) (see 2024-2025 Budget Development Process).

Our schools and administrative departments are working on their 2024-2025 budget proposals, and this information will be reflected in the District's presentation of budget assumptions at the March 12 School Board meeting. A community-wide budget input session is scheduled for March 18 at 6 pm in the Shorewood High School Library Media Center; other important dates on the budget development calendar can be viewed [here](#).

A second *Let's Talk About: Instructional Technology* session is scheduled for February 19 at 6 pm. At the first session on January 23, Mike Joynt and Jack Wallner outlined the learning standards, student expectations and District policies that inform classroom use of technology, and our conversation with parents identified issues that need clarification and further discussion with school principals and classroom teachers. We also received feedback regarding

student use of Google Chat, other apps, and cell phones. Hearing from our students about device use and access to apps will help us determine what, if any, changes are needed for next year, and I'll be talking with SIS and SHS students about this over the next several weeks.

Another goal of our Instructional Technology discussions is to identify long-term strategic planning needs around technology. Some school districts are creating combined Technology & Library/Media Plans, and this approach also makes sense for us, as well. Mike, Jack, and Elizabeth Russell, District Librarian, have started working on this, and we'll be talking more about this at the session on February 19. We will provide updates on these topics at future Board meetings, and will plan school/home communications about device use in and outside classrooms and classroom management expectations before the start of the 2024-2025 school year.

I also want to share the District's plans for surveying our students, staff, parents/guardians and community members in 2024. We have worked with the School Perceptions team to shorten all of our surveys, focusing on the core questions that help us measure compliance with Board policies and monitor satisfaction in our learning communities. We hope these abbreviated surveys will increase participation, as the surveys are a key communication tool.

As in years past, District staff, parents, guardians and community members will receive instructions from School Perceptions (an email or postcard) and a link to access the survey. Students in grades 4-12 will complete their School Perceptions surveys during the school day in the weeks following Spring Break. Building principals and classroom teachers will schedule survey administration to ensure this does not disrupt learning time, and information for parents/guardians about the survey and participation options will be provided through school newsletters.

District News

School districts across Wisconsin have begun addressing the requirements of Act 20, new state legislation that will impact reading instruction in grades 4K-3, and I outlined some of the delays the state has encountered in establishing the agencies that will oversee this initiative in a Board meeting last month. These delays put District planning, training and implementation in jeopardy, and Shorewood recently joined other districts, as well as the Wisconsin Association of School Boards and the state's leading education organizations, in an appeal to the Wisconsin Department of Public Instruction and state lawmakers to amend the deadline for implementing Act 20 to 2025. The DPI took further action on this on February 1, and districts are hopeful that an amendment will be approved. This [Milwaukee Journal article](#) provides additional information about this critical issue.

As we continue to plan for Act 20, we have also begun the process of selecting a new K-8 English Language Arts curriculum. Staff from our elementary schools and SIS make up a committee that will complete the evaluation of programs, participate in vendor presentations and develop a recommendation. Along with new early literacy and K-5 math curriculum introductions this

year, and social studies curriculum changes across all grades, the selection of a K-8 English Language Arts curriculum will further strengthen the District's instructional framework.

I also want to provide an update on the District's effort to obtain a Seal of Biliteracy, which I outlined in my Entry Plan report. Chris Jacquart, Chair of our World Language Department, and Roxanne Tibbits, our Multilingual Learner Coordinator, have worked together to prepare the District's application to the Wisconsin Department of Public Instruction, and they will serve as co-coordinators as this effort develops in the 2024-2025 school year. We will share information about how this certification would enhance world language and other opportunities for students at all grade levels at an upcoming School Board meeting.

Finally, the District received 100 Open Enrollment applications (for 39 Board-approved seats) on February 5, the first day of the 2024 application period. We anticipate that the total number of applications will approach 500, as in previous years. The Open Enrollment application window closes on April 26.

School and Staff Updates

Seven long-time staff members notified the District of their plans to retire prior to the February 1 deadline; we will be working with school principals and departments to begin the recruitment process for some of the vacancies that these departures will create before Spring Break. The District's annual retirement reception will be held in May.

In addition to the District newsletter that goes to staff as well as student families, I have begun sending *Shorewood Highlights* to staff members only. This new, internal communication is aimed at providing staff with a summary of District-level and School Board activities and legislative news, and sharing reading suggestions and other resources that support our work with students, colleagues and community members. The first edition was sent on January 30, and I received a number of positive comments about the content.

The first meeting of our affinity group for staff members of color was held on January 31, and this initiative was funded by a 2023 grant from the SEED Foundation. SEED also supported the SIS Makerspace, the purchase of adaptive equipment for students and community members who use the Fitness Center, and equipment for science classrooms last year.

The Foundation's 2024 grants cycle got underway last week, and all staff received information about applying to the Foundation for project support at the school or department level. Preliminary applications are due in March, and the Foundation will announce its 2024 grants on June 3. SEED continues to support District-wide priorities through its Annual Campaign and the annual *Swing with Shorewood* event, which will be held on May 4.

SEED will also be working closely with the Shorewood Alumni Association on the 2024 All-Class Reunion on July 6, and joint efforts to raise awareness and support as the District celebrates the Class of 2024 - our 100th graduating class - and the upcoming 100th anniversaries of Lake Bluff Elementary School and Shorewood High School. The Shorewood Historical Society will recognize

these anniversaries at the Milwaukee County Historical Society's 71st Annual Awards Dinner on May 9.



**EXECUTIVE SUMMARY
FOR THE SHOREWOOD SCHOOL BOARD**

Topic: Retirement

Date: February 13, 2024

Prepared by: Liliana Mendoza

-
- Recommended action:**
- Information only
 - Presentation/discussion
 - Discussion/action by committee
 - Discussion/action by board of education
 - Presentation/action next meeting

Recommendation(s): Approval

Purpose: Retirement

Background: Annette Koerten, French Teacher at Shorewood Intermediate and Shorewood High School will retire from her position at the end of the school year after 11 years of teaching in Shorewood.



**EXECUTIVE SUMMARY
FOR THE SHOREWOOD SCHOOL BOARD**

Topic: Resignation

Date: February 13, 2024

Prepared by: Liliana Mendoza

-
- Recommended action:**
- Information only
 - Presentation/discussion
 - Discussion/action by committee
 - Discussion/action by board of education
 - Presentation/action next meeting

Recommendation(s): Approval

Purpose: Resignation

Background: Sasha Albrecht, school counselor at Atwater Elementary School has resigned from her position, her last day of work is February 5, 2024.



**EXECUTIVE SUMMARY
FOR THE SHOREWOOD SCHOOL BOARD**

Topic: Resignation

Date: February 13, 2024

Prepared by: Liliana Mendoza

Recommended action: ___ Information only
 ___ Presentation/discussion
 ___ Discussion/action by committee
 X Discussion/action by board of education
 ___ Presentation/action next meeting

Recommendation(s): Approval

Purpose: Resignation

Background:

Katherine Thompson has resigned from her position as 6th Grade teacher at Lake Bluff Elementary School; her last day of work will be February 23rd.



EXECUTIVE SUMMARY FOR THE SHOREWOOD SCHOOL BOARD

Topic: Audited Financial Statements for the Year Ended June 30, 2023

Date: February 13, 2024

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, 2023.

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 - FY23
- Executive Summary
- Prior Year Audit and Corrective Action Plan



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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 "Amber Drewieske".

Amber Drewieske, CPA
Principal

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN**

**EXECUTIVE AUDIT SUMMARY AND
BOARD COMMUNICATIONS**

YEAR ENDED JUNE 30, 2023



**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
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YEAR ENDED JUNE 30, 2023**

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**EXECUTIVE AUDIT SUMMARY
SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
YEAR ENDED JUNE 30, 2023**

We prepared this Executive Audit Summary in conjunction with our audit of the District's financial statements for the year ended June 30, 2023.

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 2023-001 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 \$1,485,199 for the year ended June 30, 2023. The ending fund balance of \$4,903,835 at June 30, 2023 represents 20% 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 \$1,117,457, or 4.13%, more than the final budget, while total expenditures were \$200,695, or 0.83%, 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 Shorewood School District, Shorewood, Wisconsin (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 29, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated August 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

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 school are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2023. The District evaluated GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, noting no material impact.

We noted no transactions entered into by the school 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 estimate(s) affecting the financial statements were:

- 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

The following material misstatements detected as a result of audit procedures were corrected by management:

- Reclassified receivables and payables
- Recorded GASB 68 and 74/75 related entries

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on 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 attached management representation letter dated December 29, 2023.

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 school'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 school's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

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.

Supplementary information in relation to the financial statements as a whole

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 29, 2023.

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 29, 2023.

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 school and is not intended to be, and should not be, used by anyone other than these specified parties.

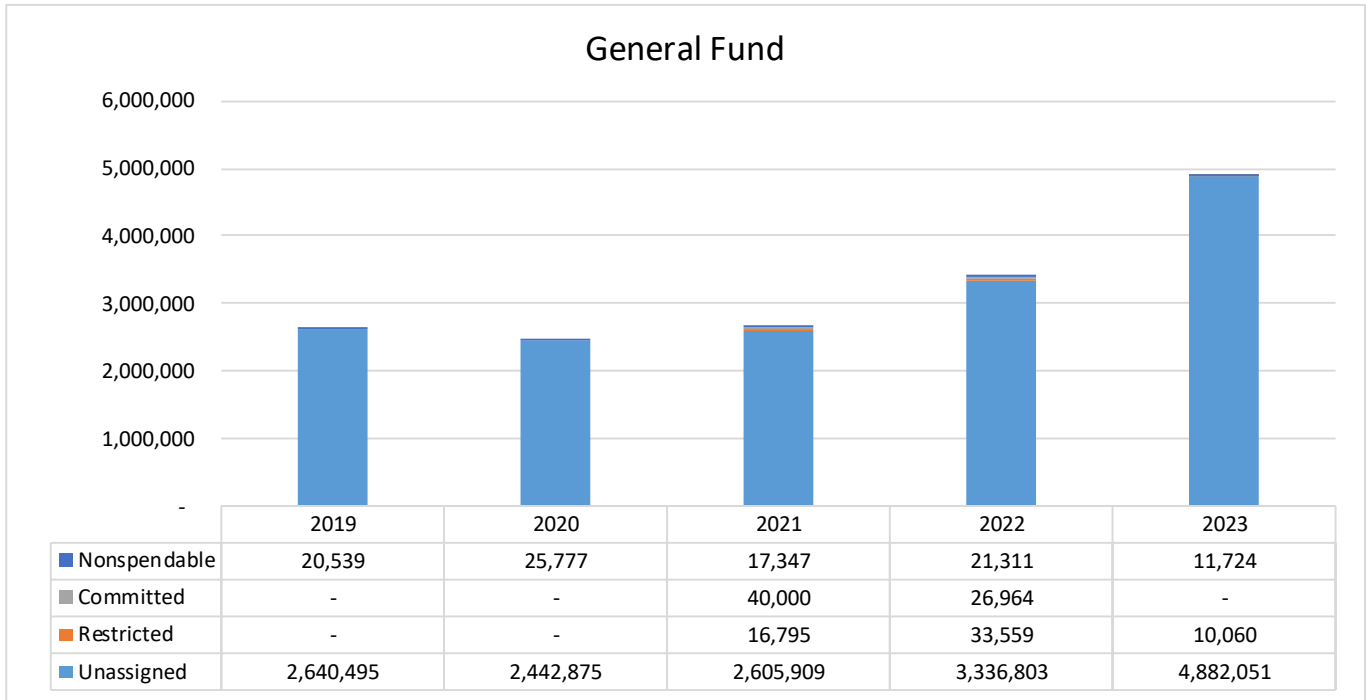


CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 29, 2023

**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 were obtained from current and prior year audit reports.

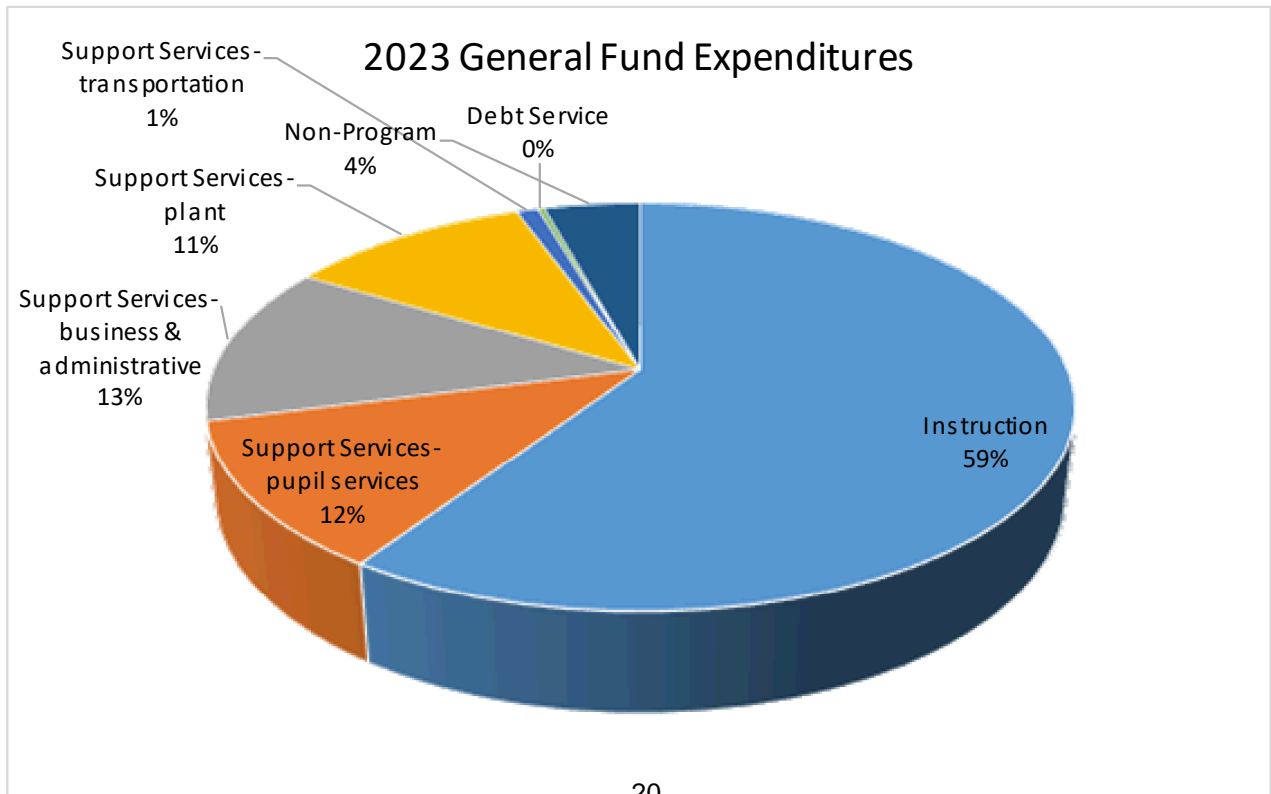
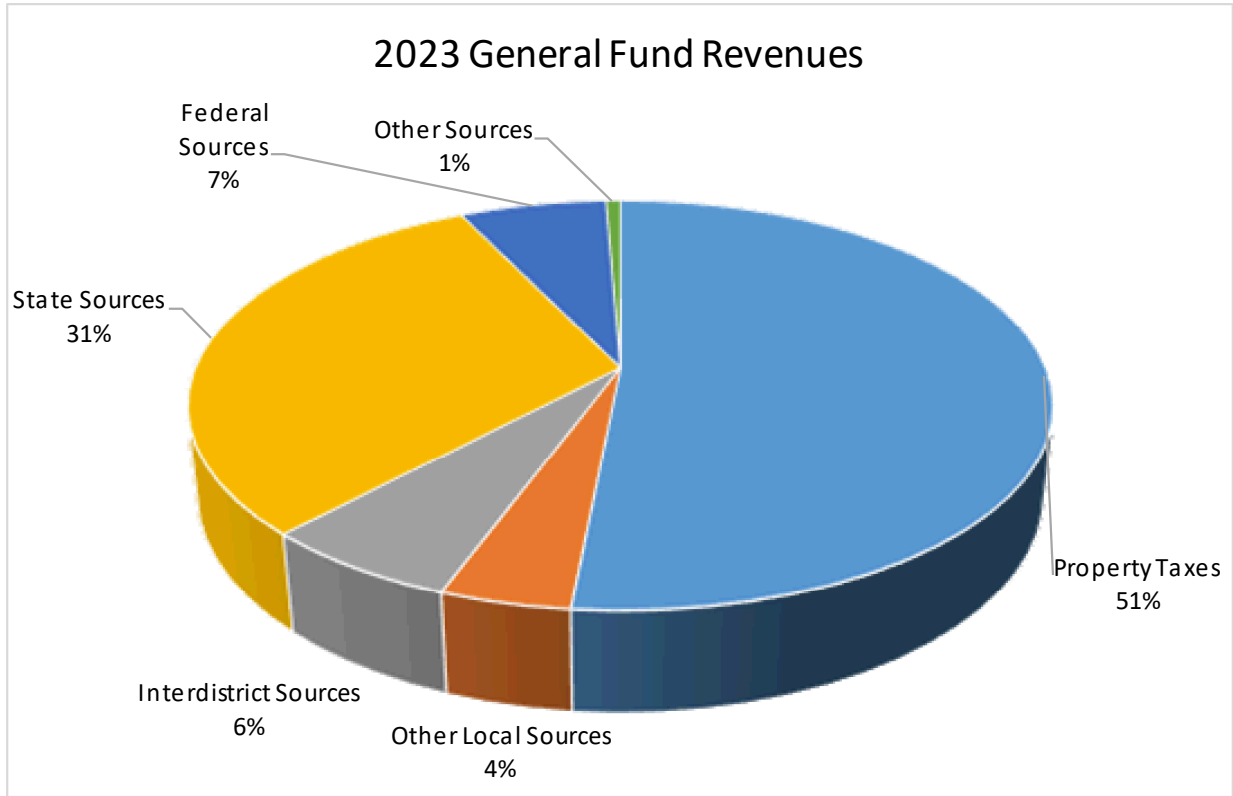


As indicated above, the District’s unassigned General Fund balance totaled \$4,903,835 on June 30, 2023. This amount essentially represents cash available for use during the 2023 - 2024 school year. Based on industry benchmarks, a fund balance of between 20 - 25% of a school district’s General Fund operating 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**



APPENDIX B



Shorewood
SCHOOL DISTRICT

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

December 29, 2023

CliftonLarsonAllen LLP
1175 Lombardi Avenue, Suite 200
Green Bay, Wisconsin 54304

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, 2023 and the respective changes in financial position 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 misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of December 29, 2023, 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 agreement dated August 8, 2023, 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. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
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. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
13. 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.
14. 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.
15. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.
16. We have analyzed all subscription-based technology agreements (SBITAs) and determined there are no material SBITAs to record.
17. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
18. 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.

19. We are unable to determine the possibility of a withdrawal liability in a multiple-employer benefit plan.

20. 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 (including information obtained from within and outside of the general and subsidiary ledgers), 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 board of education 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 schedule of expenditures of federal 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 waste or abuse whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
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. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.

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 and 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 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 (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, related notes, schedule of expenditures of federal awards, and supplementary information. 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, related notes, schedule of expenditures of federal awards, and supplementary information. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
34. We understand that as part of your audit, you prepared the adjusting journal entries necessary to convert our cash basis records to the accrual basis of accounting and acknowledge that we have reviewed and approved those entries and accepted responsibility for them. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

35. 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.
36. We agree with the findings of specialists in evaluating pension and other postemployment benefits have adequately considered the qualification 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), the schedule of expenditures of state awards (SESA) and related notes in accordance with the requirements of the Uniform Guidance and 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 the *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 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).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. 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.
- o. 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.
- p. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q. 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.
- r. 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.

- s. 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.
- t. We have charged costs to federal and state awards in accordance with applicable cost principles.
- u. 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 the *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.
- v. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x. 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 the *State Single Audit Guidelines*.
- y. 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: Heather A. Hance Title: Director of Business Services

Signature: Jennifer Boyer Title: Superintendent

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
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**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Board of Education
Shorewood School District
Shorewood, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

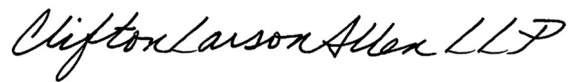
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary 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 29, 2023, 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

Green Bay, Wisconsin
December 29, 2023

BASIC FINANCIAL STATEMENTS

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 10,827,250
Receivables:	
Taxes	2,148,865
Accounts	20,378
Due from Employee Benefit Trust	378,816
Due from Other Governments	551,815
Prepaid Items	24,721
Capital Assets:	
Nondepreciable	142,383
Depreciable, Net	85,923,385
Total Assets	100,017,613
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	18,961,385
Other Postemployment Related Amounts	147,057
Total Deferred Outflows of Resources	19,108,442
LIABILITIES	
Accounts Payable	376,819
Accrued and Other Current Liabilities	1,457,947
Accrued Interest Payable	451,635
Unearned Revenues	27,306
Deposits Payable	345,173
Long-Term Obligations:	
Due in One Year	2,161,366
Due in More Than One Year	60,136,998
Other Postemployment Benefits Liability	1,417,729
Net Pension Liability	6,114,385
Total Liabilities	72,489,358
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	11,172,239
Other Postemployment Related Amounts	820,967
Total Deferred Inflows of Resources	11,993,206
NET POSITION	
Net Investment in Capital Assets	27,499,734
Restricted:	
Grant Funds	10,060
Community Service	1,349,357
Food Service	599,880
Capital Expansion	1,066,862
Debt Service	1,929,332
Unrestricted	2,188,266
Total Net Position	\$ 34,643,491

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 18,165,663	\$ 2,548,421	\$ 2,459,330	\$ -	\$ (13,157,912)
Support Services	11,932,409	291,414	1,409,540	-	(10,231,455)
Community Services	1,511,366	1,039,525	586	-	(471,255)
Nonprogram	1,371,711	-	69,511	-	(1,302,200)
Interest and Fiscal Charges	1,507,029	20,794	-	-	(1,486,235)
Depreciation - Unallocated	2,543,172	-	-	-	(2,543,172)
Total Governmental Activities	<u>\$ 37,031,350</u>	<u>\$ 3,900,154</u>	<u>\$ 3,938,967</u>	<u>\$ -</u>	(29,192,229)
GENERAL REVENUES					
Property Taxes					22,869,257
State and Federal Aids not Restricted to Specific Functions					7,656,226
Interest and Investment Earnings					561,417
Miscellaneous					736,693
Total General Revenues					<u>31,823,593</u>
CHANGE IN NET POSITION					
					2,631,364
Net Position - Beginning of Year					<u>32,012,127</u>
NET POSITION - END OF YEAR					
					<u>\$ 34,643,491</u>

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See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	General	Referendum Debt Service	Capital Projects	Community Service	Other Governmental Funds	Totals
Cash and Investments	\$ 3,852,170	\$ 2,184,196	\$ 787,906	\$ 1,417,035	\$ 2,585,943	\$ 10,827,250
Receivables:						
Taxes	2,148,865	-	-	-	-	2,148,865
Accounts	6,685	-	-	-	13,693	20,378
Due from Employee Benefit Trust	372,496	-	-	6,320	-	378,816
Due from Other Funds	-	-	150,000	-	-	150,000
Due from Other Governments	546,174	-	-	-	5,641	551,815
Prepaid Items	11,724	-	1,775	11,222	-	24,721
Total Assets	<u>\$ 6,938,114</u>	<u>\$ 2,184,196</u>	<u>\$ 939,681</u>	<u>\$ 1,434,577</u>	<u>\$ 2,605,277</u>	<u>\$ 14,101,845</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 138,378	\$ -	\$ 171,041	\$ 18,592	\$ 48,808	\$ 376,819
Accrued and Other Current Liabilities	1,390,728	-	-	66,628	591	1,457,947
Due to Other Funds	150,000	-	-	-	-	150,000
Unearned Revenues	10,000	-	-	-	17,306	27,306
Deposits Payable	345,173	-	-	-	-	345,173
Total Liabilities	<u>2,034,279</u>	<u>-</u>	<u>171,041</u>	<u>85,220</u>	<u>66,705</u>	<u>2,357,245</u>
FUND BALANCES						
Nonspendable	11,724	-	1,775	11,222	-	24,721
Restricted	10,060	2,184,196	766,865	1,338,135	1,863,513	6,162,769
Committed	-	-	-	-	675,059	675,059
Unassigned	4,882,051	-	-	-	-	4,882,051
Total Fund Balances	<u>4,903,835</u>	<u>2,184,196</u>	<u>768,640</u>	<u>1,349,357</u>	<u>2,538,572</u>	<u>11,744,600</u>
Total Liabilities and Fund Balances	<u>\$ 6,938,114</u>	<u>\$ 2,184,196</u>	<u>\$ 939,681</u>	<u>\$ 1,434,577</u>	<u>\$ 2,605,277</u>	<u>\$ 14,101,845</u>

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See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2023**

Total Fund Balances as Shown on Previous Page \$ 11,744,600

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. 86,065,768

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	18,961,385
Deferred Inflows Related to Pensions	(11,172,239)
Deferred Outflows Related to Other Postemployment Benefits	147,057
Deferred Inflows Related to Other Postemployment Benefits	(820,967)

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

Bonds and Notes Payable	(59,730,000)
Debt Premium	(2,542,899)
Compensated Absences	(25,465)
Other Postemployment Benefits Liability (Asset)	(1,417,729)
Net Pension Liability	(6,114,385)
Accrued Interest on Long-Term Obligations	<u>(451,635)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 34,643,491</u></u>
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**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General	Referendum Debt Service	Capital Projects	Community Services	Other Governmental Funds	Totals
REVENUES						
Property Taxes	\$ 15,353,322	\$ 5,087,125	\$ -	\$ 1,550,000	\$ 879,100	\$ 22,869,547
Other Local Sources	1,232,782	62,400	125,784	1,053,104	751,116	3,225,186
Interdistrict Sources	1,893,141	-	-	-	-	1,893,141
State Sources	9,176,413	-	-	-	11,287	9,187,700
Federal Sources	1,948,224	-	-	-	296,791	2,245,015
Other Sources	194,367	-	-	7,000	-	201,367
Total Revenues	<u>29,798,249</u>	<u>5,149,525</u>	<u>125,784</u>	<u>2,610,104</u>	<u>1,938,294</u>	<u>39,621,956</u>
EXPENDITURES						
Instruction:						
Regular Instruction	12,513,918	-	-	-	238,309	12,752,227
Vocational Instruction	188,441	-	-	-	-	188,441
Special Education Instruction	2,736,876	-	-	-	-	2,736,876
Other Instruction	1,275,017	-	-	-	50,695	1,325,712
Total Instruction	<u>16,714,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,004</u>	<u>17,003,256</u>
Support Services:						
Pupil Services	1,780,453	-	-	-	83,231	1,863,684
Instructional Staff Services	1,505,770	-	-	-	3,736	1,509,506
General Administration Services	787,672	-	-	82,112	-	869,784
School Administration Services	1,377,691	-	-	-	-	1,377,691
Business Services	703,100	-	-	26,796	831	730,727
Operations and Maintenance of Plant	3,053,925	-	8,178,922	478,428	15,245	11,726,520
Pupil Transportation Services	274,868	-	-	1,316	-	276,184
Food Services	-	-	-	-	544,726	544,726
Central Services	262,518	-	8,300	3,200	-	274,018
Insurance	310,595	-	-	-	-	310,595
Other Support Services	121,096	-	-	23,901	-	144,997
Total Support Services	<u>10,177,688</u>	<u>-</u>	<u>8,187,222</u>	<u>615,753</u>	<u>647,769</u>	<u>19,628,432</u>

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See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General	Referendum Debt Service	Capital Projects	Community Service	Other Governmental Funds	Totals
EXPENDITURES (CONTINUED)						
Debt Service:						
Principal	\$ -	\$ 27,365,000	\$ -	\$ -	\$ 545,000	\$ 27,910,000
Interest and Fiscal Charges	74,462	1,566,385	-	-	41,825	1,682,672
Total Debt Service	<u>74,462</u>	<u>28,931,385</u>	<u>-</u>	<u>-</u>	<u>586,825</u>	<u>29,592,672</u>
Community Service	-	-	-	1,484,668	-	1,484,668
Nonprogram:						
General Tuition Payments	882,311	-	-	-	1,365	883,676
Post Second Scholarships	-	-	-	-	25,515	25,515
Special Education Tuition Payments	311,090	-	-	-	-	311,090
Adjustments and Refunds	12,080	-	124,415	(12,029)	7,000	131,466
Total Nonprogram	<u>1,205,481</u>	<u>-</u>	<u>124,415</u>	<u>(12,029)</u>	<u>33,880</u>	<u>1,351,747</u>
Total Expenditures	<u>28,171,883</u>	<u>28,931,385</u>	<u>8,311,637</u>	<u>2,088,392</u>	<u>1,557,478</u>	<u>69,060,775</u>
Excess of Revenues Over (Under) Expenditures	1,626,366	(23,781,860)	(8,185,853)	521,712	380,816	(29,438,819)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	22,110,000	-	-	-	22,110,000
Premium on Debt Issued	20,794	587,596	-	-	-	608,390
Transfers Out	(161,961)	-	150,000	-	11,961	-
Total Other Financing Sources (Uses)	<u>(141,167)</u>	<u>22,697,596</u>	<u>150,000</u>	<u>-</u>	<u>11,961</u>	<u>22,718,390</u>
NET CHANGE IN FUND BALANCES	1,485,199	(1,084,264)	(8,035,853)	521,712	392,777	(6,720,429)
Fund Balances - Beginning of Year	<u>3,418,636</u>	<u>3,268,460</u>	<u>8,804,493</u>	<u>827,645</u>	<u>2,145,795</u>	<u>18,465,029</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,903,835</u>	<u>\$ 2,184,196</u>	<u>\$ 768,640</u>	<u>\$ 1,349,357</u>	<u>\$ 2,538,572</u>	<u>\$ 11,744,600</u>

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See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
RECONCILIATION TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances as Shown on Previous Page \$ (6,720,429)

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	8,187,930
Depreciation Expense Reported in the Statement of Activities	(2,543,172)
Net Book Value of Disposals	

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.

Long-Term Debt Issued	(22,110,000)
Premium on Debt Issued	(587,596)
Principal Repaid	27,910,000

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	(130,638)
Amortization of Premiums, Discounts and Loss on Advance Refunding	306,281
Compensated Absences	15,852
Net Pension Liability (Asset)	(13,579,024)
Deferred Outflows of Resources Related to Pensions	3,230,899
Deferred Inflows of Resources Related to Pensions	8,658,056
Other Postemployment Benefits	(28,070)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(14,761)
Deferred Inflows of Resources Related to Other Postemployment Benefits	36,036
	36,036

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ 2,631,364</u></u>
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**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Private Purpose Trust	Employee Benefit Trust	Custodial Student Activity	Totals
ASSETS				
Cash and Investments	\$ 2,210,267	\$ 8,499,626	\$ 19,041	\$ 10,728,934
LIABILITIES				
Accounts Payable	-	1,166	288	1,454
Due to District Funds	900	377,916	-	378,816
Total Liabilities	<u>900</u>	<u>379,082</u>	<u>288</u>	<u>380,270</u>
NET POSITION				
Restricted	<u>\$ 2,209,367</u>	<u>\$ 8,120,544</u>	<u>\$ 18,753</u>	<u>\$ 10,348,664</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Private Purpose Trust	Employee Benefit Trust	Custodial Student Activity	Totals
ADDITIONS				
Other Local Sources	\$ -	\$ -	\$ 20,829	\$ 20,829
Contributions:				
Employer	-	444,926	-	444,926
Investment Earnings	634,221	113,767	-	747,988
Total Additions	<u>634,221</u>	<u>558,693</u>	<u>20,829</u>	<u>1,213,743</u>
DEDUCTIONS				
Trust Fund Disbursements	539,965	403,699	-	943,664
Administrative Expenditures	-	4,783	-	4,783
Custodial Expenditures	-	-	21,799	21,799
Total Deductions	<u>539,965</u>	<u>408,482</u>	<u>21,799</u>	<u>970,246</u>
CHANGE IN NET POSITION	94,256	150,211	(970)	243,497
Net Position - Beginning of Year	<u>2,115,111</u>	<u>7,970,333</u>	<u>19,723</u>	<u>10,105,167</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,209,367</u></u>	<u><u>\$ 8,120,544</u></u>	<u><u>\$ 18,753</u></u>	<u><u>\$ 10,348,664</u></u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023**

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.

Community Service Fund – This fund accounts for the money set aside by the District for activities that serve the community.

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, 2023**

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, except grant which is 120 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, 2023**

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, 2023**

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, 2023**

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

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For the 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, 2023**

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, 2023**

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, 2023**

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 \$21,556,184 on June 30, 2023 as summarized below:

Petty Cash and Cash on Hand	\$	200
Deposits with Financial Institutions		434,741
Investments:		
Wisconsin Investment Series Cooperative (WISC):		
Cash Management Series		3,839,837
Investment Series		6,637,235
Exchange Traded Funds		1,478,444
Mutual Funds - Fixed Income		315,290
Mutual Funds - Equities		350,811
Annuity Contract		8,499,626
Total		<u>\$ 21,556,184</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	10,827,250
Fiduciary Fund Statement of Net Position:		
Private Purpose Trust		2,210,267
Employee Benefit Trust		8,499,626
Custodial Fund - Pupil Activity		19,041
Total		<u>\$ 21,556,184</u>

The investment balance of the WISC Cash Management Series is \$3,963,662. The difference between the book balance of \$3,839,837 and investment balance of \$3,963,662 is outstanding checks drawn on the Cash Management Series at year-end.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The investment balance of the WISC Investment Series is \$6,824,888. The difference between the book balance of \$6,637,235 and investment balance of \$6,824,888 is outstanding checks drawn on the Investment Series at year-end.

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, 2023:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Exchange Traded Funds	\$ 1,478,444	\$ -	\$ -
Mutual Funds - Fixed Income	315,290	-	-
Mutual Funds - Equities	350,811	-	-
Total	\$ 2,144,545	\$ -	\$ -

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, 2023**

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, 2023, 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.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Mutual Funds - Fixed Income	\$ 315,290	\$ -	\$ -	\$ 315,290	\$ -
Exchange Traded Funds	1,478,444	-	-	-	1,478,444
Wisconsin Investment Series Cooperative (WISC):					
Cash Management Series	3,839,837	-	3,839,837	-	-
Investment Series	6,637,235	-	6,637,235	-	-
Totals	<u>\$ 12,270,806</u>	<u>\$ -</u>	<u>\$ 10,477,072</u>	<u>\$ 315,290</u>	<u>\$ 1,478,444</u>

Concentration of Credit Risk

At June 30, 2023, 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, 2023**

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 Wisconsin Investment Series	\$ 315,290	\$ -	\$ 315,290	\$ -	\$ -
Cooperative (WISC):					
Cash Management Series	3,839,837	3,839,837	-	-	-
Investment Series	6,637,235	6,637,235	-	-	-
Totals	<u>\$ 10,792,362</u>	<u>\$ 10,477,072</u>	<u>\$ 315,290</u>	<u>\$ -</u>	<u>\$ -</u>

Investments

The District has established an employee benefit trust fund to pay retiree's postretirement benefits. The trust has \$8,499,626 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 \$10,788,550 at year-end consisting of \$3,963,662 invested in the Cash Management Series and \$6,824,888 invested in the Investment Series. The book value of the Cash Management Series is \$3,839,837 and the book value of the investment series is \$6,637,235. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is 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 120 days or less.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Investment Series Cooperation

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.

B. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 44,000	\$ -	\$ -	\$ 44,000
Construction in Progress	14,367,972	7,975,954	22,245,543	98,383
Total Capital Assets, Nondepreciable	14,411,972	7,975,954	22,245,543	142,383
Capital Assets, Depreciable:				
Land Improvements	8,196,015	417,974	-	8,613,989
Buildings and Improvements	77,298,385	21,827,569	-	99,125,954
Machinery and Equipment	6,765,859	211,976	-	6,977,835
Subtotals	92,260,259	22,457,519	-	114,717,778
Less Accumulated Depreciation for:				
Land Improvements	3,768,528	421,900	-	4,190,428
Buildings and Improvements	16,175,119	2,009,867	-	18,184,986
Machinery and Equipment	6,307,574	111,405	-	6,418,979
Subtotals	26,251,221	2,543,172	-	28,794,393
Total Capital Assets, Depreciable, Net	66,009,038	19,914,347	-	85,923,385
Governmental Activities Capital Assets, Net	\$ 80,421,010	\$ 27,890,301	\$ 22,245,543	86,065,768
Less: Capital Related Debt, net of unspent bond proceeds and accounts payable				56,023,135
Less: Debt Premium				2,542,899
Net Investment in Capital Assets				\$ 27,499,734

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, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables includes \$378,816 due from the Employee Benefit Trust and District funds and \$150,000 due between the General Fund and Capital Projects.

Interfund transfers between individual funds of the District, as reported in the fund financial statements, as of June 30, 2023 are detailed below:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 161,961
Special Projects Fund	11,961	-
Capital Projects Fund	150,000	-
Total	<u>\$ 161,961</u>	<u>\$ 161,961</u>

To Reimburse Special Projects Fund	\$ 11,961
To Create Long-Term Capital Improvement Trust Fund	150,000
	<u>\$ 161,961</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, 2023 was as follows:

	Outstanding 7/1/22	Issued	Retired	Outstanding 6/30/23
Tax and Revenue Anticipation Notes	\$ -	\$ 3,700,000	\$ 3,700,000	\$ -

Total interest paid for the year on short-term debt totaled \$59,200.

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 40,530,000	\$ 22,110,000	\$ 2,910,000	\$ 59,730,000	\$ 2,155,000
Bond Anticipation Notes	25,000,000	-	25,000,000	-	-
Debt Premium	2,261,584	587,596	306,281	2,542,899	-
Compensated Absences	41,317	9,140	24,992	25,465	6,366
Governmental Activities Long-Term Obligations	<u>\$ 67,832,901</u>	<u>\$ 22,706,736</u>	<u>\$ 28,241,273</u>	<u>\$ 62,298,364</u>	<u>\$ 2,161,366</u>

Total interest paid during the year on long-term debt totaled \$1,415,949.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2023
General Obligation Bonds	04/01/15	10/01/35	3.00-3.95%	\$ 5,055,000	\$ 3,090,000
School Improvement Bonds	07/01/19	04/01/39	3.00-4.00%	40,000,000	31,200,000
General Obligation Refunding Bonds	07/06/21	10/01/28	1.00-2.00%	3,875,000	3,330,000
General Obligation Refunding Bonds	05/30/23	04/01/43	4.00-5.00%	22,110,000	22,110,000
Total Outstanding General Obligation Debt					<u>\$ 59,730,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$59,730,000 on June 30, 2023 are detailed below:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,155,000	\$ 1,949,736	\$ 4,104,736
2025	2,360,000	2,042,411	4,402,411
2026	2,435,000	1,967,386	4,402,386
2027	2,515,000	1,889,611	4,404,611
2028 - 2032	13,495,000	8,062,003	21,557,003
2033 - 2037	14,995,000	5,615,940	20,610,940
2038 - 2039	21,775,000	1,535,550	23,310,550
Total	<u>\$ 59,730,000</u>	<u>\$ 23,062,637</u>	<u>\$ 82,792,637</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, 2023 was \$133,489,215 as follows:

Equalized Valuation of the District	\$ 2,043,974,151
Statutory Limitation Percentage	<u>10%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	204,397,415
Total Outstanding General Obligation Debt Applicable to Debt Limitation	59,730,000
Legal Margin for New Debt	<u>\$ 144,667,415</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Current Refunding

During May of 2023, the District currently refunded \$25,000,000 of bond anticipation notes issued during 2021 for the purpose of capital projects. The District issued general obligation refunding bonds in the amount of \$22,110,000 which were utilized to call the refunded debt. This current refunding increased debt service by \$11,398,012.

F. Pension Plans

The District reports pension related balances as of and for the year ended June 30, 2023, as summarized below:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Expense (Revenue)
Wisconsin Retirement System (WRS)	\$ 5,232,549	\$ 18,884,752	\$ 10,960,820	\$ 2,679,770
Supplemental or Stipend Pension Plan	881,836	76,633	211,419	99,830
Total	<u>\$ 6,114,385</u>	<u>\$ 18,961,385</u>	<u>\$ 11,172,239</u>	<u>\$ 2,779,600</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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

1. WRS Pension Plan Description (Continued)

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

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

2. 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:

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

2. Postretirement Adjustments (Continued)

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

3. Contributions

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

During the year ending June 30, 2023, the WRS recognized \$1,104,671 in contributions from the District.

Contribution rates as of June 30, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.80%	6.80%

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

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

At June 30, 2023, the District reported an liability of \$5,23,549 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.09877015%, which was an decrease of 0.00460845% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$2,679,770.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 8,333,830	\$ 10,948,782
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	8,888,895	-
Changes in Assumptions	1,028,935	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	85,269	12,038
Employer Contributions Subsequent to the Measurement Date	547,823	-
Total	\$ 18,884,752	\$ 10,960,820

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

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

\$547,823 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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>
2024	\$ 320,754
2025	1,531,235
2026	1,574,394
2027	3,949,726
Total	\$ 7,376,109

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

5. Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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:			
Public Equities	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive Assets	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	51.0%	9.6%	6.9%
Cash	-15.0%	N/A	N/A
Total Core Fund	100.0%	7.4%	4.8%
Variable Fund Asset Class:			
U.S. Equities	70.0%	7.2%	4.3%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	100.0%	7.7%	5.1%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

5. Actuarial Assumptions (Continued)

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

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.8%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,366,662	\$ 5,232,549	\$ (3,114,679)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payable to the Pension Plan

At June 30, 2023, the District reported a payable of \$378,790 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2023.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

6. 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	8
Active Employees	196
Total	204

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, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

6. Supplemental or Stipend Pension Plan (Continued)

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

Component	Amount
Total Pension Liability at July 1, 2022	\$ 867,866
Changes for the Year:	
Service Cost	86,099
Interest	29,866
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	48,551
Changes of Assumptions or Other Input	(35,370)
Benefit Payments	(115,176)
Net Changes	13,970
Total Pension Liability at June 30, 2023	\$ 881,836

For the year ended June 30, 2023, the District recognized pension expense of \$99,830.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 44,816	\$ 94,802
Changes in Assumptions	31,817	116,617
Total	\$ 76,633	\$ 211,419

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

6. 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>
2024	\$ (16,135)
2025	(16,135)
2026	(16,135)
2027	(16,135)
2028	(16,135)
Thereafter	(54,111)
Total	<u><u>\$ (134,786)</u></u>

Actuarial Assumptions

The District's total pension liability was measured as of June 30, 2023.

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

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary, Open Basis
Actuarial Assumptions:	
Discount Rate	4.25%
Inflation	2.50%

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, 2023 is based upon a roll-forward of the liability calculated from the June 30, 2022 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 4.25% 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, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plans (Continued)

6. 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, 2023 calculated using the discount rate of 4.25%, 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 (3.25%) or 1-percentage-point higher (5.25%) than the current rate.

	1% Decrease to Discount Rate (3.25%)	Current Discount Rate (4.25%)	1% Increase to Discount Rate (5.25%)
Total Pension Liability	\$ 929,432	\$ 881,836	\$ 836,119

Payable to the Supplemental Pension Plan

At June 30, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2023.

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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently		
Receiving Benefit Payments		23
Active Employees		186
Total		209

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

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

Inflation:	2.50%
Salary Increases:	3.00%
Investment Rate of Return:	4.25%
Healthcare Cost Trend Rates:	6.50% Decreasing 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, 2021 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 3.50%. 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 4.25%. 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, 2023**

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, 2022	\$ 1,492,758	\$ 103,099	\$ 1,389,659
Changes for the Year:			
Service Cost	131,036	-	131,036
Interest	52,930	-	52,930
Differences Between Expected and Actual Experience	4,989	-	4,989
Contributions - Employer	-	91,995	(91,995)
Changes in Assumptions or Other Input	(67,503)	-	(67,503)
Net Investment Income	-	1,387	(1,387)
Benefit Payments	(91,995)	(91,995)	-
Net Changes	<u>29,457</u>	<u>1,387</u>	<u>28,070</u>
Balance at June 30, 2023	<u>\$ 1,522,215</u>	<u>\$ 104,486</u>	<u>\$ 1,417,729</u>

OPEB Expense

For the year ended June 30, 2023, the District recognized OPEB expense of \$98,790.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,490	\$ 537,194
Changes in Assumptions	140,973	283,773
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,594	-
Total	<u>\$ 147,057</u>	<u>\$ 820,967</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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>
2024	\$ (82,446)
2025	(81,996)
2026	(81,921)
2027	(82,059)
2028	(82,504)
Thereafter	(262,984)
Total	<u>\$ (673,910)</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 (3.25%) or 1-percentage-point higher (5.25%) than the current rate:

	1% Decrease to Discount Rate (3.25%)	Current Discount Rate (4.25%)	1% Increase to Discount Rate (5.25%)
Net OPEB Liability	\$ 1,508,267	\$ 1,417,729	\$ 1,331,874

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 (5.50% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Net OPEB Liability	\$ 1,265,941	\$ 1,417,729	\$ 1,595,536

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 \$104,486 and which represents 6.86% of the total OPEB liability.

Investments – The Plan does not have a separate investment policy from the District. At June 30, 2023, 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 3.50%. For the year ended June 30, 2023, the annual money-weighted rate of return, net of investment expenses, was 0.09%, 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, 2023, the District reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended June 30, 2023.

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, 2023, nonspendable fund balance was as follows:

	General	Capital Projects	Service
Nonspendable:			
Prepaid Items	\$ 11,724	\$ 1,775	\$ 11,222

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, restricted fund balance was as follows:

General Fund:	
Restricted for:	
Grant Funds	\$ 10,060
Special Revenue Funds:	
Restricted for:	
Community Service	1,338,135
Food Service	599,880
Debt Service Funds:	
Restricted for:	
Nonreferendum Debt Service	196,771
Referendum Debt Service	2,184,196
Capital Projects Fund:	
Restricted for:	
Capital Projects	<u>1,833,727</u>
Total Restricted Fund Balance	<u><u>\$ 6,162,769</u></u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by School Board action. At June 30, 2023, fund balance was committed as follows:

Special Revenue Funds:	
Committed for:	
Donations	<u><u>\$ 677,959</u></u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 - 25% 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:

Actual 2023 General Fund Expenditures	\$ 28,171,883
Minimum Fund Balance %	10 - 25%
Minimum Fund Balance Amount	<u>\$2,817,188 - \$7,042,971</u>

The District's unassigned General Fund balance of \$4,882,051 is within 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. Settled claims for the last three years have not exceeded insurance 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.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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.

REQUIRED SUPPLEMENTARY INFORMATION

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Property Taxes	\$ 15,353,032	\$ 15,353,032	\$ 15,353,322	\$ 290
Other Local Sources	514,239	519,914	1,232,782	712,868
Interdistrict Sources	1,819,390	1,819,390	1,893,141	73,751
State Sources	8,400,080	8,029,306	8,050,764	21,458
Federal Sources	1,312,137	1,347,799	1,474,702	126,903
Other Sources	-	(37,850)	144,337	182,187
Total Revenues	27,398,878	27,031,591	28,149,048	1,117,457
EXPENDITURES				
Instruction:				
Regular Instruction	12,352,803	12,250,350	12,513,918	(263,568)
Vocational Instruction	174,834	174,834	188,441	(13,607)
Special Education Instruction	24,366	24,366	-	24,366
Other Instruction	1,162,427	1,162,427	1,275,017	(112,590)
Total Instruction	13,714,430	13,611,977	13,977,376	(365,399)
Support Services:				
Pupil Services	1,230,131	1,230,131	1,253,315	(23,184)
Instructional Staff Services	1,684,688	1,244,782	1,130,443	114,339
General Administration Services	817,910	812,910	742,985	69,925
School Administration Services	1,575,697	1,555,697	1,377,691	178,006
Business Services	1,041,322	959,322	703,100	256,222
Operations and Maintenance of Plant	2,904,692	2,879,692	3,053,840	(174,148)
Pupil Transportation Services	156,695	156,695	208,583	(51,888)
Central Services	423,506	393,506	262,043	131,463
Insurance	388,989	403,989	310,595	93,394
Other Support Services	238,672	238,672	121,096	117,576
Total Support Services	10,462,302	9,875,396	9,163,691	711,705
Debt Service:				
Interest and Fiscal Charges	80,000	80,000	74,462	5,538

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)
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Nonprogram:				
General Tuition Payments	\$ 793,242	\$ 743,242	\$ 882,311	\$ (139,069)
Adjustments and Refunds	-	-	12,080	(12,080)
Total Nonprogram	<u>793,242</u>	<u>743,242</u>	<u>894,391</u>	<u>(151,149)</u>
 Total Expenditures	 <u>25,049,974</u>	 <u>24,310,615</u>	 <u>24,109,920</u>	 <u>200,695</u>
 Excess of Revenues Over Expenditures	 2,348,904	 2,720,976	 4,039,128	 1,318,152
OTHER FINANCING SOURCES (USES)				
Premium on Debt Issued	-	-	20,794	20,794
Transfers Out	<u>(2,797,213)</u>	<u>(2,825,907)</u>	<u>(2,574,723)</u>	<u>251,184</u>
Total Other Financing Sources (Uses)	<u>(2,797,213)</u>	<u>(2,825,907)</u>	<u>(2,553,929)</u>	<u>271,978</u>
NET CHANGE IN FUND BALANCE	(448,309)	(104,931)	1,485,199	1,590,130
Fund Balance - Beginning of Year	<u>3,418,636</u>	<u>3,418,636</u>	<u>3,418,636</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,970,327</u></u>	<u><u>\$ 3,313,705</u></u>	<u><u>\$ 4,903,835</u></u>	<u><u>\$ 1,590,130</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
YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State Sources	\$ 1,087,190	\$ 1,115,884	\$ 1,125,649	\$ 9,765
Federal Sources	468,865	468,865	473,522	4,657
Other Sources	50,000	50,000	50,030	30
Total Revenues	<u>1,606,055</u>	<u>1,634,749</u>	<u>1,649,201</u>	<u>14,452</u>
EXPENDITURES				
Instruction:				
Special Education Instruction	3,206,203	3,206,202	2,736,876	469,326
Support Services:				
Pupil Services	456,293	456,294	527,138	(70,844)
Instructional Staff Services	363,452	363,452	375,327	(11,875)
General Administration Services	45,874	45,874	44,687	1,187
Operations and Maintenance of Plant	-	-	85	(85)
Pupil Transportation Services	25,000	25,000	66,285	(41,285)
Central Services	-	-	475	(475)
Total Support Services	<u>890,619</u>	<u>890,620</u>	<u>1,013,997</u>	<u>(123,377)</u>
Nonprogram:				
Special Education Tuition Payments	<u>308,061</u>	<u>308,061</u>	<u>311,090</u>	<u>(3,029)</u>
Total Expenditures	<u>4,404,883</u>	<u>4,404,883</u>	<u>4,061,963</u>	<u>342,920</u>
Excess of Revenues Under Expenditures	(2,798,828)	(2,770,134)	(2,412,762)	357,372
OTHER FINANCING SOURCES				
Transfers In	<u>2,798,828</u>	<u>2,770,134</u>	<u>2,412,762</u>	<u>(357,372)</u>
NET CHANGE IN FUND BALANCE				
	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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 ***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 131,036	\$ 195,247	\$ 190,951	\$ 141,192	\$ 136,289	\$ 136,289
Interest	52,930	49,971	46,855	67,502	72,561	80,463
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	4,989	(548,130)	-	(155,082)	-	-
Changes of Assumptions	(67,503)	(278,776)	-	195,370	30,522	-
Benefit Payments	(91,995)	(97,685)	(105,294)	(134,783)	(361,516)	(493,421)
Net Change in Total OPEB Liability	29,457	(679,373)	132,512	114,199	(122,144)	(276,669)
Total OPEB Liability - Beginning	1,492,758	2,172,131	2,039,619	1,925,420	2,047,564	2,324,233
Total OPEB Liability - Ending (A)	<u>\$ 1,522,215</u>	<u>\$ 1,492,758</u>	<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	\$ 91,995	\$ 97,685	\$ 105,294	\$ 134,783	\$ -	\$ -
Net Investment Income	1,387	1,597	3,278	6,548	6,736	13,296
Benefit Payments	(91,995)	(97,685)	(105,294)	(134,783)	(361,516)	(493,421)
Administrative Expenses	-	-	-	-	-	-
Adjustment	-	-	(31,051)	-	-	-
Net Change in Plan Fiduciary Net Position	1,387	1,597	(27,773)	6,548	(354,780)	(480,125)
Plan Fiduciary Net Position - Beginning	103,099	101,502	129,275	122,727	477,507	957,632
Plan Fiduciary Net Position - Ending (B)	<u>\$ 104,486</u>	<u>\$ 103,099</u>	<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>\$ 1,417,729</u>	<u>\$ 1,389,659</u>	<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	6.86%	6.91%	4.67%	6.34%	6.37%	23.32%
Covered-Employee Payroll	\$ 16,509,399	\$ 16,509,399	\$ 15,532,836	\$ 15,532,836	\$ 14,050,149	\$ 14,050,149
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	8.59%	8.42%	13.33%	12.30%	12.83%	11.17%
Weighted-Average Investment Income	0.09%	0.09%	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 ***

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 188,579	\$ 183,086	\$ 253,063	\$ 245,692	\$ 199,615	\$ 193,801
Contributions in Relation to the ADC	91,995	97,685	105,294	134,783	-	-
Contribution Deficiency (Excess)	<u>\$ 96,584</u>	<u>\$ 85,401</u>	<u>\$ 147,769</u>	<u>\$ 110,909</u>	<u>\$ 199,615</u>	<u>\$ 193,801</u>
Covered-Employee Payroll	\$ 16,509,399	\$ 16,509,399	\$ 15,532,836	\$ 15,532,836	\$ 14,050,149	\$ 14,050,149
Contributions as a Percentage of Covered-Employee Payroll	0.56%	0.59%	0.68%	0.87%	0.00%	0.00%
Key Methods and Assumption Used to Calculate ADC						
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Amortization Method	30 Year Level	30 Year Level	30 Year Level	30 Year Level	30 Year Level	30 Year Level
	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Discount Rate	3.50%	3.50%	2.25%	2.25%	3.50%	3.75%
Amortization Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Inflation	2.50%	2.50%	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**

Measurement Period 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%
12/31/21	0.10337860%	(8,332,505)	17,315,521	48.12%	106.02%
12/31/22	0.09877015%	5,232,549	16,855,719	31.04%	95.72%

**SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

District 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%
6/30/22	1,128,121	1,128,121	-	17,090,979	6.60%
6/30/23	1,104,671	1,104,671	-	16,535,545	6.68%

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 ***

	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:								
Service Cost	\$ 86,099	\$ 92,016	\$ 89,991	\$ 67,579	\$ 65,363	\$ 67,152	\$ 70,192	\$ 74,781
Interest	29,866	21,681	20,483	29,040	29,786	21,568	21,645	20,364
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	48,551	(50,520)	-	(2,258)	-	(93,776)	-	-
Changes in Assumptions	(35,370)	(56,744)	-	36,497	10,643	(66,770)	-	-
Benefit Payments	(115,176)	(112,304)	(4,152)	(118,709)	(24,257)	(117,177)	(34,841)	(33,111)
Net Change in Total Pension Liability	13,970	(105,871)	106,322	12,149	81,535	(189,003)	56,996	62,034
Total Pension Liability - Beginning	867,866	973,737	867,415	855,266	773,731	962,734	905,738	843,704
Total Pension Liability - Ending	<u>\$ 881,836</u>	<u>\$ 867,866</u>	<u>\$ 973,737</u>	<u>\$ 867,415</u>	<u>\$ 855,266</u>	<u>\$ 773,731</u>	<u>\$ 962,734</u>	<u>\$ 905,738</u>
Covered-Employee Payroll	\$ 14,118,518	\$ 14,118,518	\$ 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	6.25%	6.15%	7.56%	6.74%	7.71%	6.98%	8.40%	8.03%

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

See accompanying Notes to Required Supplementary Information.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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)

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

Changes of assumptions:

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

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

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

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

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 ten 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, 2023**

NOTE 2 PENSION BENEFITS (CONTINUED)

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.

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, 2023.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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)	\$ 28,149,048	\$ 1,649,201
Reclassification of Special Education Fund	1,649,201	(1,649,201)
Total Revenues	<u>29,798,249</u>	<u>-</u>
Expenditures:		
Actual Amounts (Budgetary Basis)	24,109,920	4,061,963
Reclassification of Special Education Fund	4,061,963	(4,061,963)
Total Expenditures	<u>28,171,883</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures:		
Actual Amounts (Budgetary Basis)	4,039,128	(2,412,762)
Reclassification of Special Education Fund	(2,412,762)	2,412,762
Excess of Revenues Over (Under) Expenditures	<u>1,626,366</u>	<u>-</u>
Other Financing Sources (Uses):		
Actual Amounts (Budgetary Basis)	(2,553,929)	2,412,762
Reclassification of Special Education Fund	2,412,762	(2,412,762)
Total Other Financing Sources (Uses)	<u>(141,167)</u>	<u>-</u>
Net Change In Fund Balance:		
Actual Amounts (Budgetary Basis)	1,485,199	-
Reclassification of Special Education Fund	-	-
Net Change in Fund Balance	<u>1,485,199</u>	<u>-</u>
Fund Balance - Beginning of Year:		
Actual Amounts (Budgetary Basis)	3,418,636	-
Reclassification of Special Education and Cooperative Program	-	-
Fund Balance - July 1	<u>3,418,636</u>	<u>-</u>
Fund Balance - End of Year:		
Actual Amounts (Budgetary Basis)	4,903,835	-
Reclassification of Special Education and Cooperative Program	-	-
Fund Balance - June 30	<u>\$ 4,903,835</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue		Nonreferendum Debt Service Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
	Donations	Food Service			
ASSETS					
Cash and Investments	\$ 688,093	\$ 634,217	\$ 196,771	\$ 1,066,862	\$ 2,585,943
Receivables:					
Accounts	13,693	-	-	-	13,693
Due from Other Governments	-	5,641	-	-	5,641
	<u>701,786</u>	<u>639,858</u>	<u>196,771</u>	<u>1,066,862</u>	<u>2,605,277</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 26,136	\$ 22,672	\$ -	\$ -	\$ 48,808
Accrued and Other Current Liabilities	591	-	-	-	591
Unearned Revenues	-	17,306	-	-	17,306
Total Liabilities	<u>26,727</u>	<u>39,978</u>	<u>-</u>	<u>-</u>	<u>66,705</u>
FUND BALANCES					
Restricted	-	599,880	196,771	1,066,862	1,863,513
Committed	675,059	-	-	-	675,059
Total Fund Balances	<u>675,059</u>	<u>599,880</u>	<u>196,771</u>	<u>1,066,862</u>	<u>2,538,572</u>
	<u>701,786</u>	<u>639,858</u>	<u>196,771</u>	<u>1,066,862</u>	<u>2,605,277</u>
Total Liabilities and Fund Balances	<u>701,786</u>	<u>639,858</u>	<u>196,771</u>	<u>1,066,862</u>	<u>2,605,277</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, 2023**

	Special Revenue		Nonreferendum Debt Service Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
	Donations	Food Service			
REVENUES					
Property Taxes	\$ -	\$ -	\$ 604,100	\$ 275,000	\$ 879,100
Other Local Sources	451,788	279,334	-	19,994	751,116
State Sources	-	11,287	-	-	11,287
Federal Sources	-	296,791	-	-	296,791
Total Revenues	<u>451,788</u>	<u>587,412</u>	<u>604,100</u>	<u>294,994</u>	<u>1,938,294</u>
EXPENDITURES					
Instruction:					
Regular Instruction	238,309	-	-	-	238,309
Other Instruction	50,695	-	-	-	50,695
Total Instruction	<u>289,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,004</u>
Support Services:					
Pupil Services	83,231	-	-	-	83,231
Instructional Staff Services	3,736	-	-	-	3,736
Business Services	-	831	-	-	831
Operations and Maintenance of Plant	11,039	4,206	-	-	15,245
Food Services	-	544,726	-	-	544,726
Total Support Services	<u>98,006</u>	<u>549,763</u>	<u>-</u>	<u>-</u>	<u>647,769</u>
Debt Service:					
Principal	-	-	545,000	-	545,000
Interest and Fiscal Charges	-	-	41,825	-	41,825
Total Debt Service	<u>-</u>	<u>-</u>	<u>586,825</u>	<u>-</u>	<u>586,825</u>
Nonprogram:					
General Tuition Payments	1,365	-	-	-	1,365
Post Secondary Scholarships	25,515	-	-	-	25,515
Adjustments and Refunds	7,000	-	-	-	7,000
Total Nonprogram	<u>33,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,880</u>
Total Expenditures	<u>420,890</u>	<u>549,763</u>	<u>586,825</u>	<u>-</u>	<u>1,557,478</u>
Excess of Revenues Over Expenditures	30,898	37,649	17,275	294,994	380,816
OTHER FINANCING USES					
Transfers Out	<u>11,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,961</u>
NET CHANGE IN FUND BALANCES	42,859	37,649	17,275	294,994	392,777
Fund Balances - Beginning of Year	<u>632,200</u>	<u>562,231</u>	<u>179,496</u>	<u>771,868</u>	<u>2,145,795</u>
FUND BALANCES - END OF YEAR	<u>\$ 675,059</u>	<u>\$ 599,880</u>	<u>\$ 196,771</u>	<u>\$ 1,066,862</u>	<u>\$ 2,538,572</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 Shorewood School District, Shorewood, Wisconsin (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on 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

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 29, 2023

FEDERAL AND STATE AWARDS



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND MAJOR 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 Major State Program

Opinion on Each Major Federal and Major State Program

We have audited Shorewood School District, Shorewood, Wisconsin's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Wisconsin 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 major state programs for the year ended June 30, 2023. The District's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and Major State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 29, 2023

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Child Nutrition Cluster:								
School Breakfast Program	10.553	WI DPI	2022-405355-DPI-SB-546	\$ (22,651)	\$ 22,651	\$ -	\$ -	\$ -
School Breakfast Program	10.553	WI DPI	2022-405355-DPI-SB-SEVERE-546	(6,934)	6,934	-	-	-
School Breakfast Program	10.553	WI DPI	2023-405355-DPI-SB-546	-	10,977	240	11,217	-
School Breakfast Program	10.553	WI DPI	2023-405355-DPI-SB-SEVERE-546	-	135	1	136	-
Total School Breakfast Program				(29,585)	40,697	241	11,353	-
National School Lunch Program	10.555	WI DPI	2022-405355-DPI-NSL-547	(92,760)	92,760	-	-	-
National School Lunch Program	10.555	WI DPI	2023-405355-DPI-NSL-547	-	229,123	5,399	234,522	-
Donated Commodities 22-23	10.555	WI DPI	N/A	-	50,916	-	50,916	-
Total National School Lunch Program				(92,760)	372,799	5,399	285,438	-
Total U.S. Department of Agriculture				(122,345)	413,496	5,640	296,791	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2022-405355-DPI-TIA-141	(78,175)	78,175	-	-	101
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2023-405355-DPI-TI-A-141	-	168,175	21,854	190,029	-
Total Title I Grants to Local Educational Agencies				(78,175)	246,350	21,854	190,029	-
Special Education Cluster (IDEA):								
Special Education Grants to States	84.027A	WI DPI	2023-405355-DPI-FLOW-341	(266,667)	538,615	89,366	361,314	-
Special Education Grants to States	84.027A	WI DPI	2023-405355-DPI-FLOW-341	(37,286)	99,915	6,734	69,363	-
COVID-19 Special Education Grants to States	84.027A	WI DPI	2022-405355-DPI-FLOW-344	(11,237)	11,237	-	-	-
Total Special Education Grants to States				(315,190)	649,767	96,100	430,677	-
Special Education - Preschool Grants:	84.173A	WI DPI	2023-405355-DPI-PRESCH-347	-	17,329	1,976	19,305	-
Total Special Education Cluster (IDEA)				(315,190)	667,096	98,076	449,982	-

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
English Language Acquisition State Grants	84.365A	WI DPI	2023-405355-DPI-TIIIA-391	(3,165)	6,300	3,926	7,061	-
Improving Teacher Quality State Grants	84.367A	WI DPI	2023-405355-DPI-TIIA-365	(23,077)	44,761	16,386	38,070	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2023-405355-DPI-TIVA-381	-	3,488	11,699	15,187	-
COVID-19 Elementary and Secondary School Emergency Relief I	84.425D	WI DPI	2022-405355-DPI-ESSERF-160	-	3,068	-	3,068	-
COVID-19 Elementary and Secondary School Emergency Relief II	84.425D	WI DPI	2022-405355-DPI-ESSERFII-163	(98,626)	397,350	-	298,724	-
COVID-19 Elementary and Secondary School Emergency Relief III	84.425D	WI DPI	2022-405355-DPI-ESSERFIII-165	-	223,381	381,862	605,243	-
COVID-19 Elementary and Secondary School Emergency Relief III	84.425D	WI DPI	2023-405355-DPI-LETRS-165	-	6,276	-	6,276	-
Total Elementary and Secondary School Emergency Relief				<u>(98,626)</u>	<u>630,075</u>	<u>381,862</u>	<u>913,311</u>	<u>-</u>
Total U.S. Department of Education				(518,233)	1,598,070	533,803	1,613,640	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicaid Cluster:								
Medical Assistance Program	93.778	WI DHS	44234700	-	139,325	-	139,325	-
Total U.S. Department of Health and Human Services				-	139,325	-	139,325	-
Total Federal Programs				<u>\$ (640,578)</u>	<u>\$ 2,150,891</u>	<u>\$ 539,443</u>	<u>\$ 2,049,756</u>	<u>\$ -</u>

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RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Federal Sources	\$ 2,245,015
Federal Revenues Not Included Above	(195,259)
Total Expenditures of Federal Awards	<u>\$ 2,049,756</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	405355-100	\$ -	\$ 1,120,872	\$ -	\$ 1,120,872	\$ -
State School Lunch Aid	255.102	Direct Program	405355-107	-	6,241	-	6,241	-
Common School Fund Library Aid	255.103	Direct Program	405355-104	-	87,030	-	87,030	-
Equalization Aids	255.201	Direct Program	405355-116	-	6,356,952	-	6,356,952	-
Integration Transfer - Non Resident	255.204	Direct Program	405355-106	-	284,826	-	284,826	-
State School Breakfast Aid	255.344	Direct Program	405355-117	-	5,046	-	5,046	-
Early College Credit Program	255.445	Direct Program	405355-178	-	6,226	-	6,226	-
Educator Effective Evaluation System	255.940	Direct Program	405355-154	(13,680)	26,960	-	13,280	-
Per Pupil Aid	255.945	Direct Program	405355-113	-	1,276,240	-	1,276,240	-
Assessments of Reading Readiness	255.956	Direct Program	405355-166	-	3,176	-	3,176	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	405355-168	-	4,777	-	4,777	-
Total State Programs				<u>\$ (13,680)</u>	<u>\$ 9,178,346</u>	<u>\$ -</u>	<u>\$ 9,164,666</u>	<u>\$ -</u>

RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

State Sources	\$ 9,187,700
Less: State Sources not Considered State Financial Assistance	
State Tax-Exempt Aids	(23,034)
Total Expenditures of State Awards	<u>\$ 9,164,666</u>

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023**

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 2023 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 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.

NOTE 4 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

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023**

NOTE 5 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
YEAR ENDED JUNE 30, 2023**

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

84.425D

Name of Federal Program or Cluster

COVID-19 Elementary and Secondary School Emergency Relief I and II

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)
YEAR ENDED JUNE 30, 2023**

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

Name of State Programs

Equalization Aids
Integration Transfer Non Resident

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)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

2023-001

**Control Deficiency
Preparation of Annual Financial Report**

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 or Specific Requirement

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.

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.

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.

Repeat Finding

Repeat of finding 2022-001

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)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings (Continued)

2023-001 (Continued)

Views of Responsible Officials and Planned Corrective Action


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, 2023.

**SHOREWOOD SCHOOL DISTRICT
SHOREWOOD, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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 |
| 3. | Was a management letter or other document conveying audit comments issued as a result of this audit? | No |
| 4. | Name and signature of partner | 
Amber Drewieske, CPA |
| 5. | Date of report | December 29, 2023 |



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



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**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2023**

PRIOR YEAR AUDIT FINDINGS

The findings noted in the 2022 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

2022-001 Preparation of Annual Financial Report

Management continues to rely upon the audit firm to prepare its financial statement. The finding is repeated as 2023-001.

CORRECTIVE ACTION PLAN

Finding No. Corrective Action Plan

2023-001 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

MEMORANDUM

To: Board of Education of Shorewood School District

CC: Laurie Burgos, Superintendent

From: Nathan Hammons, Member

Date: January 26, 2024

Subject: R-2 (Academic Achievement and Growth) Monitoring

This memorandum sets forth my observations and recommendations regarding Results Policy 2, Academic Achievement and Growth (R-2).

By way of background, R-2 was first adopted in 2016, when the District transitioned to Coherent Governance. From then until October 10, 2023, R-2 consisted of a single sentence:

“All students will be literate and numerate, able to integrate and apply the knowledge, skills, competencies and dispositions acquired across all academic disciplines.”

With respect to monitoring of R-2, the Superintendent annually generated from 2017 through 2020 separate monitoring reports for specific subjects, i.e., English Language Arts (ELA), Math, Social Studies, Visual/Performing Arts, Science, and World Language. I was not on the Board at the time but understand that, in 2019 or 2020, the Board overhauled the monitoring of R-2 such that the Superintendent was to report solely on ELA and Math through R-2 monitoring, and the other subjects were to be reported on through the monitoring of Operating Expectations (OEs). The most recent R-2 monitoring report was for “Literacy and Numeracy,” signed by the Superintendent on June 27, 2023.

On October 10, 2023, our Board approved a substantial overhaul of R-2, renaming the policy “Academic Achievement and Growth.” Our updated R-2 states as follows:

“Through high expectations, culturally responsive teaching, relevant, rigorous, engaging, and innovative learning experiences delivered in and out of the classroom, students will:

- Make reasonable progress each year toward being literate and numerate across academic disciplines.
- Gain the necessary skills to be prepared for college, career, and life readiness.
- Be able to demonstrate content knowledge and apply skills and competencies through assessments and other learning opportunities.”

On November 29, 2023, our Board had a workshop with Dr. Tony Frontier regarding student assessment data, with an eye toward updating our Results and OE monitoring documents (R-2 in particular). At the conclusion of our Board meeting on December 12, 2023, it was discussed that I could do my own review of R-2 monitoring and then report back to the Board. This memorandum is the result of my review. In

producing this memorandum, I evaluated R-2 monitoring reports of multiple other school districts.¹ Additionally, I read the book *Boards that Matter: Building Blocks for Implementing Coherent Governance and Policy Governance*, by Linda J. Dawson and Randy Quinn (2011). The book has extensive guidance for the implementation of Coherent Governance, including how organizations should produce and use Results and OE monitoring reports.

My observations and recommendations from my review follow.

1. Observation: The Board’s overhaul of R-2 necessitates that the R-2 monitoring report be substantially updated.

Under our Coherent Governance model, the Board is responsible for establishing Results and OE policies. See GC-3 (Board Job Description). The Superintendent, in turn, is responsible for interpreting those policies and selecting indicators and compliance data for monitoring of the policies. See B/SR-4 (Authority of the Superintendent); *Boards that Matter*, pp. 29-31, 52.

According to *Boards that Matter*, “[i]nterpretation of the board’s policy language may be the most important part of a good monitoring report[,]” as interpretation drives the selection of indicators. *Boards that Matter*, pp. 29-30. Although the Board “may not like some of these indicators . . . the important thing to note is that all are very precise and quantifiable.” *Id.*, p. 31.

Our revised and updated R-2 has *significantly* different language than the prior version. As such, the Superintendent needs to craft interpretations of this new language. The Superintendent will need to interpret each of the three bullet points of R-2 in particular, i.e., what does it mean for students (i) to make reasonable progress each year toward being literate and numerate across academic disciplines; (ii) to gain the necessary skills to be prepared for college, career, and life readiness; and (iii) to be able to demonstrate content knowledge and apply skills and competencies through assessments and other learning opportunities?

After the Superintendent has interpreted our updated R-2, the Superintendent should then select indicators driven by that interpretation (see No. 2 below).

2. Observation and Recommendation: Interpreting R-2 and selecting indicators is the responsibility of the Superintendent, not the Board. As such, I recommend that the Board direct the Superintendent to update the framework for the R-2 monitoring report, with interpretations of R-2 and indicators driven those interpretations. The Board should then review, provide feedback on, and approve the updated R-2 monitoring report framework.

At various times in the preceding months, the Board has had discussions (and a workshop) about what indicators—e.g., FastBridge data, Forward exam data, PreACT and ACT scores, GPAs, DPI Report Card data, AP scores, etc.—should be used to determine if the District is making reasonable progress towards the results established by R-2. I am pleased we have engaged in these discussions, which have been beneficial,

¹ I have saved R-2 monitoring reports from 9 other school districts I found online to a shared Google folder, and they are available for review and use by you and Superintendent Burgos. I have included reports from one district outside of Wisconsin—Eden Prairie Schools, one of the top school districts in Minnesota. Eden Prairie uses “Policy Governance,” a style of governance similar to Coherent Governance (that, among other things, has “Ends” policies instead of “Results” policies).

in my view. However, after reviewing our policies and *Boards that Matter*, I now better understand that interpreting R-2 and selecting indicators is the responsibility of the Superintendent, not the Board. See *Boards that Matter*, pp. 29-31, 52.

This makes sense from a policy standpoint, as the Superintendent has subject matter expertise and, as the “chief executive” of the School District, is responsible for implementing the results or goals set by the Board. As stated in *Boards the Matter*:

“If the [superintendent] presents to the board an interpretation or proposed indicators that the board or some of its members consider unreasonable, the temptation will be to substitute the board’s choices for those of the [superintendent].

Avoid that at all costs. Amending a [superintendent] report to substitute the board’s preferences means the board is doing the [superintendent’s] work, and therefore accountability is transferred back to the board. Remember the principle ‘S/he who makes a decision is accountable for the result.’

Instead, if a report is considered unreasonable, the board should not accept it, and should allow the [superintendent] and staff another opportunity to submit a report that is reasonable.” *Boards that Matter*, p. 31.

3. Observation and Recommendation: Our revised R-2 and OEs should use consistent language with respect to the Board’s values underlying R-2. As such, I recommend a few minor modifications to OEs 8 and 9.

Our updated R-2 begins with the following language:

“Through high expectations, culturally responsive teaching, relevant, rigorous, engaging, and innovative learning experiences delivered in and out of the classroom, students will . . .”

I interpret this wording to signal *how* the Board desires for the District to achieve the results stated in the second part of R-2 (i.e., that students will make reasonable progress across academic disciplines; gain necessary skills to be prepared for college, career, and life readiness; and demonstrate knowledge and apply skills and competencies). In other words, the introductory clause sets *expectations* for how the District should operate—which, under our Coherent Governance model, are matters to be addressed through our OE policies. The Board should therefore ensure that our OEs reflect and are consistent with this new R-2 wording.

OEs 8 (Learning Environment) and 9 (Instructional Program) largely reflect the wording in our updated R-2, but I recommend that the Board approve a couple minor changes, as reflected in the following table:

R-2	OE
“high expectations”	OE 8 and 9 do not use the phrase “high expectations.” The closest statement is in OE 8.1, which provides that “[t]he Superintendent will maintain a climate that is characterized by <i>support and encouragement for high student achievement.</i> ” OE 8.1 (emphasis added).

	<p>Having “high expectations” for students is similar to, but differs from, encouraging “high student achievement.” As such, I recommend that OE 8.1 be amended to include the phrase “high expectations,” e.g.: “The Superintendent will maintain a climate that is characterized by support and encouragement for high student achievement and high expectations.” OE 8.1.</p>
<p>“culturally responsive teaching”</p>	<p>Our OEs adequately reflect this phrase, in my view:</p> <p>“The Superintendent will foster learning environments that are inclusive and where diverse cultures and languages are acknowledged, valued and affirmed.” OE 8.2.</p> <p>“Ensure that the District’s use of the DPI EMLSS framework accommodates the different learning styles of students, is culturally relevant and differentiates instruction to meet the needs of students of various backgrounds and abilities.” OE 9.4.</p>
<p>“relevant, rigorous, engaging, and innovative learning experiences delivered in an out of the classroom”</p>	<p>OE 9 largely reflects this wording:</p> <p>“The Superintendent shall maintain an aligned, <i>challenging</i> and <i>relevant</i> curriculum across the District and ensure that high-quality instruction supports the Board’s Results Policies. The Board values that the programs used to teach students are <i>rigorous</i> and <i>stimulating</i>, designed to create authentic learning opportunities that still allow for a focus on the whole child.” OE 9 (emphasis added).</p> <p>OE 9 uses the word “stimulating” rather than “engaging,” and it does not use the word “innovative.” As such, I recommend that OE 9 be amended as follows so as to make it consistent with R-2: “The Superintendent shall maintain an aligned, challenging and relevant curriculum across the District and ensure that high-quality instruction supports the Board’s Results Policies. The Board values that the programs used to teach students are rigorous, and stimulating engaging, innovative, and designed to create authentic learning opportunities that still allow for a focus on the whole child.” OE 9 (emphasis added).</p>

4. Recommendation: The Superintendent should consider including short-term and long-term performance goals, including goals for target groups, in the updated R-2 monitoring report.

According to *Boards that Matter*, results monitoring reports should contain, among other things, “[s]hort-term and long-term performance targets for each indicator[.]” *Boards that Matter*, p. 48. By way of example, “[i]f students are graduating at a 60 percent level at the point of the baseline, and the ultimate Results policy expects 100 percent, incremental targets stretching toward 100 percent should be set and measured against longitudinally, over time. We recommend both short-term, such as one year, and

longer-term targets, such as five years out.” *Id.*, at 52-53. Additionally, “[t]he baseline will not change for existing indicators, but performance targets could be adjusted at each monitoring cycle, depending on actual results.” *Id.*, at 49.

Until recently, the District’s results monitoring reports had both short- and long-term performance goals, including for target groups. For example, the District’s R-2 ELA monitoring report for 2019 had a one-year target of 24% for the percentage of Black students that would meet the ACT’s College and Career Readiness Benchmark for ELA (an increase of 5% from 2018), and a bold five-year target of 54% for the same target group.

Our most recent R-2 monitoring report, dated June 27, 2023, simply had benchmarks without clear timeframes attached to them (with one exception referencing the “end of the school year”).

The process of improving academic results—and closing the achievement gap—is ongoing and, if we succeed, will likely be incremental in nature. As such, I believe the District will benefit from having both short- and long-term performance goals rather than fixed benchmarks that the District either hits or misses each year moving forward. I recommend that the Superintendent consider this as she creates an updated R-2 monitoring report.

For an example of an accessible, well-formatted report with both long-term and short-term goals, I refer the Board (and the Superintendent) to the **R-2 monitoring report for the Eau Claire School District**.

5. Observation and Recommendation. The Board should discuss and provide guidance to the Superintendent on what subjects should be reported under R-2.

Our updated R-2 references students being “literate and numerate *across academic disciplines.*” It also references “skills to be prepared for college, career, and life readiness,” “content knowledge,” and “competences.” It does not reference specific subjects, such as ELA or Math. From 2017 to 2020, separate R-2 monitoring reports were prepared for ELA, Math, Social Studies, Visual/Performing Arts, Science, and World Language. After 2020, R-2 monitoring reports were limited to ELA and Math.

Other Districts have taken varying approaches to R-2 monitoring and reporting with respect to specific subjects, as shown in the following table:

District	R-2 and Subjects
Appleton, WI	Separate monitoring reports for ELA, Math, Science, Civics & Social Studies, Financial Literacy, Fine Arts, Health & Human Performance, and World Languages
Chippewa Falls, WI	Separate monitoring reports for ELA, Math, Science, Social Studies, and Personal Interests & Strengths
Columbus, WI	One combined monitoring report for Literacy, Numeracy, and STEAM (combined Science, Technology, Engineering, Arts/Agriscience, and Math)
DeForest, WI	Two reports—one for Literacy and one for Math and other subjects (Career and Technical

	Education, Fine Arts, Global Languages, PE, Science and Social Studies)
Eau Claire, WI	One monitoring report covering ELA, Math, Science, Social Studies, PE, Technology Integration, Fine Arts, Global World Languages, and Career and Technical Education
Racine, WI	Separate monitoring reports for Math, Reading, Science, Writing, Music, Visual Art, Drama & Performance, Technology, PE & Athletics
Sun Prairie, WI	Separate monitoring reports for Literacy, Numeracy, and Student Personal Development
Verona, WI	Separate monitoring reports for Math, Language Arts, World Languages, Creative and Performing Arts, Health & PE, Technology, Career and Technical Education, Social Studies, and Science

In connection with an update to the R-2 monitoring report, I recommend that the Board discuss and provide guidance to the Superintendent on what subjects should be addressed in the report, and whether one report or multiple are desired for R-2 monitoring.

6. Observation: If there are any limitations or concerns (such as those raised by Dr. Tony Frontier) regarding the data used for compliance indicators, the Superintendent should note those concerns in the R-2 monitoring report.

Our Board has had healthy discussions regarding the usefulness and reliability of various indicators (FastBridge data, Forward exam data, PreACT and ACT scores, GPAs, DPI Report Card data, AP scores, etc.). According to *Boards that Matter*, “[w]hen presenting Results monitoring reports to the board, the [superintendent] should . . . [n]ote any concerns about the validity or reliability of the data.” *Boards that Matter*, pp. 54-55.

As we discussed in our workshop with Dr. Tony Frontier, assessment tools and procedures are, by their nature, imperfect. If the Superintendent believes a particular indicator (Forward exam data, ACT scores, AP scores, GPAs, etc.) is a useful but imperfect tool, the Superintendent is permitted to (and likely should) note the tool’s limitations in the R-2 monitoring report. In my view, this is a better approach than completely discarding a particular indicator or data point because certain aspects of it are disliked or viewed as imperfect.

7. Observation and Recommendation: The “Disposition of the Board” part of our monitoring reports should indicate that the Board may, if desired, state “commendations” for extraordinary performance (in addition to areas in need of improvement and recommendations).

Each of our monitoring report forms has a short section entitled “Disposition of the Board.” Part of that section includes subsection entitled “Summary statement/motion of the Board,” followed by blank lines.

In my review of the monitoring report forms of other school districts, I found that some of them (e.g., Appleton’s) specifically call out **commendations and other recommendations** (instead of simply stating “summary statement”). I believe this would be a useful edit to our forms because, among other reasons, our disposition of monitoring reports flows directly into our summative evaluation of the Superintendent. See Board/Superintendent Relationship Policy 5.

As such, I recommend we review the language in our monitoring report forms to state: **“Motion of the Board and summary statement, including commendations, areas in need of improvement, and recommendations.”**



SCHOOL DISTRICT OF SHOREWOOD
Board Meeting Minutes
Shorewood High School Library Media Center
January 23, 2024

Board Member Participation: Emily Berry, President
Ellen Eckman, Vice President
Becky Freer, Treasurer
Abby Fowler, Clerk
Nathan Hammons, Member

Isabella Busby, Student Representative

District Administrator Participation: Laurie Burgos, Superintendent
Janice Carter, Principal, Atwater Elementary School
Kate Harder, Director of Special Education and Student Services
Heather Heaviland, Director of Business Services
Mike Joynt, Director of Teaching and Learning

I. 7:06 pm CALL TO ORDER

Motion to Adopt the Agenda (Emily Berry absent)

MOVED by Abby Fowler and SECONDED by Nathan Hammons AYE: 4 NAY: 0

II. 7:09 pm STUDENT ACHIEVEMENT PRESENTATION

Atwater Elementary School

III. 7:19 pm PUBLIC COMMENT #1

Clifford Tisser 4454 Newhall

IV. 7:23 pm SUPERINTENDENT'S REPORT

V. 7:38 pm SUPERINTENDENT'S CONSENT AGENDA

Approval of District Staffing Changes

Approval of Monthly Financials

Approval of SHS Model UN Field Trip

MOVED by Ellen Eckman and SECONDED by Becky Freer AYE: 5 NAY: 0

VI. 7:39 pm BOARD BUSINESS AND POSSIBLE BOARD ACTION

A. Approval of the District's Open Enrollment Recommendation

A.1 Motion to Approve a Total of 39 Open Enrollment Seats for 2024-2025

MOVED by Ellen Eckman and SECONDED by Becky Freer AYE: 5 NAY: 0

A.2 Motion to Approve District Recommendation of No Open Enrollment Seats for Students with Disabilities

MOVED by Ellen Eckman and SECONDED by Nathan Hammons AYE: 5 NAY: 0

A. 3 Motion to Accept Open Enrollment Applications for Students Currently Attending and Siblings

MOVED by Becky Freer and SECONDED by Ellen Eckman AYE: 5 NAY: 0

A.4 Motion to Approve Waiting List Provision

MOVED by Nathan Hammons and SECONDED by Becky Freer AYE: 5 NAY: 0

B. Approval of OE 1 (Global Operational Expectations) Operational Expectations Monitoring Document as Compliant

MOVED by Becky Freer and SECONDED by Ellen Eckman

Amended Motion to Approve OE 1 as Compliant with Noted Exceptions

MOVED by Nathan Hammons and SECONDED by Becky Freer AYE: 5 NAY: 0

C. Athletics and Recreation Programs Operational Expectations Discussion

V. 8:48 pm BOARD CONSENT AGENDA

A. Approval of Board Meeting Minutes

December 12, 2023 Regular Board Meeting

January 18, 2024 Closed Meeting Minutes

MOVED by Abby Fowler and SECONDED by Nathan Hammons AYE: 5 NAY: 0

VI. 8:49 pm PUBLIC COMMENT #2

Andrew Frey 3820 North Cramer

VII. 8:51 pm BOARD MEMBER REPORTS

State Education Convention

WASB Delegate Assembly

Recreation and Community Services Advisory Board

X. 9:07 pm REVIEW OF 'TO DO' ITEMS

OE 1 Follow Up

XII. 9:09 pm FUTURE AGENDA ITEMS

District Audit Report

R2 Student Results Policy

XIII. 9:13 pm RECESS AND DEBRIEF

Wisconsin Public Educators Network (WPEN)
February 5, 2024

This was a fairly straight forward meeting.

Chris Thiel, Legislative Policy Manager at MPS, gave a summary of State Bills. But first he gave a shout out to Pablo Muirhead!!

- State Legislature will probably adjourn February 2024

- Senate Bill on Early Childhood Funding – did not include k-12 discussions

 - No new funds

- Literacy Bills – a request (Dr. Burgos reported on this) many leaders and organizations in state to slow down screening tests and allow for more training.

- Discussion on “Decoupling funding” from Tax system – property taxes

 - Chris explained that end goal is to give every voucher student full cost of tuition

 - It would raise property taxes to support vouchers

 - He has lots of suspicions about purpose of this bill

- Act 141 Referendum Bill

 - Would set revenue limits on funds for students

 - He doesn't like this bill – penalty if your referendum doesn't pass

Voucher costs per school district - - Pablo Muirhead sent it to us, here is web site:

<https://www.wisconsinnetwork.org/accountability>

Chris reminded WPEN that “decoupling” idea hurts public schools

Dr. Mollie McQuillan, Educational Leadership and Policy at UW Madison

- Spoke about her research on LGBTQ+ students

- Identified the weaponization of topics like DEI, LGBTQ+, and Trans

- Reported on Bills in the Legislative session that are operationalized for public purposes.

Reminders to celebrate Public Schools Week!

Board Report February 13, 2024
Emily Berry, on behalf of myself and Ellen Eckman

Bo-Board Meeting
February 1, 2024

Ellen and I met with Village Manager Rebecca Ewald, Village President Ann McCullough McCaig, Trustee Arndorfer and Trustee Stokebrand virtually, and previewed a presentation we hope to bring to both our village and school board later in March.

Our speaker, who is also the planned speaker for the full presentation we have planned, was Teig Whaley--Smith, of the Milwaukee-based [Community Development Alliance](#). He was able to give us a bit of a preview of data specific to Shorewood's affordable housing picture, and relate it to the broader picture for Milwaukee County and other suburbs.

Because both of our boards are interested in issues of housing affordability and access, we agreed that a more in-depth presentation would be helpful to both of our boards. We want to be clear that the presentation, tentatively set for March 14, will be educational in nature and not a time for policy making or taking action for either body. That said, it should be enormously helpful for our two boards to share an understanding of our current state and some sense of the broader picture for our county - including things that other suburbs have tried to expand access to affordable housing.