

PLEASE POST



SCHOOL DISTRICT OF SHOREWOOD  
Shorewood, Wisconsin  
January 13, 2026 AGENDA

SCHOOL BOARD MEETING  
6:00 PM  
**Shorewood High School Library Media Center (LMC)**  
**1701 East Capitol Drive**  
**Shorewood, WI 53211**

Parking is available in the Shorewood High School lot; please enter through the Administration Building doors and take the stairs up to the second floor. *An elevator is accessible near the east stairs.*

Participants may also access the Annual Meeting on Zoom:

Join Zoom:

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

Meeting ID: 815 9962 7722

One tap mobile

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

Parameters for Public Comment

The Board welcomes public comments. Public comments are limited to five minutes per person. No more than three people may be heard on one side of an issue, except upon the consent of a majority of the Board. Per Wisconsin's open meeting law and guidance issued by Wisconsin's Attorney General, the Board cannot engage

in substantive discussions or act on items not on the agenda. However, the Board will follow up with speakers after the meeting or add items to a future Board agenda for purposes of addressing the matter. Further, discussion of pupils, current or former staff, or job candidates is prohibited. The Board is also reachable by email at schoolboard@shorewood.k12.wi.us.

*This meeting notice was posted on January 9, 2026.*

**I. 6 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. 6:05 pm STUDENT ACHIEVEMENT AND RESULTS (R1)**

**Lake Bluff Elementary School**

**III. 6:15 pm PUBLIC COMMENT #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.*

**IV. 6:30 pm SUPERINTENDENT'S REPORT**

3

2026 Budget Development Timeline

**V. 6:40 pm SUPERINTENDENT'S CONSENT AGENDA**

A. Approval of District Staffing Changes: Appointments, Resignations, Retirements and Leave of Absence Requests

7

B. Approval of Monthly Financials (November 2025)

8

**VI. 6:45 pm BOARD BUSINESS AND POSSIBLE BOARD ACTION**

A. Acceptance of the Auditor's Report CliftonLarsonAllen

16

B. Approval of OE 5 (Financial Management) Operational Expectations Monitoring Document

128

C. Approval of OE 1 (Global Operational Expectations) Monitoring Document

141

D. Discussion of 2025 WASB Assembly Proposed Resolutions

145

**VII. 7:30 pm BOARD CONSENT AGENDA (GC2)**

A. Approval of Board Meeting Minutes

151

December 9, 2025 Regular Board Meeting

December 9, 2025 Closed Session

B. Approval of Woodland Conference Shared Services Agreement

154

**VIII. 7:35 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.*

**IX. 7:45 pm BOARD MEMBER REPORTS**

**X. 7:55 pm REVIEW OF 'TO DO' AND FUTURE AGENDA ITEMS**

**XI. 8:00 pm RECESS AND DEBRIEF**



**EXECUTIVE SUMMARY  
FOR THE SHOREWOOD SCHOOL BOARD**

**Topic:** Superintendent's Report

**Date:** January 13, 2026

**Prepared by:** Laurie Burgos, Superintendent

**Recommended action:**

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

**Purpose:**

To summarize school and District topics, discuss strategic priorities, and provide follow up on items from prior Board meetings.

**Task Force on Long-Term Financial Sustainability**

I want to confirm that the Task Force on Long-Term Financial Sustainability will be meeting for seven scheduled sessions, January 12 - April 27. The Task Force is composed of roughly 40 parents, residents and District staff members, and they will be working together to fulfill the Task Force goal: **to evaluate and recommend school and program configuration scenarios that align with financial parameters and balance financial responsibility, educational excellence, and community impact.**

As Board and community members know, districts and communities across the state - Waukesha, Manitowoc, Wauwatosa and many others - are implementing school consolidation and/or reconfiguration plans to address the challenging dynamics of public education funding and related financial realities that have resulted from declining enrollment and rising costs, as well as other factors that are impacting public schools. Shorewood's size, walkability, and other unique characteristics present us with opportunities for innovation that other districts do not have, and I look forward to working with Task Force members to evaluate scenarios that will both achieve financial goals and offer value in terms of programming and services to students, as well as community members.

I will be providing Task Force updates at upcoming Board meetings, and encourage staff, parents and residents to attend a March 2, 2026 Task Force Community Update & Input Session; this meeting will be held at 6 pm in the Shorewood High Library Media Center.

### **2026-2027 Budget Timeline and Related Policy Items**

Parallel to Task Force dialogue, the District will be working to develop the 2026-2027 operating budget over the next few months. This [2026 Budget Development Timeline](#) outlines required Board action, as well as planned staff and community engagement sessions. School and department level budget work has already begun, and, as indicated, the District's Open Enrollment recommendation will be presented for approval at the January 27 Board meeting.

The District's March budget presentation will include adjustments based on revenue and enrollment forecasts, currently enrolled student course selections for 2026-2027, and other financial data. As a reminder, per statute, the Board must take action on staff contracts early in the budget cycle, but these staffing adjustments may change following the teacher contract deadline on June 15, and as we update enrollment information throughout the summer. Ongoing registration of 4K and new resident students, completed registrations of students offered Open Enrollment seats in April, are some of the variables that will impact classroom and other staffing needs and expenses.

Additional revenue and expense adjustments - final state aid allocations, contracted expenses for employee benefits, District insurance coverage, facilities maintenance, etc. - will be made over the summer. These adjustments will be identified and discussed at the first Board meeting in October, in preparation for Board adoption of the final budget at the second meeting. For your reference, this [October 2025 summary](#) of draft budget changes reflects this process.

On the policy front, a [recent bill](#) that addresses a change in the special education reimbursement rate is something we and other districts are watching. The biennial budget outlined reimbursement rates for public schools at 42 percent for 2025–26 and 45 percent for 2026–27. Though well short of the Governor's proposal of 60 percent and the 90 percent recommended by the DPI, this did represent an increase for districts. The DPI has now alerted districts that the reimbursement will be 35 percent from November through March because of the limited funds available for reimbursement (sum-certain cap). Meanwhile, private schools in the state's school voucher system are reimbursed by the state for 90 percent of their special education costs, and are funded on a sum-sufficient basis. The Wisconsin Education Association Council (WEAC) created this [online tool](#) that educators and others can use to voice their support for special education reimbursements.

The District also continues to participate in advocacy organized by educational leadership organizations, and I was pleased to be part of a group of superintendents who authored this December Milwaukee Journal Sentinel [editorial](#) in partnership with the Southeastern Wisconsin Schools Alliance (SWSA).

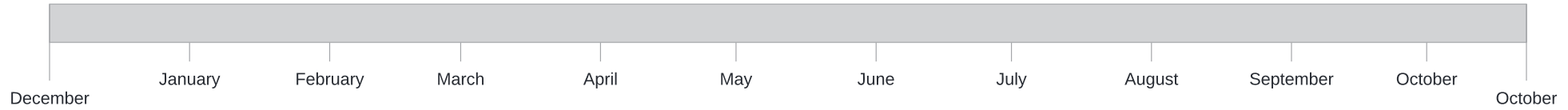
### **District and School Updates**

The end of the first semester is January 23, and District parents and guardians have been receiving communications from the Student Services team and school offices about a new Infinite Campus online attendance reporting tool that will be introduced at the start of the second semester. We hope that families will take advantage of this option for recording student attendance and submitting documentation for excused absences.

The Department of Recreation & Community Services launched its Wednesday early-release program pilot for students in grades K5-6 on January 7, and this will run weekly through the end of the school year at both Atwater and Lake Bluff. Funded in part through a generous SEED Foundation grant, the early-release pilot provides us with an opportunity to offer and evaluate a structured enrichment program that meets the needs of families after school on Wednesdays. We will consider the program structure, additional content, and expansion possibilities over the summer.

Finally, the recruitment process for a new Athletics and Activities Director has begun. We were pleased to receive a large number of applications, and final candidates will visit the District next week to participate in interviews with staff and coaches, as well as parents and volunteers active in our programs and the Athletics Booster Club.

# 2026 Budget Development Calendar



Category	December	January	February	March	April	May	June	July	August	September	October	October
Internal Activities		Priorities and Needs Identification - Leadership Team	Revenue Budget	Preliminary Budget Allocations to Schools/Depts	Revise/Update Allocations and Staffing Plan as Needed		Draft Preliminary Budget	Final Preliminary Budget		Update Revenue Projections (7/1 Aid Estimate)	Annual Meeting Preparation	Draft and Final Original Budgets
		Enrollment Projections	5-Year Financial Projection Update	Budget Scenarios	Draft Budget Assumptions	Budget Balancing Strategies		Final Allocation Summary to Schools/Depts				
				Review of Staffing Needs								
Board Review and Action		1/27: Action on Open Enrollment Recommendation		3/10: Review/Discuss Preliminary Budget Assumptions	4/28: Review/Discuss Budget Balancing Strategies		5/26: Review/Discuss Preliminary Budget	6/9: Action on Preliminary Budget			10/13: Review/Discuss Original Budget Assumptions	10/27: Action on Original Budget and Tax Levy
Community Input		2/17 Internal Stakeholder Input Session		3/9: External Stakeholder Input Session						8/25: Annual Meeting and Budget Hearing		



**EXECUTIVE SUMMARY  
FOR THE SHOREWOOD SCHOOL BOARD**

**Topic:** Retirement

**Date:** January 13, 2026

**Prepared by:** Carrie Wettstein

**Recommended action:** Approval

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

Bohdan Nedilsky has notified the District of his intent to retire, effective June 11, 2026.

Over his career in Shorewood, Bohdan has made a difference in the lives of countless students, and the District will honor his service later this year.



**EXECUTIVE SUMMARY  
FOR THE SHOREWOOD SCHOOL BOARD**

**Topic:** Monthly Financial Reports

**Date:** January 13, 2026

**Prepared by:** Heather Heaviland

**Recommended action:**

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

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

**November 2025 Statements**

November 2025 financial statements reflect activities and financial changes for the first five months of the 2025-2026 fiscal year (FY26).

- Revenue and Expenses
  - Revenues and expenses in the District’s general operating funds (10/27) are in line with historical trends and expectations. While the financial dashboard report reflects higher than expected revenue, this is primarily driven by the timing of state aid payments. We do not expect to receive more state aid than projected. On the expense side, the budget includes salary increases which were not yet implemented as of the date of the report.
  - Looking forward, we do expect categorical aid for special education to be lower by approximately \$100,000 than projected. While the state increased the reimbursement rate to 42%, state level program expenses also increased leading to a lower overall sum to be distributed. Because we did not fully allocate funds associated with the increased reimbursement rate, we do not expect this to fundamentally change the District’s year end financial position.
- Balance Sheet
  - Changes to the balance sheet are in line with expectations.

Attachments:

- Cash Receipts 2025-11
- Budget Status 2025-11
- Check Register 2025-11
- Balance Sheet 2025-11

**Additional Information**

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

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

- 10 General Fund is for recording any transaction not required to be recorded in another fund. This fund accounts for about 75% of total financial transactions.
- 21 Special Revenue Trust Fund is used to record transactions financed with non-governmental donations or other receipts designated for a specific educational purpose. Examples include support from PTO's, booster clubs, SEED and so forth.
- 27 The Special Education Fund is considered a sub-fund to the General Fund and is used to segregate financial transactions related to extraordinary costs for meeting the needs of students identified as requiring an Individualized Education Plan.
- 38 & 39 These funds are used to record property taxes levied for the purpose of repayment of long-term debt and the corresponding transactions for the principal and interest payments.
- 41 & 49 Capital Projects funds track revenue specifically raised to pay the costs of a capital project and the expenses thereof. Revenues are typically a segregated property tax levy or borrowed amounts.
- 50 The fund is used to segregate financial transactions related to operating the school food service program. A deficit, if any, in this fund is covered with a transfer from the General Fund.

80 Financial transactions related to operating the Fitness Center , Recreation Programs or other community oriented activities are recorded in the Community Services Fund.

Type - accounts codes have the following account types:

A	Asset
L	Liability
Q	Equity
E	Expense
R	Revenue

**District  
Shorewood School District**

Monthly  
Financial Report

Fiscal Year 2026 Revenue and Expenditure Activity Through November

## FISCAL YEAR 2026 REVENUE AND EXPENDITURE SUMMARY THROUGH NOVEMBER

### 1. CURRENT YEAR-TO-DATE ACTUALS COMPARED TO THE PREVIOUS YEAR

COMPARED TO THE SAME PERIOD, TOTAL REVENUES ARE

**\$332,788**

HIGHER THAN THE PREVIOUS YEAR

COMPARED TO THE SAME PERIOD, TOTAL EXPENDITURES ARE

**\$147,751**

LOWER THAN THE PREVIOUS YEAR

COMPARED TO THE SAME PERIOD, THE FUND BALANCE IS

**\$4,237,892**

HIGHER THAN THE PREVIOUS YEAR

### 2. CURRENT YEAR-TO-DATE ACTUALS COMPARED TO THE BUDGET

CURRENT YEAR-TO-DATE REVENUE COLLECTIONS ARE TRENDING

**\$637,306**

HIGHER THAN THE BUDGET

CURRENT YEAR-TO-DATE EXPENDITURES ARE TRENDING

**\$483,735**

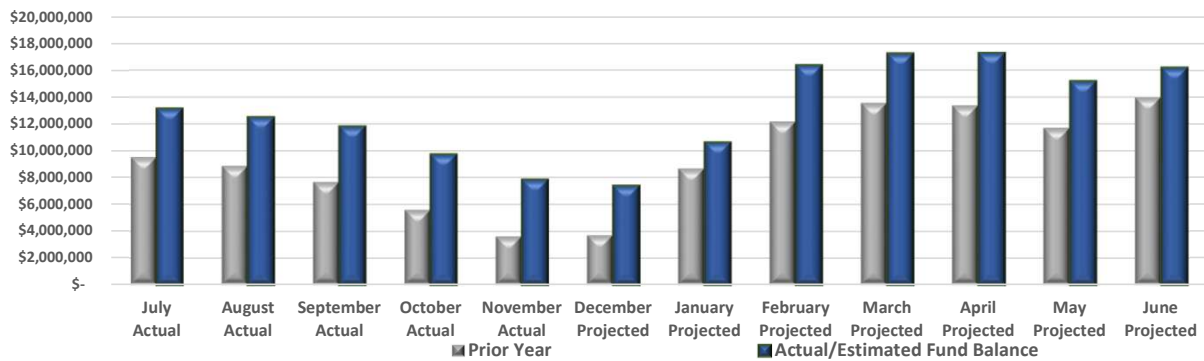
LOWER THAN THE BUDGET

POTENTIAL NET IMPACT WOULD RESULT IN A

**\$1,121,041**

HIGHER FUND BALANCE THAN ORIGINAL ESTIMATES

### 3. FUND BALANCE COMPARISON



JUNE 30 2025 ENDING FUND BALANCE

**\$13,978,530**

ESTIMATED 2026 YEAR END FUND BALANCE

**\$16,157,974**

# FISCAL YEAR 2026 MONTHLY REVENUE SUMMARY - NOVEMBER

## 1. NOVEMBER MONTH END REVENUE OVERVIEW (MTD)

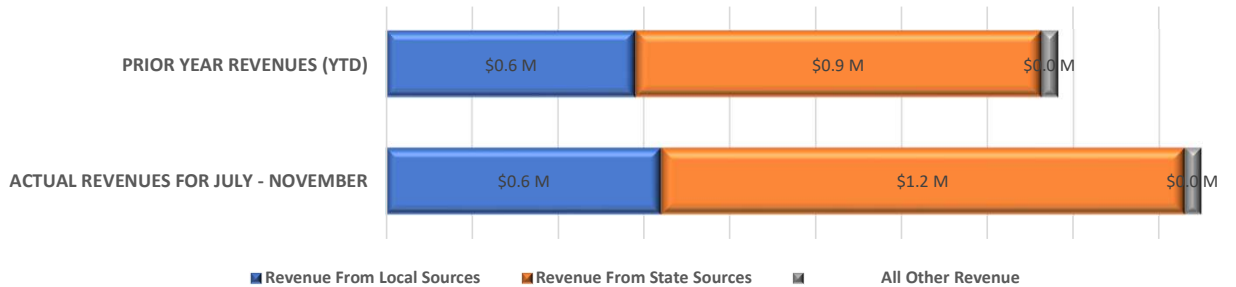


	Current Year MTD Amount	Prior Year MTD Amount	Actual Compared to Last Year
Revenue From Local Sources	123,741	75,084	48,657
Revenue From State Sources	47,194	-	47,194
All Other Revenue	11,546	29,187	(17,641)
<b>Total Revenue</b>	<b>182,481</b>	<b>104,271</b>	<b>78,210</b>

**ACTUAL REVENUE FOR THE MONTH WAS UP**  
**\$78,210**  
**COMPARED TO LAST YEAR.**

Overall total revenue for November is up 75.% (\$78,210). The largest change in this November's revenue collected compared to November of FY2025 is higher state special project grants (\$47,194) and higher other revenue from local sources (\$26,544).

## 2. YEAR TO DATE REVENUE OVERVIEW (YTD)



	Current Year YTD For July - November	Prior Year YTD For July - November	Actual Compared to Last Year
Revenue From Local Sources	640,258	580,631	59,627
Revenue From State Sources	1,218,662	944,205	274,457
All Other Revenue	38,729	40,025	(1,296)
<b>Total Revenue</b>	<b>1,897,650</b>	<b>1,564,862</b>	<b>332,788</b>

**COMPARED TO THE SAME PERIOD, TOTAL REVENUES ARE**  
**\$332,788**  
**HIGHER THAN THE PREVIOUS YEAR**

Fiscal year-to-date General Fund revenue collected totaled \$1,897,650 through November, which is \$332,788 or 21.3% higher than the amount collected last year. The largest difference in revenue when comparing current year-to-date revenue collected through November to the same period last year is state aid - general revenue coming in \$226,511 higher compared to the previous year, followed by state special project grants coming in \$47,194 higher.

## FISCAL YEAR 2026 MONTHLY EXPENDITURE SUMMARY - NOVEMBER

### 3. NOVEMBER MONTH END EXPENDITURE OVERVIEW (MTD)



	Current Year MTD Amount	Prior Year MTD Amount	Actual Compared to Last Year
Salaries and Benefits	1,667,889	1,733,139	▶ (65,251)
Services, Supplies & Materials	329,467	306,404	▶ 23,063
All Other Expenses	70,241	61,191	▶ 9,050
<b>Total Expenditures</b>	<b>2,067,597</b>	<b>2,100,734</b>	<b>▶ (33,138)</b>

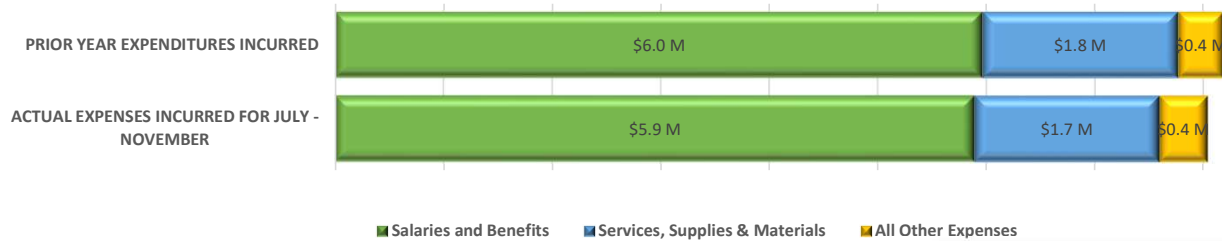
**ACTUAL EXPENSES FOR THE  
MONTH WAS DOWN**

**\$33,138**

**COMPARED TO LAST YEAR.**

Overall total expenses for November are down -1.6% (-\$33,138). The largest change in this November's expenses compared to November of FY2025 is lower salaries (-\$47,833), higher intergovernmental payments for services (\$22,028) and lower permanent part time (-\$19,659).

### 4. YEAR TO DATE EXPENSE OVERVIEW (YTD)



	Actual Expenses For July - November	Prior Year Expenditures Incurred	Actual Compared to Last Year
Salaries and Benefits	5,892,279	5,966,941	▶ (74,662)
Services, Supplies & Materials	1,704,314	1,804,157	▶ (99,843)
All Other Expenses	444,866	418,113	▶ 26,754
<b>Total Expenditures</b>	<b>8,041,460</b>	<b>8,189,211</b>	<b>▶ (147,751)</b>

**COMPARED TO THE SAME  
PERIOD, TOTAL EXPENDITURES  
ARE**

**\$147,751**

**LOWER THAN THE PREVIOUS YEAR**

Fiscal year-to-date General Fund expenses totaled \$8,041,460 through November, which is -\$147,751 or -1.8% lower than the amount expended last year. The largest difference in expenditures when comparing current year-to-date expenditures through November to the same period last year is that salaries costs are -\$138,004 lower compared to the previous year, followed by permanent full time coming in \$96,505 higher and personal services coming in \$79,815 higher.

## PROJECTED FISCAL YEAR 2026 REVENUE AND EXPENDITURE SUMMARY

### 5. PROJECTED YEAR END REVENUE RESULTS COMPARED TO THE BUDGET

CURRENT YEAR-TO-DATE REVENUE  
COLLECTIONS ARE TRENDING

\$637,306

HIGHER THAN THE BUDGET

	Budgeted Annual Revenues	Actual/Estimated Calculated Annual Amount	Variance Favorable/ (Unfavorable)
Revenue From Local Sources	20,448,108	20,720,842	272,735
Revenue From State Sources	8,248,362	8,601,049	352,687
All Other Revenue	2,456,237	2,468,121	11,884
Total Revenue	31,152,706	31,790,013	637,306

The top two categories (state aid - general and earnings on investments), represents 69.3% of the variance between current revenue estimates and the budget.

Top Budget vs. Actual/Estimated Amounts

Variance Based on Actual/Estimated Annual Amount	Expected Over/(Under) Budget
STATE AID - GENERAL	▶ 300,335
EARNINGS ON INVESTMENTS	▶ 141,338
OTHER REVENUE FROM LOCAL SOURCES	▶ 104,976
STATE SPECIAL PROJECT GRANTS	▶ 47,194
All Other Revenue Categories	▶ 43,464
Total Revenue	▶ 637,306

### 6. PROJECTED YEAR END EXPENDITURE RESULTS COMPARED TO THE BUDGET

CURRENT YEAR-TO-DATE  
EXPENDITURES ARE TRENDING

\$483,735

LOWER THAN THE BUDGET

	Budgeted Annual Expenses	Actual/Estimated Calculated Annual Amount	Budget compared to Actual/Estimated
Salaries and Benefits	20,813,854	20,608,040	▶ (205,815)
Services, Supplies & Materials	4,914,422	4,858,911	▶ (55,511)
All Other Expenses	4,366,027	4,143,618	▶ (222,409)
Total Expenditures	30,094,303	29,610,568	▶ (483,735)

The top two categories (equipment/vehicle-replacement and salaries), represents 43.% of the variance between current expense estimates and the budget.

Top Budget vs. Actual/Estimated Amounts

Variance Based on Actual/Estimated Annual Amount	Expected Over/(Under) Budget
EQUIPMENT/VEHICLE-REPLACEMENT	▶ (122,255)
SALARIES	▶ (85,822)
TEXTBOOKS & WORKBOOKS	▶ (71,652)
HEALTH INSURANCE	▶ (58,758)
All Other Expense Categories	▶ (145,248)
Total Expenses	▶ (483,735)



## EXECUTIVE SUMMARY FOR THE SHOREWOOD SCHOOL BOARD

**Topic:** Audited Financial Statements for the Year Ended June 30, 2025

**Date:** January 13, 2026

**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, 2025.

**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:

- FY25 Final Report and Financial Statements
- FY25 Audit Executive Summary
- FY25 Federal and State Awards



**CliftonLarsonAllen LLP**  
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Green Bay, WI 54304

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**CLAconnect.com**

Board of Education  
Shorewood School District  
Shorewood, Wisconsin

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

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

**CliftonLarsonAllen LLP**

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

Amber Drewieske, CPA  
Principal

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN**

**EXECUTIVE AUDIT SUMMARY AND  
BOARD COMMUNICATIONS**

**YEAR ENDED JUNE 30, 2025**



**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
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YEAR ENDED JUNE 30, 2025**

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**EXECUTIVE AUDIT SUMMARY  
SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
YEAR ENDED JUNE 30, 2025**

We prepared this Executive Audit Summary in conjunction with our audit of the District's financial statements for the year ended June 30, 2025.

**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 2025-001 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 \$3,777,770 for the year ended June 30, 2025. The ending fund balance of \$13,998,947 at June 30, 2025 represents 48% 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 \$1,242,009, or 3.98%, more than the final budget, while total expenditures were \$1,278,218, or 4.77%, 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, 2025, and have issued our report thereon dated December 9, 2025. 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), and *State Single Audit Guidelines*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated January 14, 2025. 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.

The District evaluated accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, effective July 1, 2024.

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 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.

**Financial statement disclosures**

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

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

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

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

***Corrected misstatements***

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

***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 9, 2025.

***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 and state awards (SEFA and 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 Wisconsin 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 9, 2025.

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 9, 2025.

\* \* \*

Board of Education  
Shorewood School District

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.

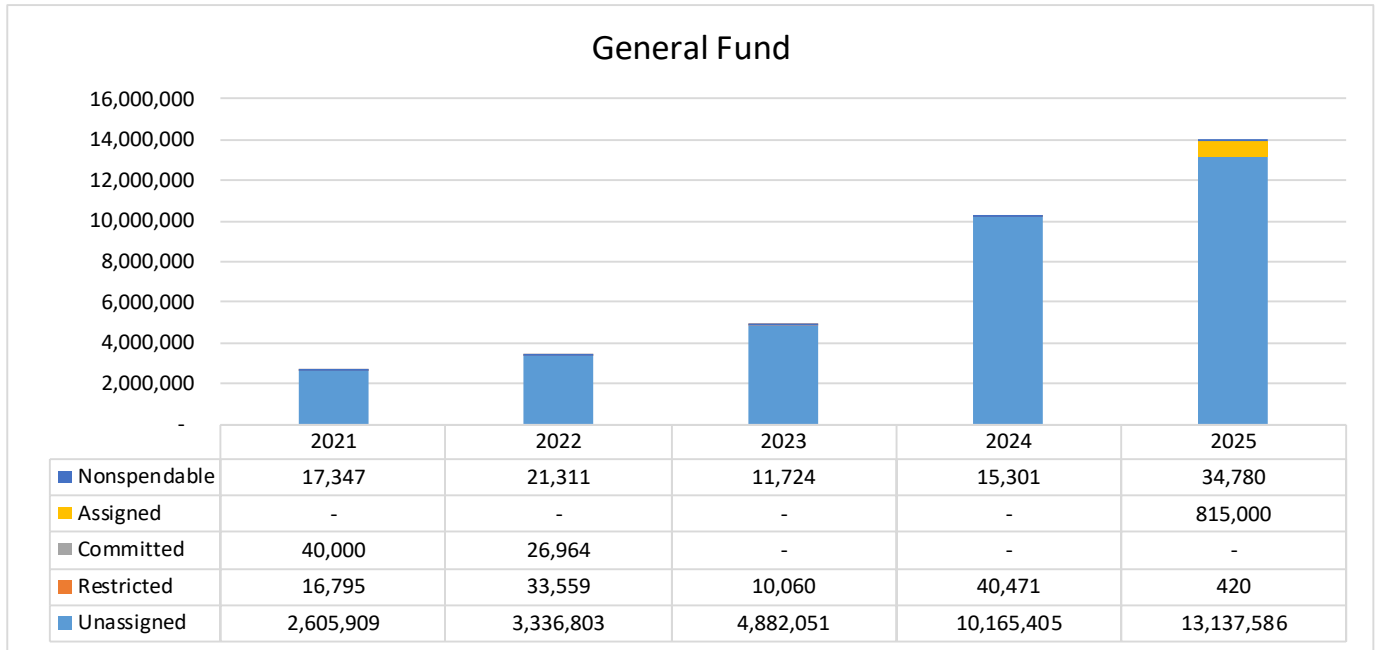
*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
December 9, 2025

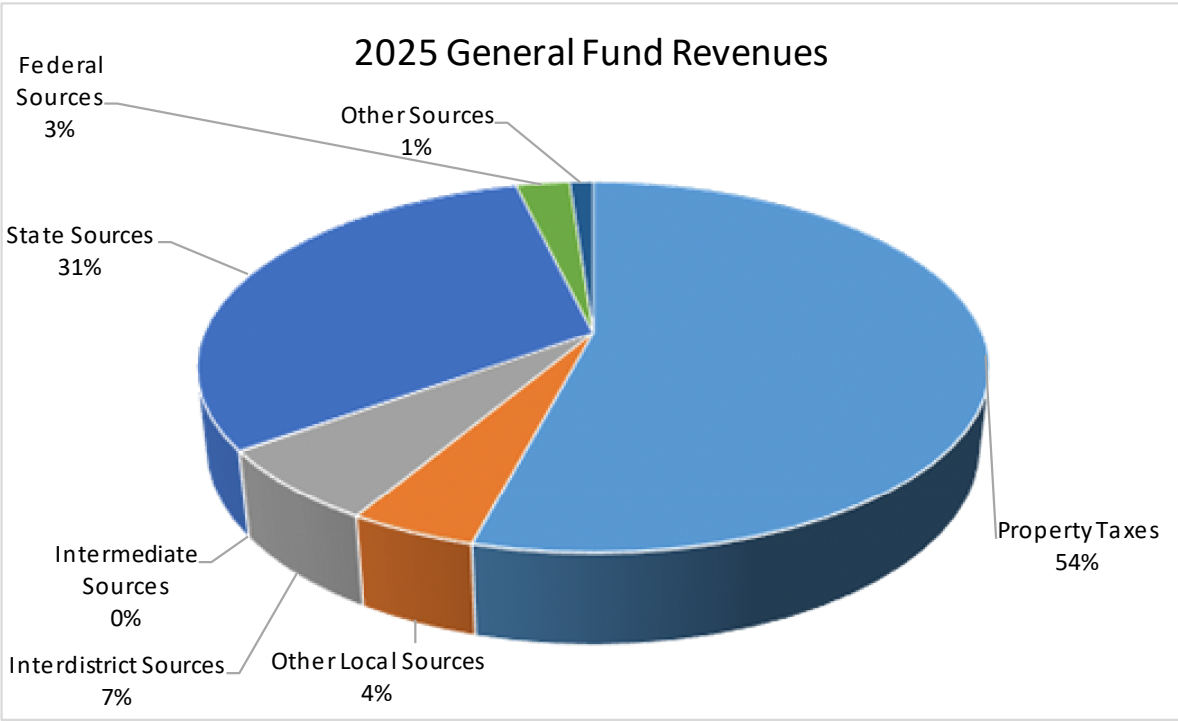
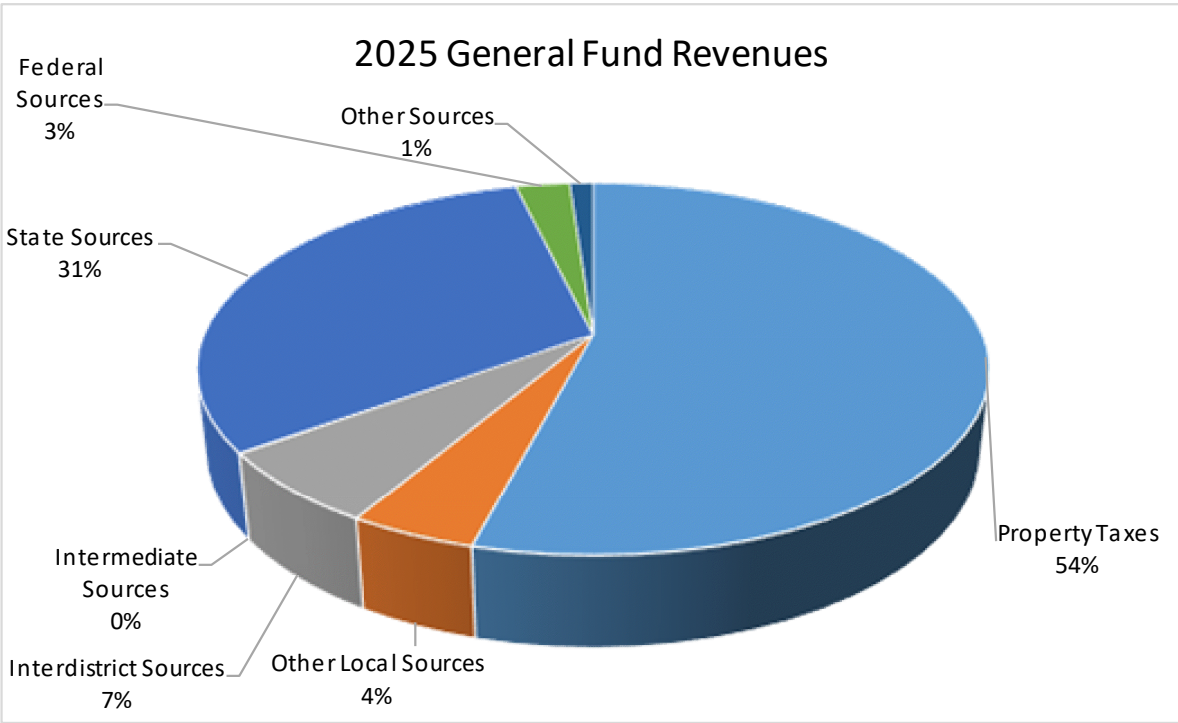
**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
APPENDIX A  
FINANCIAL TRENDS OF YOUR DISTRICT**

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 \$13,137,586 on June 30, 2025. This amount essentially represents cash available for use during the 2025 - 2026 school year. Industry benchmarks suggest maintaining a fund balance of 20-25% of a school district's General Fund operating expenditures for purposes of working capital; however, this benchmark should be tailored to the District. The District has a history of short-term borrowing to supplement working capital that has ranged from \$3.6 million to \$5 million in the last 5 years. The unassigned fund balance and short-term borrow have a direct correlation.

1. The present payment schedule for state aids for school purposes results in approximately 80% 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 or 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.



## **TECHNICAL UPDATE**

The following technical updates will be effective for the District's June 30, 2026 year end. CLA will continue to discuss the applicability of these updates with District management.

### **Uniform Guidance 2025 Updates**

The U.S. Department of Labor's Office of Management and Budget (OMB) issued changes to its Uniform Guidance for Federal Awards with major changes summarized as follows:

- **Most significant change:** the Single Audit threshold for non-federal entities was raised from \$750,000 to \$1,000,000 for fiscal years ending on or after September 30, 2025. The Type A program threshold increased accordingly to \$1,000,000.
- Procurement updates under Section 200.320:
  - "Small purchases" were renamed to "simplified acquisitions."
  - The micro-purchase threshold (MPT) was raised to \$10,000, with self-certification allowed up to \$50,000.
- Indirect cost changes under Section 200.414:
  - De minimis indirect cost rate may be "up to 15%."
  - Pass-through entities must accept federally negotiated indirect rates.
- Cybersecurity measures required under Section 200.303(e): No specific framework was provided, leaving the direction to federal agencies. OMB indicates it will continue to evaluate whether it should implement a specific framework on a government-wide basis in the future. As Cybersecurity continues to be a risk area for all governments, we continue to encourage governments to talk with your IT professionals or contact your CLA team for options for cybersecurity risk assessments to help ensure your governments and stakeholder data is secure.

### **GASB Statement No. 103 – Financial Reporting Model Improvements**

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

**Summary Practical Considerations:** All entities, other than stand-alone business type activities, will be impacted.

- Budget to actual schedules are required to be presented within RSI and must now include variance columns for the change in original and final budget and budget to actual.
- If the District is presenting an MD&A, there could be additional requirements for analysis and details to explain the expected effects on the subsequent period.
- If the District is presenting a proprietary fund(s), there will be changes in the presentation and the classification of operating and nonoperating revenues and expenses based on clearer definitions of each.

### **GASB Statement No. 104 – Disclosures of Certain Capital Assets**

GASB 104 establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

**Summary Practical Consideration:** All entities with capital assets will be impacted. May require some financial statement disclosure changes if not already segregated.

## APPENDIX C



December 9, 2025

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, 2025, 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 9, 2025, 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 January 14, 2025, 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. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
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. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
12. We have appropriately analyzed all leases, including any material embedded leases contained within other contracts, and determined there are no material leases to record.
13. We have analyzed all subscription-based technology agreements (SBITAs) and determined there are not material SBITAs to record.
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 no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
16. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
17. We are unable to determine the possibility of a withdrawal liability in a multiple-employer benefit plan.
18. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.
19. We have properly identified the various types of leave and have recorded a liability for compensated absences in accordance with the requirements of GASB Statement No. 101, *Compensated Absences*.

20. We are not aware of any concentrations or constraints that would require disclosure in accordance with GASB Statement No. 102, Certain Risk Disclosures.

**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 classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
23. Investments are properly valued.

24. 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.
25. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
29. 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.
30. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
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 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) and the *State Single Audit Guidelines*.
- 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*.

Signature: Heather A. Ha

Title: Director of Business Services

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN**

**FEDERAL AND STATE AWARDS**

**YEAR ENDED JUNE 30, 2025**



**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
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*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, 2025. 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, 2025.

***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.

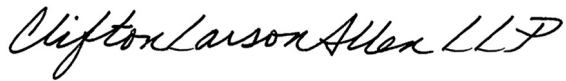
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not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

### **Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and State Single Audit Guidelines**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated December 9, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and *State Single Audit Guidelines* and is not a required part of the basic financial statements.

Board of Education  
Shorewood School District

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
December 9, 2025

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Unearned Revenue 7/1/24	Cash Received (Refunded)	Accrued (Unearned) Revenue 6/30/25	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
Child Nutrition Cluster:								
School Breakfast Program	10.553	WI DPI	2024-405355-DPI-SB-546	\$ (2,651)	\$ 2,651	\$ -	\$ -	\$ -
School Breakfast Program	10.553	WI DPI	2024-405355-DPI-SB-SEVERE-546	(4)	4	-	-	-
School Breakfast Program	10.553	WI DPI	2025-405355-DPI-SB-546	-	14,457	728	15,185	-
School Breakfast Program	10.553	WI DPI	2025-405355-DPI-SB-SEVERE-546	-	159	11	170	-
Total School Breakfast Program				<u>(2,655)</u>	<u>17,271</u>	<u>739</u>	<u>15,355</u>	<u>-</u>
National School Lunch Program	10.555	WI DPI	2024-405355-DPI-NSL-547	(25,063)	25,063	-	-	-
National School Lunch Program	10.555	WI DPI	2025-405355-DPI-NSL-547	-	172,976	7,792	180,768	-
Donated Commodities 22-23	10.555	WI DPI	N/A	-	49,839	-	49,839	-
Total National School Lunch Program				<u>(25,063)</u>	<u>247,878</u>	<u>7,792</u>	<u>230,607</u>	<u>-</u>
Total U.S. Department of Agriculture				(27,718)	265,149	8,531	245,962	-
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2024-405355-DPI-TI-A-141	(68,260)	68,260	-	-	-
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2025-405355-DPI-TI-A-141	-	41,471	84,425	125,896	-
Total Title I Grants to Local Educational Agencies				<u>(68,260)</u>	<u>109,731</u>	<u>84,425</u>	<u>125,896</u>	<u>-</u>
Special Education Cluster (IDEA):								
Special Education Grants to States	84.027A	WI DPI	2025-405355-DPI-FLOW-341	(82,093)	368,260	129,654	415,821	-
Special Education Grants to States	84.027A	WI DPI	2025-405355-DPI-FLOW-341	(17,657)	82,342	2,627	67,312	-
Total Special Education Grants to States				<u>(99,750)</u>	<u>450,602</u>	<u>132,281</u>	<u>483,133</u>	<u>-</u>
Special Education - Preschool Grants:	84.173A	WI DPI	2025-405355-DPI-PRESCH-347	(10,185)	14,269	18,495	22,579	-
Total Special Education Cluster (IDEA)				<u>(109,935)</u>	<u>464,871</u>	<u>150,776</u>	<u>505,712</u>	<u>-</u>

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

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Unearned Revenue 7/1/24	Cash Received (Refunded)	Accrued (Unearned) Revenue 6/30/25	Total Expenditures	Subrecipient Payments
<b>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</b>								
Career and Technical Education - Basic Grants to States	84.048	CESA 1	Not available	\$ -	\$ 8,697	\$ -	\$ 8,697	\$ -
English Language Acquisition State Grants	84.365A	WI DPI	2025-405355-DPI-TIIIA-391	(4,793)	16,622	6,981	18,810	-
Improving Teacher Quality State Grants	84.367A	WI DPI	2025-405355-DPI-TIIA-365	(13,923)	32,922	9,066	28,065	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2025-405355-DPI-TIVA-381	-	10,626	10,062	20,688	-
COVID-19 Elementary and Secondary School Emergency Relief III	84.425D	WI DPI	2024-405355-DPI-ESSERFIII-165	(262,305)	262,305	-	-	-
Total U.S. Department of Education				(459,216)	905,774	261,310	707,868	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Medicaid Cluster:								
Medical Assistance Program	93.778	WI DHS	44234700	-	191,822	-	191,822	-
Total U.S. Department of Health and Human Services				-	191,822	-	191,822	-
Total Federal Programs				\$ (486,934)	\$ 1,362,745	\$ 269,841	\$ 1,145,652	\$ -

**RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

Federal Sources	\$ 1,136,955
Intermediate Sources	8,697
Total Expenditures of Federal Awards	<u>\$ 1,145,652</u>

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

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED JUNE 30, 2025**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Unearned Revenue 7/1/24	Cash Received (Refunded)	Accrued (Unearned) Revenue 6/30/25	Total Expenditures	Subrecipient Payments
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>								
Special Education and School Age Parents	255.101	Direct Program	405355-100	\$ -	\$ 969,619	\$ -	\$ 969,619	\$ -
Special Education and School Age Parents	255.101	CESA No. 1	N/A	(9,330)	9,330	12,767	12,767	-
State School Lunch Aid	255.102	Direct Program	405355-107	-	4,975	-	4,975	-
Common School Fund Library Aid	255.103	Direct Program	405355-104	-	117,903	-	117,903	-
Equalization Aids	255.201	Direct Program	405355-116	-	7,920,719	-	7,920,719	-
Integration Transfer - Non Resident	255.204	Direct Program	405355-106	-	126,823	-	126,823	-
High Cost Special Education Aid	255.210	Direct Program	405355-119	-	13,290	-	13,290	-
School Based Mental Health Services	255.297	Direct Program	405355-177	171	52,465	-	52,636	-
Peer Review and Mentoring	255.301	Direct Program	405355-141	-	12,232	-	12,232	-
State School Breakfast Aid	255.344	Direct Program	405355-117	-	693	-	693	-
Early College Credit Program	255.445	Direct Program	405355-178	-	4,347	-	4,347	-
Educator Effective Evaluation System	255.940	Direct Program	405355-154	(13,040)	13,040	12,951	12,951	-
Per Pupil Aid	255.945	Direct Program	405355-113	-	1,249,528	-	1,249,528	-
Aid for Special Ed Transition Grant BBL	255.960	Direct Program	405355-168	-	13,267	-	13,267	-
Total State Programs				<u>\$ (22,199)</u>	<u>\$ 9,529,282</u>	<u>\$ 12,951</u>	<u>\$ 10,511,750</u>	<u>\$ -</u>

**RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

State Sources	\$ 10,612,153
Intermediate Sources	12,766
Less: State Sources not Considered State Financial Assistance	
Personal Property Aid Payment	(100,798)
State Tax Computer Aids	(12,371)
Total Expenditures of State Awards	<u>\$ 10,511,750</u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
JUNE 30, 2025**

**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 2025 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, 2025**

**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, 2025**

**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 Number	Name of Federal Program
10.553	School Breakfast Program
10.555	National School Lunch Program

- Dollar threshold used to distinguish between Type A and Type B programs: \$     750,000
- Auditee qualified as low-risk auditee?     x     yes      \_\_\_\_\_ no

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

***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:***

<u>State ID Number</u>	<u>Name of State Program</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aids
255.945	Per Pupil Aid

Dollar threshold used to distinguish between Type A and Type B programs:                    \$       315,353      

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, 2025**

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***Section II – Financial Statement Findings***

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**2025-001 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 2024-001

**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.

**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.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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***Section III – Findings and Questioned Costs – Major Federal and State Programs***


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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a) or the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration for the year ended June 30, 2025.

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***Section IV – Other Issues***

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- |   |  |
|---|--|
| 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  | <br>Amber Drewieske, CPA |
| 5. Date of report   | December 9, 2025   |

**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, 2025, 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 9, 2025.

***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 2025-001 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 Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s response to the finding 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 9, 2025



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

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025**



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SHOREWOOD, WISCONSIN  
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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, 2025, 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, 2025, 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.

#### **Emphasis of Matter**

As discussed in Note 1.F. to the financial statements, effective July 1, 2024, the District adopted new accounting guidance for compensated absences. The District restated beginning net position for the governmental activities as a result of the new standard. Our opinions are not modified with respect to this matter.

#### **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.

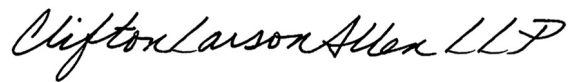
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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. 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 9, 2025, 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 9, 2025

## **BASIC FINANCIAL STATEMENTS**

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 22,191,722
Receivables:	
Taxes	2,934,698
Accounts	45,658
Due from Employee Benefit Trust	2,175
Due from Other Governments	310,435
Prepaid Items	41,566
Capital Assets:	
Nondepreciable	44,000
Depreciable, Net	80,373,539
Total Assets	105,943,793
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related Amounts	7,873,894
Other Postemployment Related Amounts	136,348
Total Deferred Outflows of Resources	8,010,242
<b>LIABILITIES</b>	
Accounts Payable	276,537
Accrued and Other Current Liabilities	1,408,363
Accrued Interest Payable	492,560
Unearned Revenues	5,820
Long-Term Obligations:	
Due in One Year	2,506,657
Due in More Than One Year	54,939,548
Other Postemployment Benefits Liability	1,380,756
Net Pension Liability	2,178,872
Total Liabilities	63,189,113
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Amounts	4,488,720
Other Postemployment Related Amounts	802,376
Total Deferred Inflows of Resources	5,291,096
<b>NET POSITION</b>	
Net Investment in Capital Assets	25,847,463
Restricted:	
Grant Funds	11,581
Community Service	1,360,624
Food Service	486,395
Capital Projects	1,284,836
Capital Expansion	2,066,996
Debt Service	3,351,354
Unrestricted	11,064,577
Total Net Position	\$ 45,473,826

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 17,583,821	\$ 3,124,823	\$ 1,707,234	\$ (12,751,764)
Support Services	12,826,679	390,207	790,521	(11,645,951)
Community Services	1,649,191	1,236,247	-	(412,944)
Nonprogram	1,210,945	2,652	157,509	(1,050,784)
Interest and Fiscal Charges	1,766,682	-	-	(1,766,682)
Depreciation - Unallocated	3,470,973	-	-	(3,470,973)
	<b>\$ 38,508,291</b>	<b>\$ 4,753,929</b>	<b>\$ 2,655,264</b>	<b>(31,099,098)</b>
<b>GENERAL REVENUES</b>				
Property Taxes				25,445,521
State and Federal Aids not Restricted to Specific Functions				9,283,417
Interest and Investment Earnings				740,242
Gain on Disposal of Capital Assets				5,000
Miscellaneous				898,252
Total General Revenues				<b>36,372,432</b>
<b>CHANGE IN NET POSITION</b>				5,273,334
Net Position - Beginning of Year, as Originally Stated				40,408,481
Cumulative Effect of Change in Accounting Principle				(207,989)
Net Position - Beginning of Year, as Restated				40,200,492
<b>NET POSITION - END OF YEAR</b>				<b>\$ 45,473,826</b>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

<b>ASSETS</b>	General	Referendum Debt Service	Capital Project Fund	Community Service Fund	Other Governmental Funds	Totals
Cash and Investments	\$ 13,070,519	\$ 3,647,792	\$ 439,663	\$ 1,444,888	\$ 3,588,860	\$ 22,191,722
Receivables:						
Taxes	2,934,698	-	-	-	-	2,934,698
Accounts	39,703	-	-	159	5,796	45,658
Due from Employee Benefit Trust	2,175	-	-	-	-	2,175
Due from Other Funds	-	-	845,173	-	-	845,173
Due from Other Governments	301,904	-	-	-	8,531	310,435
Prepaid Items	34,780	-	-	6,786	-	41,566
<b>Total Assets</b>	<b><u>\$ 16,383,779</u></b>	<b><u>\$ 3,647,792</u></b>	<b><u>\$ 1,284,836</u></b>	<b><u>\$ 1,451,833</u></b>	<b><u>\$ 3,603,187</u></b>	<b><u>\$ 26,371,427</u></b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 193,283	\$ -	\$ -	\$ 22,436	\$ 60,818	\$ 276,537
Accrued and Other Current Liabilities	1,346,376	-	-	61,987	-	1,408,363
Due to Other Funds	845,173	-	-	-	-	845,173
Unearned Revenues	-	-	-	-	5,820	5,820
<b>Total Liabilities</b>	<b><u>2,384,832</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>84,423</u></b>	<b><u>66,638</u></b>	<b><u>2,535,893</u></b>
<b>FUND BALANCES</b>						
Nonspendable	34,780	-	-	6,786	-	41,566
Restricted	11,581	3,647,792	1,284,836	1,360,624	2,749,513	9,054,346
Committed	-	-	-	-	787,036	787,036
Assigned	815,000	-	-	-	-	815,000
Unassigned	13,137,586	-	-	-	-	13,137,586
<b>Total Fund Balances</b>	<b><u>13,998,947</u></b>	<b><u>3,647,792</u></b>	<b><u>1,284,836</u></b>	<b><u>1,367,410</u></b>	<b><u>3,536,549</u></b>	<b><u>23,835,534</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 16,383,779</u></b>	<b><u>\$ 3,647,792</u></b>	<b><u>\$ 1,284,836</u></b>	<b><u>\$ 1,451,833</u></b>	<b><u>\$ 3,603,187</u></b>	<b><u>\$ 26,371,427</u></b>

See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

Total Fund Balances as Shown on Previous Page \$ 23,835,534

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. 80,417,539

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	7,873,894
Deferred Inflows Related to Pensions	(4,488,720)
Deferred Outflows Related to Other Postemployment Benefits	136,348
Deferred Inflows Related to Other Postemployment Benefits	(802,376)

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

Bonds and Notes Payable	(55,215,000)
Debt Premium	(1,944,576)
Compensated Absences	(286,629)
Other Postemployment Benefits Liability (Asset)	(1,380,756)
Net Pension Liability	(2,178,872)
Accrued Interest on Long-Term Obligations	<u>(492,560)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 45,473,826</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, 2025**

	General	Referendum Debt Service	Capital Expansion Fund	Capital Project Fund	Community Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>							
Property Taxes	\$ 18,388,111	\$ 4,272,110	\$ -	\$ -	\$ 1,250,000	\$ 1,535,300	\$ 25,445,521
Other Local Sources	1,500,701	111,739	-	1,449	1,294,031	1,080,675	3,988,595
Interdistrict Sources	2,181,321	-	-	-	-	-	2,181,321
Intermediate Sources	22,964	-	-	-	-	-	22,964
State Sources	10,606,485	-	-	-	-	5,668	10,612,153
Federal Sources	890,993	-	-	-	-	245,962	1,136,955
Other Sources	389,237	-	-	-	-	-	389,237
Total Revenues	33,979,812	4,383,849	-	1,449	2,544,031	2,867,605	43,776,746
<b>EXPENDITURES</b>							
Instruction:							
Regular Instruction	12,598,431	-	-	-	-	227,899	12,826,330
Vocational Instruction	206,940	-	-	-	-	-	206,940
Special Education Instruction	2,779,680	-	-	-	-	-	2,779,680
Other Instruction	1,129,377	-	-	-	-	130,049	1,259,426
Total Instruction	16,714,428	-	-	-	-	357,948	17,072,376
Support Services:							
Pupil Services	1,971,831	-	-	-	-	1,700	1,973,531
Instructional Staff Services	1,693,592	-	-	-	-	29,955	1,723,547
General Administration Services	795,860	-	-	-	95,916	-	891,776
School Administration Services	1,613,101	-	-	-	-	-	1,613,101
Business Services	813,378	-	-	-	28,651	11,169	853,198
Operations and Maintenance of Plant	3,487,027	-	-	-	381,684	521,899	4,390,610
Pupil Transportation Services	200,480	-	-	-	-	-	200,480
Food Services	-	-	-	-	-	687,136	687,136
Central Services	358,406	-	-	-	-	-	358,406
Insurance	403,359	-	-	-	-	-	403,359
Other Support Services	132,884	-	-	-	26,906	-	159,790
Total Support Services	11,469,918	-	-	-	533,157	1,251,859	13,254,934

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	General	Referendum Debt Service	Capital Expansion Fund	Capital Project Fund	Community Service Fund	Other Governmental Funds	Totals
<b>EXPENDITURES (CONTINUED)</b>							
Debt Service:							
Principal	\$ 18,157	\$ 1,795,000	\$ -	\$ -	\$ -	\$ 565,000	\$ 2,378,157
Interest and Fiscal Charges	-	2,011,785	-	-	-	30,625	2,042,410
Total Debt Service	<u>18,157</u>	<u>3,806,785</u>	-	-	-	595,625	4,420,567
Community Service	-	-	-	-	1,630,645	-	1,630,645
Nonprogram:							
General Tuition Payments	1,012,776	-	-	-	-	-	1,012,776
Post Second Scholarships	-	-	-	-	-	51,289	51,289
Special Education Tuition Payments	143,472	-	-	-	-	-	143,472
Adjustments and Refunds	3,118	-	-	-	43	368	3,529
Total Nonprogram	<u>1,159,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>51,657</u>	<u>1,211,066</u>
Total Expenditures	<u>29,361,869</u>	<u>3,806,785</u>	<u>-</u>	<u>-</u>	<u>2,163,845</u>	<u>2,257,089</u>	<u>37,589,588</u>
Excess of Revenues Over Expenditures	4,617,943	577,064	-	1,449	380,186	610,516	6,187,158
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Capital Assets	5,000	-	-	-	-	-	5,000
Transfers In	-	1,318	-	845,173	-	-	846,491
Transfers Out	(845,173)	-	-	(1,318)	-	-	(846,491)
Total Other Financing Sources (Uses)	<u>(840,173)</u>	<u>1,318</u>	<u>-</u>	<u>843,855</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,777,770	578,382	-	845,304	380,186	610,516	6,192,158
Fund Balances - Beginning of Year	10,221,177	3,069,410	1,546,909	439,532	987,224	1,379,124	17,643,376
Change Within Financial Reporting Entity Nonmajor to Major Fund	-	-	(1,546,909)	-	-	1,546,909	-
Fund Balances - Beginning, as Adjusted	<u>10,221,177</u>	<u>3,069,410</u>	<u>-</u>	<u>439,532</u>	<u>987,224</u>	<u>2,926,033</u>	<u>17,643,376</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 13,998,947</u>	<u>\$ 3,647,792</u>	<u>\$ -</u>	<u>\$ 1,284,836</u>	<u>\$ 1,367,410</u>	<u>\$ 3,536,549</u>	<u>\$ 23,835,534</u>

See accompanying Notes to Basic Financial Statements.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances as Shown on Previous Page \$ 6,192,158

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	688,834
Depreciation Expense Reported in the Statement of Activities	(3,470,973)

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.

Principal Repaid	2,360,000
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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	18,750
Amortization of Premiums, Discounts and Loss on Advance Refunding	275,135
Compensated Absences	(26,921)
Net Pension Liability	(67,032)
Deferred Outflows of Resources Related to Pensions	(3,947,989)
Deferred Inflows of Resources Related to Pensions	3,219,593
Other Postemployment Benefits	(13,472)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(23,120)
Deferred Inflows of Resources Related to Other Postemployment Benefits	68,371
	68,371

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$ <u><u>5,273,334</u></u>
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**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2025**

	Private Purpose Trust	Employee Benefit Trust	Custodial Student Activity	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 2,539,137	\$ 8,165,251	\$ 23,498	\$ 10,727,886
<b>LIABILITIES</b>				
Accounts Payable	-	-	3,879	3,879
Due to District Funds	-	2,175	-	2,175
Total Liabilities	-	2,175	3,880	6,055
<b>NET POSITION</b>				
Restricted	<u>\$ 2,539,137</u>	<u>\$ 8,163,076</u>	<u>\$ 19,618</u>	<u>\$ 10,721,831</u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2025**

	Private Purpose Trust	Employee Benefit Trust	Custodial Student Activity	Totals
<b>ADDITIONS</b>				
Other Local Sources	\$ 22,362	\$ -	\$ 20,835	\$ 43,197
Contributions:				
Employer	-	363,100	-	363,100
Other Contributions	-	1,859	-	1,859
Investment Earnings	502,831	146,679	-	649,510
Total Additions	<u>525,193</u>	<u>511,638</u>	<u>20,835</u>	<u>1,057,666</u>
<b>DEDUCTIONS</b>				
Trust Fund Disbursements	413,975	478,458	-	892,433
Administrative Expenditures	-	159,165	-	159,165
Custodial Expenditures	-	-	19,737	19,737
Total Deductions	<u>413,975</u>	<u>637,623</u>	<u>19,737</u>	<u>1,071,335</u>
<b>CHANGE IN NET POSITION</b>	111,218	(125,985)	1,098	(13,669)
Net Position - Beginning of Year	<u>2,427,919</u>	<u>8,289,061</u>	<u>18,520</u>	<u>10,735,500</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,539,137</u>	<u>\$ 8,163,076</u>	<u>\$ 19,618</u>	<u>\$ 10,721,831</u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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, 2025**

**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, 2025**

**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, 2025**

**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 20<sup>th</sup> 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.

**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.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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**

The liability for compensated absences reported in the district-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**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.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

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.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.
- **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.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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)

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, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Accounting Changes**

Change in Fund Presentation from Major or Nonmajor

The Capital Expansion Fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2024, the fund now does not meet the criteria to be reported as a major fund and is reported as such for the fiscal year ended June 30, 2025. The effect of that changed to or within the financial reporting entity is shown in column C of the table below:

	June 30, 2024, As Previously Reported	Change to or Within the Financial Reporting Entity (C)	June 30, 2025, As Adjusted
Governmental Funds:			
Major Funds:			
General Fund	\$ 10,221,177	\$ -	\$ 10,221,177
Referendum Debt Service	3,069,410	-	3,069,410
Capital Expansion	1,546,909	(1,546,909)	-
Capital Projects	439,532	-	439,532
Community Service	987,224	-	987,224
Nonmajor Funds	1,379,124	1,546,909	2,926,033
Total Governmental Funds	<u>\$ 17,643,376</u>	<u>\$ -</u>	<u>\$ 17,643,376</u>

Change in Accounting Principle

Effective July 1, 2024, the District adopted guidance for compensated absences. The guidance requires that the changes to or within the financial reporting entity be reported by adjusting adjusted beginning balances of the current period. The effect of that adoption is shown in column C of the table below:

	June 30, 2024, As Previously Reported	Change in Accounting Principle (C)	June 30, 2025, As Adjusted
Governmental Activities	\$ 40,408,481	\$ (207,989)	\$ 40,200,492

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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 \$32,919,608 on June 30, 2025, as summarized below:

Petty Cash and Cash on Hand	\$	200
Deposits with Financial Institutions		1,041,816
Investments:		
Wisconsin Investment Series Cooperative (WISC):		
Cash Management Series		4,392,059
Investment Series		16,836,306
Exchange Traded Funds		1,852,362
Mutual Funds - Fixed Income		631,614
Annuity Contract		8,165,251
Total		<u><u>\$ 32,919,608</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	22,191,722
Fiduciary Fund Statement of Net Position:		
Private Purpose Trust		2,539,137
Employee Benefit Trust		8,165,251
Custodial Fund - Pupil Activity		23,498
Total		<u><u>\$ 32,919,608</u></u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of June 30, 2025:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Exchange Traded Funds	\$ 1,852,362	\$ -	\$ -
Mutual Funds - Fixed Income	631,614	-	-
Total	\$ 2,483,976	\$ -	\$ -

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, 2025**

**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 \$1,000,000 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, 2025, 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	\$ 631,614	\$ -	\$ 543,707	\$ 87,907	\$ -
Exchange Traded Funds	1,852,362	-	-	-	1,852,362
Wisconsin Investment Series Cooperative (WISC):					
Cash Management Series	4,392,059	-	4,392,059	-	-
Investment Series	16,836,306	-	16,836,306	-	-
Totals	<u>\$ 23,712,341</u>	<u>\$ -</u>	<u>\$ 21,772,072</u>	<u>\$ 87,907</u>	<u>\$ 1,852,362</u>

Concentration of Credit Risk

At June 30, 2025, 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, 2025**

**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 Cooperative (WISC):	\$ 631,614	\$ -	\$ 87,907	\$ 543,707	\$ -
Cash Management Series	4,392,059	4,392,059	-	-	-
Investment Series	16,836,306	16,836,306	-	-	-
Totals	<u>\$ 21,859,979</u>	<u>\$ 21,228,365</u>	<u>\$ 87,907</u>	<u>\$ 543,707</u>	<u>\$ -</u>

Investments

The District has established an employee benefit trust fund to pay retiree's postretirement benefits. The trust has \$8,165,251 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 \$21,228,365 at year-end consisting of \$4,392,059 invested in the Cash Management Series and \$16,836,306 invested in the Investment Series. 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 23 days or less.

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 Cooperative Statute, Wisconsin Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 44,000	\$ -	\$ -	\$ 44,000
Construction in Progress	161,675	-	161,675	-
Total Capital Assets, Nondepreciable	205,675	-	161,675	44,000
Capital Assets, Depreciable:				
Land Improvements	8,637,710	29,076	-	8,666,786
Buildings and Improvements	99,309,401	532,648	-	99,842,049
Machinery and Equipment	7,277,127	288,785	13,789	7,552,123
Subtotals	115,224,238	850,509	13,789	116,060,958
Less Accumulated Depreciation for:				
Land Improvements	4,629,690	440,685	-	5,070,375
Buildings and Improvements	21,069,713	2,899,664	-	23,969,377
Machinery and Equipment	6,530,832	130,624	13,789	6,647,667
Subtotals	32,230,235	3,470,973	13,789	35,687,419
Total Capital Assets, Depreciable, Net	82,994,003	(2,620,464)	-	80,373,539
Governmental Activities Capital Assets, Net	\$ 83,199,678	\$ (2,620,464)	\$ 161,675	80,417,539
Less: Capital Related Debt, net of unspent bond proceeds and accounts payable				52,625,500
Less: Debt Premium				1,944,576
Net Investment in Capital Assets				\$ 25,847,463

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, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Interfund Receivables, Payables, and Transfers**

Interfund receivables and payables includes \$2,175 due from the Employee Benefit Trust and District funds and \$845,173 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, 2025 are detailed below:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 845,173
Referendum Debt Service	1,318	-
Capital Projects Fund	845,173	1,318
Total	<u>\$ 846,491</u>	<u>\$ 846,491</u>
Capital Project Contribution	\$ 845,173	
Transfer of Excess Project Costs to Debt Service	1,318	
Total	<u>\$ 846,491</u>	

**D. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2025:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 57,575,000	\$ -	\$ 2,360,000	\$ 55,215,000	\$ 2,435,000
Debt Premium	2,219,711	-	275,135	1,944,576	-
Compensated Absences*	259,708	26,921	-	286,629	71,657
Governmental Activities					
Long-Term Obligations	<u>\$ 60,054,419</u>	<u>\$ 26,921</u>	<u>\$ 2,635,135</u>	<u>\$ 57,446,205</u>	<u>\$ 2,506,657</u>

\*Compensated absences is shown net.

Total interest paid during the year on long-term debt totaled \$2,042,410.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. 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, 2025
General Obligation Bonds	04/01/15	10/01/35	3.00-3.95%	\$ 5,055,000	\$ 2,605,000
School Improvement Bonds	07/01/19	04/01/39	3.00-4.00%	40,000,000	28,300,000
General Obligation Refunding Bonds	07/06/21	10/01/28	1.00-2.00%	3,875,000	2,200,000
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>\$ 55,215,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$55,215,000 on June 30, 2025, are detailed below:

<u>Year Ended June 30.</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,435,000	\$ 1,967,386	\$ 4,402,386
2027	2,515,000	1,889,611	4,404,611
2028	2,600,000	1,805,546	4,405,546
2029	3,030,000	1,718,595	4,748,595
2030 - 2034	13,570,000	7,075,652	20,645,652
2035 - 2039	16,010,000	4,613,700	20,623,700
2040 - 2045	15,055,000	1,535,800	16,590,800
Total	<u>\$ 55,215,000</u>	<u>\$ 20,606,290</u>	<u>\$ 75,821,290</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, 2025, was \$183,826,266 as follows:

Equalized Valuation of the District	\$ 2,390,412,659
Statutory Limitation Percentage	<u>10%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	239,041,266
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>55,215,000</u>
Legal Margin for New Debt	<u>\$ 183,826,266</u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans**

The District reports pension related balances as of and for the year ended June 30, 2025, as summarized below:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Expense (Revenue)
Wisconsin Retirement System (WRS)	\$ 1,413,561	\$ 7,803,933	\$ 4,125,112	\$ 1,946,924
Supplemental or Stipend Pension Plan	765,311	69,961	363,608	75,997
Total	<u>\$ 2,178,872</u>	<u>\$ 7,873,894</u>	<u>\$ 4,488,720</u>	<u>\$ 2,022,921</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, 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.

Vesting

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

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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**1. WRS Pension Plan Description (Continued)**

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

**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, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**2. Postretirement Adjustments (Continued)**

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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
2023	1.6	-21
2024	3.6	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, 2025, the WRS recognized \$1,211,359 in contributions from the District.

Contribution rates as of June 30, 2025 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.95%	6.95%

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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, 2025, the District reported a liability of \$1,413,561 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the District's proportion was 0.08602673%, which was a decrease of 0.00673448% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,946,924.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,389,883	\$ 4,125,112
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,147,981	-
Changes in Assumptions	419,431	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	119,542	-
Employer Contributions Subsequent to the Measurement Date	<u>727,096</u>	<u>-</u>
Total	<u>\$ 7,803,933</u>	<u>\$ 4,125,112</u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

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

The \$727,096 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, 2026. 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>
2026	\$ 901,544
2027	2,968,883
2028	(702,389)
2029	(216,313)
Total	\$ 2,951,725

**5. Actuarial Assumptions**

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability:	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
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% - 5.7%
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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

**SHOREWOOD SCHOOL DISTRICT  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plans (Continued)**

**5. Actuarial Assumptions (Continued)**

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 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	38.0%	7.0%	4.3%
Public Fixed Income	27.0%	6.1%	3.4%
Inflation Sensitive	20.0%	9.5%	6.7%
Real Estate	19.0%	4.8%	2.1%
Private Equity/Debt	8.0%	6.5%	3.8%
Leverage	-12.0%	3.7%	1.1%
Total Core Fund	100.0%	7.5%	4.8%
Variable Fund Asset:			
U.S. Equities	70.0%	6.5%	3.8%
International Equities	30.0	7.4%	4.7%
Total Variable Fund	100.0%	6.9%	4.2%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.6%

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. Currently, an asset allocation target of 12% 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, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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. The single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: “20-Bond GO Index” is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds’ average quality is roughly equivalent to Moody’s investors Service’s Aa2 rating and Standard and Poor’s Corp.’s AA.). 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 6.80% 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 (5.80) or 1-percentage-point higher (7.80) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,261,053	\$ 1,413,561	\$ (7,003,741)

**Payable to the Pension Plan**

The District reported a payable of \$405,982 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2025.

**SHOREWOOD SCHOOL DISTRICT  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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, 2025, the following employees were covered by the benefit terms:

Active Employees	<u><u>174</u></u>
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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  
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**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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

<u>Component</u>	<u>Amount</u>
Total Pension Liability at July 1, 2024	\$ 732,661
Changes for the Year:	
Service Cost	75,447
Interest	32,225
Differences Between Expected and Actual Experience	(37,617)
Changes of Assumptions or Other Input	(27,515)
Benefit Payments	<u>(9,890)</u>
Net Changes	<u>32,650</u>
Total Pension Liability at June 30, 2025	<u><u>\$ 765,311</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$75,997.

At June 30, 2025, the District reported deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 37,346	\$ 245,885
Changes in Assumptions	<u>32,615</u>	<u>117,723</u>
Total	<u><u>\$ 69,961</u></u>	<u><u>\$ 363,608</u></u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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>
2026	\$ (31,675)
2027	(31,675)
2028	(31,675)
2029	(31,675)
2030	(31,671)
Thereafter	<u>(135,276)</u>
Total	<u>\$ (293,647)</u>

Actuarial Assumptions

The District's total pension liability was measured as of June 30, 2025.

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.81%
Municipal Bond Rate Source	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

\* Implicit in this rate is an assumed rate of inflation of 2.50%

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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, 2024 calculated using the discount rate of 4.81%, 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 (3.81%) or 1-percentage-point higher (5.81%) than the current rate.

	<u>1% Decrease to Discount Rate (3.81%)</u>	<u>Current Discount Rate (4.81%)</u>	<u>1% Increase to Discount Rate (5.81%)</u>
Total Pension Liability	\$ 811,745	\$ 765,311	\$ 720,948

Payable to the Supplemental Pension Plan

The District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2025.

**F. 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, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently		
Receiving Benefit Payments		17
Active Employees		174
Total		191

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. 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, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.81%
Municipal Bond Rate Source	S&P Municipal Bond 20 Year High Grade Index
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-20
Mortality Assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

\* Implicit in this rate is an assumed rate of inflation of 2.50%

**Discount Rate** – The discount rate used to measure the total OPEB liability was 4.81%. 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  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. 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, 2024	\$ 1,473,361	\$ 106,077	\$ 1,367,284
Changes for the Year:			
Service Cost	124,273	-	124,273
Interest	62,210	-	62,210
Differences Between Expected and Actual Experience	-	-	-
Contributions - Employer	-	115,639	(115,639)
Changes in Assumptions or Other Input	(55,550)		(55,550)
Net Investment Income	-	1,822	(1,822)
Benefit Payments	(115,639)	(115,639)	-
Net Changes	<u>15,294</u>	<u>1,822</u>	<u>13,472</u>
Balance at June 30, 2025	<u>\$ 1,488,655</u>	<u>\$ 107,899</u>	<u>\$ 1,380,756</u>

OPEB Expense

For the year ended June 30, 2025, the District recognized OPEB expense of \$83,860.

At June 30, 2025, 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	\$ 3,492	\$ 537,359
Changes in Assumptions	128,003	265,017
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	4,853	-
Total	<u>\$ 136,348</u>	<u>\$ 802,376</u>

**SHOREWOOD SCHOOL DISTRICT  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. 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>
2026	\$ (98,082)
2027	(98,220)
2028	(98,665)
2029	(99,239)
2030	(102,544)
Thereafter	(169,278)
Total	<u><u>\$ (666,028)</u></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 (3.81%) or 1-percentage-point higher (5.81%) than the current rate:

	<u>1% Decrease to Discount Rate (3.81%)</u>	<u>Current Discount Rate (4.81%)</u>	<u>1% Increase to Discount Rate (5.81%)</u>
Net OPEB Liability	\$ 1,474,415	\$ 1,380,756	\$ 1,292,602

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (6.0% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)</u>	<u>1% Increase (8.0% Decreasing to 5.5%)</u>
Net OPEB Liability	\$ 1,228,999	\$ 1,380,756	\$ 1,559,199

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. 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 \$107,899 and which represents 7.25% of the total OPEB liability.

**Investments** – The Plan does not have a separate investment policy from the District. At June 30, 2025, 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 4.21%. For the year ended June 30, 2025, the annual money-weighted rate of return, net of investment expenses, was 0.12%, 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**

The District reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended June 30, 2025.

**G. 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, 2025, nonspendable fund balance was as follows:

	General	Community Service	Donations
Nonspendable:			
Prepaid Items	\$ 34,780	\$ 6,786	\$ -

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. 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, 2025, restricted fund balance was as follows:

General Fund:	
Restricted for:	
Grant Funds	\$ 11,581
Special Revenue Funds:	
Restricted for:	
Community Service	1,360,624
Food Service	486,395
Debt Service Funds:	
Restricted for:	
Nonreferendum Debt Service	196,122
Referendum Debt Service	3,647,792
Capital Projects Fund:	
Restricted for:	
Capital Expansion Fund	<u>2,066,996</u>
Capital Projects	<u>1,284,836</u>
Total Restricted Fund Balance	<u><u>\$ 9,054,346</u></u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by School Board action. At June 30, 2025, fund balance was committed as follows:

Special Revenue Funds:	
Committed for:	
Donations	<u><u>\$ 787,036</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At June 30, 2025, fund balance was assigned as follows:

General Fund	
Assigned for	
Self-insurance and retirement	<u><u>\$ 815,000</u></u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Fund Equity (Continued)**

Minimum General Fund Balance Policy

The District has also adopted a minimum fund balance policy of 15 - 30% 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 2025 General Fund Expenditures	\$	29,361,869
Minimum Fund Balance %		15 - 30%
Minimum Fund Balance Amount		<u>\$4,404,280 - \$8,808,561</u>

The District's unassigned General Fund balance of \$13,137,586 is greater than 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, 2025**

**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, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 18,388,111	\$ 18,388,111	\$ 18,388,111	\$ -
Other Local Sources	844,436	844,436	1,500,701	656,265
Interdistrict Sources	2,094,174	2,094,174	2,181,321	87,147
Intermediate Sources	-	-	8,697	8,697
State Sources	9,587,665	9,587,665	9,610,309	22,644
Federal Sources	296,357	296,357	377,151	80,794
Other Sources	-	-	386,462	386,462
Total Revenues	<u>31,210,743</u>	<u>31,210,743</u>	<u>32,452,752</u>	<u>1,242,009</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular Instruction	13,156,774	13,251,962	12,598,431	653,531
Vocational Instruction	211,352	211,352	206,940	4,412
Other Instruction	1,137,079	1,137,079	1,122,511	14,568
Total Instruction	<u>14,505,205</u>	<u>14,600,393</u>	<u>13,927,882</u>	<u>672,511</u>
Support Services:				
Pupil Services	1,534,921	1,514,233	1,499,509	14,724
Instructional Staff Services	1,439,148	1,354,148	1,288,805	65,343
General Administration Services	833,203	833,203	778,904	54,299
School Administration Services	1,766,239	1,766,239	1,613,101	153,138
Business Services	911,271	911,271	810,128	101,143
Operations and Maintenance of Plant	3,556,555	3,556,555	3,486,627	69,928
Pupil Transportation Services	205,353	205,853	182,068	23,785
Central Services	364,597	364,597	356,470	8,127
Insurance	417,286	417,286	403,359	13,927
Other Support Services	143,340	143,340	132,884	10,456
Total Support Services	<u>11,171,913</u>	<u>11,066,725</u>	<u>10,551,855</u>	<u>514,870</u>
Debt Service:				
Principal	18,157	18,157	18,157	-

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, 2025**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Nonprogram:				
General Tuition Payments	\$ 1,096,731	\$ 1,106,731	\$ 1,012,776	\$ 93,955
Adjustments and Refunds	-	-	3,118	(3,118)
Total Nonprogram	<u>1,096,731</u>	<u>1,106,731</u>	<u>1,015,894</u>	<u>90,837</u>
Total Expenditures	<u>26,792,006</u>	<u>26,792,006</u>	<u>25,513,788</u>	<u>1,278,218</u>
Excess of Revenues Over Expenditures	4,418,737	4,418,737	6,938,964	2,520,227
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(2,653,280)</u>	<u>(2,653,280)</u>	<u>(3,166,194)</u>	<u>(512,914)</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,765,457	1,765,457	3,777,770	2,012,313
Fund Balance - Beginning of Year	<u>10,221,177</u>	<u>10,221,177</u>	<u>10,221,177</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 11,986,634</u></u>	<u><u>\$ 11,986,634</u></u>	<u><u>\$ 13,998,947</u></u>	<u><u>\$ 2,012,313</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, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intermediate Sources	\$ -	\$ -	\$ 14,267	\$ 14,267
State Sources	1,150,000	1,150,000	996,176	(153,824)
Federal Sources	465,532	465,532	513,842	48,310
Other Sources	-	-	2,775	2,775
Total Revenues	<u>1,615,532</u>	<u>1,615,532</u>	<u>1,527,060</u>	<u>(88,472)</u>
<b>EXPENDITURES</b>				
Instruction:				
Special Education Instruction	2,946,054	2,946,054	2,779,680	166,374
Support Services:				
Pupil Services	486,487	486,487	472,322	14,165
Instructional Staff Services	352,931	352,931	404,787	(51,856)
General Administration Services	14,303	14,303	16,956	(2,653)
Business Services	3,000	3,000	3,250	(250)
Operations and Maintenance of Plant	1,500	1,500	400	1,100
Pupil Transportation Services	27,250	27,250	18,412	8,838
Central Services	500	500	1,936	(1,436)
Total Support Services	<u>885,971</u>	<u>885,971</u>	<u>918,063</u>	<u>(32,092)</u>
Nonprogram:				
Special Education Tuition Payments	<u>186,787</u>	<u>186,787</u>	<u>143,472</u>	<u>43,315</u>
Total Expenditures	<u>4,018,812</u>	<u>4,018,812</u>	<u>3,848,081</u>	<u>170,731</u>
Excess of Revenues Under Expenditures	(2,403,280)	(2,403,280)	(2,321,021)	82,259
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>2,403,280</u>	<u>2,403,280</u>	<u>2,321,021</u>	<u>(82,259)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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 – COMMUNITY SERVICE FUND – BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ -
Other Local Sources	1,077,622	1,077,622	1,294,031	216,409
Total Revenues	<u>2,327,622</u>	<u>2,327,622</u>	<u>2,544,031</u>	<u>216,409</u>
<b>EXPENDITURES</b>				
Support Services:				
General Administration Services	102,453	102,453	95,916	6,537
Business Services	29,216	29,216	28,651	565
Operations and Maintenance of Plant	470,783	470,783	381,684	89,099
Insurance	24,460	24,460	-	24,460
Other Support Services	34,394	34,394	26,906	7,488
Total Support Services	<u>671,306</u>	<u>661,306</u>	<u>533,157</u>	<u>128,149</u>
Community Service	<u>1,607,372</u>	<u>1,617,372</u>	<u>1,630,645</u>	<u>(13,273)</u>
Total Expenditures	<u>2,278,678</u>	<u>2,278,678</u>	<u>2,163,845</u>	<u>114,833</u>
<b>NET CHANGE IN FUND BALANCE</b>	48,944	48,944	380,186	331,242
Fund Balance - Beginning of Year	<u>987,224</u>	<u>987,224</u>	<u>987,224</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 1,036,168</u></u>	<u><u>\$ 1,036,168</u></u>	<u><u>\$ 1,367,410</u></u>	<u><u>\$ 331,242</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 \***

	2025	2024	2023	2022	2021
Total OPEB Liability:					
Service Cost	\$ 124,273	\$ 123,905	\$ 131,036	\$ 195,247	\$ 190,951
Interest	62,210	65,126	52,930	49,971	46,855
Differences Between Expected and Actual Experience	-	(168,651)	4,989	(548,130)	-
Changes of Assumptions	(55,550)	34,346	(67,503)	(278,776)	-
Benefit Payments	(115,639)	(103,580)	(91,995)	(97,685)	(105,294)
Net Change in Total OPEB Liability	15,294	(48,854)	29,457	(679,373)	132,512
Total OPEB Liability - Beginning	1,473,361	1,522,215	1,492,758	2,172,131	2,039,619
Total OPEB Liability - Ending (A)	<u>\$ 1,488,655</u>	<u>\$ 1,473,361</u>	<u>\$ 1,522,215</u>	<u>\$ 1,492,758</u>	<u>\$ 2,172,131</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 115,639	\$ 103,580	\$ 91,995	\$ 97,685	\$ 105,294
Net Investment Income	1,822	1,591	1,387	1,597	3,278
Benefit Payments	(115,639)	(103,580)	(91,995)	(97,685)	(105,294)
Adjustment	-	-	-	-	(31,051)
Net Change in Plan Fiduciary Net Position	1,822	1,591	1,387	1,597	(27,773)
Plan Fiduciary Net Position - Beginning	106,077	104,486	103,099	101,502	129,275
Plan Fiduciary Net Position - Ending (B)	<u>\$ 107,899</u>	<u>\$ 106,077</u>	<u>\$ 104,486</u>	<u>\$ 103,099</u>	<u>\$ 101,502</u>
District's Net OPEB Liability - Ending (A) - (B)	<u>\$ 1,380,756</u>	<u>\$ 1,367,284</u>	<u>\$ 1,417,729</u>	<u>\$ 1,389,659</u>	<u>\$ 2,070,629</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.25%	7.20%	6.86%	6.91%	4.67%
Covered-Employee Payroll	\$ 16,731,992	\$ 16,731,992	\$ 16,509,399	\$ 16,509,399	\$ 15,532,836
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	8.25%	8.17%	8.59%	8.42%	13.33%
Weighted-Average Investment Income	0.12%	0.11%	0.09%	0.09%	0.16%

\* 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 CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)  
LAST 10 FISCAL YEARS \***

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

	2025	2024	2023	2022	2021
Actuarially Determined Contribution (ADC)	\$ 182,562	\$ 177,245	\$ 188,579	\$ 183,086	\$ 253,063
Contributions in Relation to the ADC	115,639	103,580	91,995	97,685	105,294
Contribution Deficiency (Excess)	<u>\$ 66,923</u>	<u>\$ 73,665</u>	<u>\$ 96,584</u>	<u>\$ 85,401</u>	<u>\$ 147,769</u>
Covered-Employee Payroll	\$ 16,731,992	\$ 16,731,992	\$ 16,509,399	\$ 16,509,399	\$ 15,532,836
Contributions as a Percentage of Covered-Employee Payroll	0.69%	0.62%	0.56%	0.59%	0.68%
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
Asset Valuation Method	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
	Percentage	Percentage	Percentage	Percentage	Percentage
Discount Rate	4.21%	4.21%	3.50%	3.50%	2.25%
Amortization Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%
Inflation	2.50%	2.50%	2.50%	2.50%	2.00%

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

	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 245,692	\$ 199,615	\$ 193,801
Contributions in Relation to the ADC	134,783	-	-
Contribution Deficiency (Excess)	<u>\$ 110,909</u>	<u>\$ 199,615</u>	<u>\$ 193,801</u>
Covered-Employee Payroll	\$ 15,532,836	\$ 14,050,149	\$ 14,050,149
Contributions as a Percentage of Covered-Employee Payroll	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
Asset Valuation Method	Market Value	Market Value	Market Value
Amortization Method	30 Year Level	30 Year Level	30 Year Level
	Percentage	Percentage	Percentage
Discount Rate	2.25%	3.50%	3.75%
Amortization Growth Rate	3.00%	3.00%	3.00%
Inflation	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)  
WISCONSIN RETIREMENT SYSTEM**

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)
12/31/15	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%
12/31/23	0.09276121%	1,379,179	16,690,993	8.26%	98.85%
12/31/24	0.08602673%	1,416,561	17,106,259	8.26%	98.79%

**SCHEDULE OF CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM**

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
6/30/16	\$ 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%
6/30/24	1,154,073	1,154,073	-	16,823,289	6.86%
6/30/25	1,211,359	1,211,359	-	17,480,115	6.93%

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 \***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 75,447	\$ 81,862	\$ 86,099	\$ 92,016	\$ 89,991	\$ 67,579	\$ 65,363	\$ 67,152	\$ 70,192	\$ 74,781
Interest	32,225	36,766	29,866	21,681	20,483	29,040	29,786	21,568	21,645	20,364
Differences Between Expected and Actual Experience	(37,617)	(161,819)	48,551	(50,520)	-	(2,258)	-	(93,776)	-	-
Changes in Assumptions	(27,515)	9,392	(35,370)	(56,744)	-	36,497	10,643	(66,770)	-	-
Benefit Payments	(9,890)	(115,376)	(115,176)	(112,304)	(4,152)	(118,709)	(24,257)	(117,177)	(34,841)	(33,111)
Net Change in Total Pension Liability	32,650	(149,175)	13,970	(105,871)	106,322	12,149	81,535	(189,003)	56,996	62,034
Total Pension Liability - Beginning	732,661	881,836	867,866	973,737	867,415	855,266	773,731	962,734	905,738	843,704
Total Pension Liability - Ending	<u>\$ 765,311</u>	<u>\$ 732,661</u>	<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	\$ 13,630,185	\$ 13,630,185	\$ 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	5.61%	5.38%	6.25%	6.15%	7.56%	6.74%	7.71%	6.98%	8.40%	8.03%

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

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 1 OTHER POSTEMPLOYMENT BENEFITS**

**Single-Employer Defined Benefit Postemployment Benefit Plan**

There is no change of benefit terms.

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

**NOTE 2 PENSION BENEFITS**

**Wisconsin Retirement System (WRS)**

*Changes of Benefit Terms:*

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

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**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, 2025.

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**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)	\$ 32,452,752	\$ 1,527,060
Reclassification of Special Education Fund	<u>1,527,060</u>	<u>(1,527,060)</u>
Total Revenues	33,979,812	-
Expenditures:		
Actual Amounts (Budgetary Basis)	25,513,788	3,848,081
Reclassification of Special Education Fund	<u>3,848,081</u>	<u>(3,848,081)</u>
Total Expenditures	29,361,869	-
Excess of Revenues Over (Under) Expenditures:		
Actual Amounts (Budgetary Basis)	6,938,964	(2,321,021)
Reclassification of Special Education Fund	<u>(2,321,021)</u>	<u>2,321,021</u>
Excess of Revenues Over (Under) Expenditures	4,617,943	-
Other Financing Sources (Uses):		
Actual Amounts (Budgetary Basis)	(3,161,194)	2,321,021
Reclassification of Special Education Fund	<u>2,321,021</u>	<u>(2,321,021)</u>
Total Other Financing Sources (Uses)	<u>(840,173)</u>	-
Net Change In Fund Balance:		
Actual Amounts (Budgetary Basis)	3,777,770	-
Reclassification of Special Education Fund	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,777,770	-
Fund Balance - Beginning of Year:		
Actual Amounts (Budgetary Basis)	10,221,177	-
Reclassification of Special Education Fund	<u>-</u>	<u>-</u>
Fund Balance - July 1	10,221,177	-
Fund Balance - End of Year:		
Actual Amounts (Budgetary Basis)	13,998,947	-
Reclassification of Special Education Fund	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 13,998,947</u>	<u>\$ -</u>

## **SUPPLEMENTARY INFORMATION**

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<u>Special Revenue</u>		Nonreferendum Debt Service Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
	<u>Donations</u>	<u>Food Service</u>			
<b>ASSETS</b>					
Cash and Investments	\$ 784,039	\$ 522,057	\$ 196,122	\$ 2,086,642	\$ 3,588,860
Receivables:					
Accounts	5,796	-	-	-	5,796
Due from Other Governments	-	8,531	-	-	8,531
	<u>-</u>	<u>8,531</u>	<u>-</u>	<u>-</u>	<u>8,531</u>
Total Assets	<u>\$ 789,835</u>	<u>\$ 530,588</u>	<u>\$ 196,122</u>	<u>\$ 2,086,642</u>	<u>\$ 3,603,187</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,799	\$ 38,373	\$ -	\$ 19,646	\$ 60,818
Unearned Revenues	-	5,820	-	-	5,820
Total Liabilities	<u>2,799</u>	<u>44,193</u>	<u>-</u>	<u>19,646</u>	<u>66,638</u>
<b>FUND BALANCES</b>					
Restricted	-	486,395	196,122	2,066,996	2,749,513
Committed	787,036	-	-	-	787,036
Total Fund Balances	<u>787,036</u>	<u>486,395</u>	<u>196,122</u>	<u>2,066,996</u>	<u>3,536,549</u>
Total Liabilities and Fund Balances	<u>\$ 789,835</u>	<u>\$ 530,588</u>	<u>\$ 196,122</u>	<u>\$ 2,086,642</u>	<u>\$ 3,603,187</u>

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	Special Revenue		Nonreferendum Debt Service Fund	Capital Expansion Fund	Total Nonmajor Governmental Funds
	Donations	Food Service			
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ 597,800	\$ 937,500	\$ 1,535,300
Other Local Sources	615,988	386,018	-	78,669	1,080,675
State Sources	-	5,668	-	-	5,668
Federal Sources	-	245,962	-	-	245,962
Total Revenues	615,988	637,648	597,800	1,016,169	2,867,605
<b>EXPENDITURES</b>					
Instruction:					
Regular Instruction	227,899	-	-	-	227,899
Other Instruction	130,049	-	-	-	130,049
Total Instruction	357,948	-	-	-	357,948
Support Services:					
Pupil Services	1,700	-	-	-	1,700
Instructional Staff Services	29,955	-	-	-	29,955
Business Services	-	11,169	-	-	11,169
Operations and Maintenance of Plant	-	25,817	-	496,082	521,899
Food Services	-	687,136	-	-	687,136
Total Support Services	31,655	724,122	-	496,082	1,251,859
Debt Service:					
Principal	-	-	565,000	-	565,000
Interest and Fiscal Charges	-	-	30,625	-	30,625
Total Debt Service	-	-	595,625	-	595,625
Nonprogram:					
Post Secondary Scholarships	51,289	-	-	-	51,289
Adjustments and Refunds	-	368	-	-	368
Total Nonprogram	51,289	368	-	-	51,657
Total Expenditures	440,892	724,490	595,625	496,082	2,257,089
<b>NET CHANGE IN FUND BALANCES</b>	175,096	(86,842)	2,175	520,087	610,516
Fund Balances - Beginning of Year	611,940	573,237	193,947	-	1,379,124
Change Within Financial Reporting Entity Nonmajor to Major Fund	-	-	-	1,546,909	1,546,909
Fund Balances - Beginning of Year, as Adjusted	611,940	573,237	193,947	1,546,909	2,926,033
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 787,036</u>	<u>\$ 486,395</u>	<u>\$ 196,122</u>	<u>\$ 2,066,996</u>	<u>\$ 3,536,549</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, 2025, 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 9, 2025.

***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 2025-001 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 Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s response to the finding 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 9, 2025

**SHOREWOOD SCHOOL DISTRICT  
SHOREWOOD, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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***Section I – Financial Statement Findings***

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**2025-001 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 2024-001

**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.

**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.



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**Shorewood**  
SCHOOL DISTRICT

**Operational Expectations Monitoring Document  
OE-5 Financial Planning, Administration & Asset Protection**

**Certification of the Superintendent: *With respect to Operational Expectation 5 (Financial Planning), taken as a whole, the superintendent certifies that the proceeding information is accurate and complete, and is:***

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

**Signed:** Laurie Burgos, Superintendent    **Date:** January 13, 2026

**Executive Summary**

This compliance report affirms that the District met all operational expectations related to financial planning and administration and continues to demonstrate strong fiscal stewardship and stability. Financial practices are aligned with Board policy and best practices, supporting a sustainable operating model that balances current needs with long-term obligations. The District has established a financial position that is solid and predictable, providing a stable foundation for decision-making.

The District has built a fund balance that reflects prudent planning and discipline and includes allocations for future expected expenses, including health care, capital expenses, and retirements. Financial planning, cash management, and purchasing controls are consistently applied, reducing risk and promoting transparency, accountability, and compliance across operations. Stability within the Business Services Office further supports reliable administration and continuity of practices.

Taken together, these conditions position the District to respond thoughtfully to emerging priorities and community expectations while maintaining fiscal responsibility, particularly as we face a challenging fiscal environment.

**Summary of Compliance**

- 5.1 Compliant
- 5.2 Compliant
- 5.3 Compliant
- 5.4 Compliant
- 5.5 Compliant
- 5.6 Compliant
- 5.7 Compliant
- 5.8 Compliant
- 5.9 Compliant
- 5.10 Compliant

**Areas for Continuous Improvement**

With the 2025-2030 Strategic Plan and the Task Force on Long-Term Financial Sustainability now in place, the District will be focused on these priorities to ensure we make progress toward the establishment of a long-term plan for financial stability that meets the needs of students and the community:

- Ensuring financial transparency through communications and engagement;
- Optimizing limited financial and staff resources and operational efficiencies;
- Maintaining responsible budgeting, including managing fund balance and long-term capital maintenance funds at levels adequate to sustain facilities and programs that are central to fulfilling our educational mission; and
- Responding to changing needs of students through the annual budgeting process, as well as through long-term financial planning.

**Disposition of the Board: *With respect to Operational Expectation 5 (Financial Planning), the Board:***

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

**Summary statement/motion of the Board:**

**Signed:** \_\_\_\_\_, **Board President**

**Date:**

## OE-5 Financial Planning

**The Superintendent shall develop and maintain a fiscally responsible multi-year financial plan that reflects the Board's Results priorities and Operational Expectations.**

### Superintendent Interpretation:

- *Multi-year financial plan* shall mean a budget that balances revenues and expenditures for at least two years, including capital improvements;
- *Fiscally responsible* shall mean the expenditures do not exceed revenues and result in a balanced budget.

### OE 5.1.

**The Superintendent will develop a budget that takes into account the District's long-term fiscal soundness and strategic plan.**

#### Superintendent:

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

#### Board:

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

### Superintendent Interpretation:

- The Board will understand the relationship between the budget and the strategic plan. Budget presentations to the Board will explicitly outline how budgeted funds are allocated to support the Board's priorities and goals identified in the strategic plan.

### Board Indicator 1

Each year the District delivers to the Board a budget development summary, segregated by fund and object that clearly indicates each source of revenue, and the purpose of each expense, as required by the Wisconsin Department of Public Instruction (DPI).

#### Superintendent:

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

#### Board:

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

#### Evidence:

The budget presented for the Annual Meeting in August and the budget adoption in October 2025 is in the format as required by DPI for publication and recommended by DPI for adoption.

#### Board Comments:

**Board Indicator 2**

The District delivers a budget for approval during the Annual Meeting as required by the DPI. This format reports three years of activity, the prior year audited activity, the current year "unaudited," and the upcoming "proposed" fiscal year budget.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

Budget presented at the Annual Meeting / Budget Hearing complied with the requirements as specified by DPI.

**Board Comments:****OE-5.2**

**The Superintendent will develop a budget that discloses budget-planning assumptions and budget balancing strategies.**

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Superintendent Interpretation:**

- *Budget planning assumptions and budget balancing strategies* shall mean factors considered and assumed in drafting the budget (e.g. enrollment, staffing levels, changes in state funding).

**Board Indicator 1**

As the budget is developed for the upcoming fiscal year, the administrative team compiles a list of all assumptions used in the budget development, detailed in an impact statement. Budget assumptions are shared with the Board during the preliminary budget presentation, again at the annual meeting, and when the final budget is approved in October.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

Budget assumptions were presented to the Board at multiple stages of budget development, including during the preliminary budget presentation, annual meeting, and original budget presentation. These assumptions were refined and developed as new information became available.

**Board Comments:**

**Board Indicator 2:**

The Superintendent will develop a budget that reflects anticipated changes in staffing, employee compensation and benefits adjustments and indicate how changes are being applied to all employee groups.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

Compensation changes were included in the budget assumptions presented to the Board. In addition, changes to staffing were presented as part of the budget balancing strategies in April 2025.

**Board Comments:****OE-5.3**

**The Superintendent will develop a budget that ensures fiscal soundness in future years.**

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Superintendent Interpretation**

- *Fiscal soundness* shall mean the ability of the District to meet cash flow requirements on a daily basis without incurring excessive short term financing or debt; and
- *Future years* shall mean the current and subsequent fiscal year.

**Board Indicator 1**

The Superintendent submits a balanced budget to the Board for approval.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

The District presented the Board with a balanced budget.

**Board Comments:****Board Indicator 2**

Any budget items or assumptions that are projected to leave the district fund balance at less than 10% of the District's annual operating budget are understood and approved by the Board as part of the full budget.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

The proposed and approved original budget projects a year-end fund balance of 47% of the preceding year's expenditures, which exceeds the minimum balance of 10% per board policy.

**Board Comments:**

**Board Indicator 3**

The budget shall include a 5-year forecast of trends in budget projection enrollment, expenses and revenue expenses.

**Superintendent:**

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Evidence:**

The District presented a five-year financial forecast that included enrollment, revenue, and expense assumptions at the March 11, 2025 board meeting. Enrollment projections were also reviewed with the Board at the January 14, 2025 meeting.

**Board Comments:**

**OE 5.4**

**The Superintendent will ensure that all purchases are made in accordance with the District purchasing policy.**

**Superintendent:**

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Board Indicator 1:**

The Superintendent has obtained multiple price quotations for purchases of \$10,000 or higher, except in emergencies and in cases where price negotiations would not result in a savings to the District.

**Superintendent:**

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Evidence:**

The District solicits quotes for single items costing in excess of \$10,000. When purchasing an item with a cost exceeding \$10,000, the purchaser obtains three quotes. These are attached to the purchase order (as verified by the Accounts Payable Manager) for purposes of verification and records maintenance.

**Board Comments:**

**Board Indicator 2:**

Purchase of and contract for projects will be subject to a competitive bid process as and when required by law. All competitively bid purchases of supplies, materials, or equipment in the amount of \$20,000 or more are awarded to the lowest responsible qualified vendor, taking into consideration the quality of materials and services desired and other project and District needs. The District awards bids according to a bid matrix.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

The District follows the District policy of soliciting competitive bids when required by law. In 2024-2025, the District solicited competitive bids for multiple building repair projects and a food service equipment purchase.

**Board Comments:****Board Indicator 3:**

The District demonstrates its commitment to equity and to supporting our local businesses by awarding bids to businesses that meet Disadvantaged Business Enterprise (DBE)\* or similar certification requirements and to local bidders.

\*DBE is a federal designation for small, for-profit business concerns with majority ownership from socially and economically disadvantaged individuals.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

The District bid process includes questions about DBE status as well as commitment to workforce diversity when a formal RFP is completed. The District seeks to utilize minority-owned or local vendors when possible and includes this as a variable when evaluating competitive proposals.

**Board Comments:****OE 5.5**

**The District shall track and collect fees due from students' caregivers.**

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Superintendent Interpretation:**

- *Fees due from students' caregivers* shall mean any fees due in exchange for participation in school activities or from food service.

<b>Board Indicator 1</b> Uncollected funds are reported to the Board at least annually.	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___
<b>Evidence:</b> A report of uncollected fees is included as an attachment to this report. A total of \$14,905 in 2024-2025 school fees remain unpaid as of 1/6/26, representing 3% of all fees collected. Course and materials fees comprise the largest percentage of the total (50%). Fees are owed by 167 unique students, with an average per student outstanding amount of \$92.52. 27 students with balances greater than \$175 are responsible for 57% of unpaid fees. An additional \$5,474.44 in lunch overdrafts were also due as of the end of the 2024-2025 school year. Balances less than \$3 and balances owed by former employees, which altogether totalled \$368.46, were written off at the end of the year. All other unpaid lunch and school fees were carried over to the current school year and the District continues efforts to collect payment. Caregivers have received a written statement as well as bi-weekly reminders.	
<b>Board Comments:</b>	

<b>OE 5.6</b> <b>The Superintendent will keep complete and accurate financial records by funds and accounts in accordance with Generally Accepted Accounting Principles.</b>	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___

Superintendent Interpretation

- *Keep complete and accurate financial records* shall mean the District will account for all financial resources and expenditures per the Financial Policies and Procedures account structure and report to the public using Generally Accepted Accounting Principles;
- *Generally Accepted Accounting Principles* shall mean guidelines and standards for public school district financial reporting provided by the Federal Accounting Standards Board.

<b>Board Indicator 1</b> The District hires an independent financial auditor and the outcome of the annual audit is presented to the Board.	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___
<b>Evidence:</b> The District engaged Clifton, Larson, Allen LLP to complete an annual audit of the District’s financials for fiscal year 2024 (FY24) and fiscal year 2025 (FY25). The FY24 audit results were presented to the Board on	

January 28, 2024 and the FY25 results will be presented on January 13, 2025.

**Board Comments:**

**Board Indicator 2**

The independent financial auditors express an "unqualified opinion" on the basic financial statements and conformity with accounting principles generally accepted in the United States of America.

**Superintendent:**

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Evidence:**

Audited financial statements for FY24, FY25 and all prior years have received the unqualified opinion.

**Board Comments:**

**Board Indicator 3**

The District is in conformity with the financial reporting and audit process required by the DPI to ensure compliance with budgetary, accounting and reporting requirements.

**Superintendent:**

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Evidence:**

Auditors follow all DPI audit guidelines and assure District compliance with federal grant monitoring standards. Financial statements filed with the DPI are in compliance with regulatory standards. Auditors also verify these financial statements.

**Board Comments:**

**OE-5.7**

**The District shall record actual revenues and expenses throughout the year on a timely basis.**

**Superintendent:**

Compliant   
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
Compliant with noted exceptions \_\_\_  
Not compliant \_\_\_

Superintendent Interpretation:

- *Record actual revenues and expenses* shall mean keeping accurate records of the processing of financial transactions.
- *Timely basis* shall mean at least quarterly, and with regular frequency.

**Board Indicator 1**

The Board receives regular reports of District financial transactions.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

On a monthly basis, the District provides the Board with financial statements including a balance sheet, statement of activities, cash receipts and check register. In addition, the District prepares a set of financial dashboards for the Board on a monthly basis.

**Board Comments:****Board Indicator 2**

The Board is informed of any inter-fund transfers.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

Inter-fund transfers are included on the monthly financial reports and in the year-end statements.

**Board Comments:****Board Indicator 3**

The Superintendent presents the final revenue and expenditures for the fiscal year and compares it to the approved budget.

**Superintendent:**

Compliant   
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Board:**

Compliant \_\_\_  
 Compliant with noted exceptions \_\_\_  
 Not compliant \_\_\_

**Evidence:**

The year-end financial statements are summarized in the September financial report. A year-end budget monitoring report is also attached to this report.

**Board Comments:****OE-5.8**

**The Superintendent will develop procedures and controls to safeguard District funds and prevent financial mismanagement.**

<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___

Superintendent Interpretation

- *Develop procedures and controls* shall mean processes that provide multiple checks by different people; and
- *Safeguard District funds and prevent financial mismanagement* shall mean protect from fraud.

<b>Board Indicator 1</b> The Superintendent ensures segregation of duties and responsibilities in the Business Services Office.	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___
<b>Evidence:</b> To the degree possible, segregation of duties will be enforced by the Director of Business Services. The annual financial audit includes a review of practices by the independent auditors.	
<b>Board Comments:</b>	

<b>Board Indicator 2:</b> The Superintendent has processes and procedures in place to safeguard receipt of funds and disbursement, including wire transfers.	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___
<b>Evidence:</b> Banking processes require “positive pay” and dual approval of wire transfers.	
<b>Board Comments:</b>	

<b>OE-5.9</b> <b>The Superintendent may not allow facilities and equipment to be subject to improper use or insufficient maintenance.</b>	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___

Superintendent Interpretation

- *Facilities and equipment* shall mean assets in excess of \$5,000.00 original cost;

- *Improper use* shall mean Inappropriate operation or treatment, or utilization in a manner or for a purpose contrary to what was intended; and
- *Insufficient maintenance* shall mean inadequate repair, cleaning, inspection, or upkeep as recommended by manufacturers' specifications.

<b>Board Indicator 1</b>	
No person is injured in one of the District's facilities or when using District equipment as a result of insufficient maintenance of the facility or equipment.	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___
<b>Evidence:</b> No workplace injuries were found to be due to insufficient maintenance of facilities or equipment.	
<b>Board Comments:</b>	

<b>Board Indicator 2</b>	
The District maintains and adheres to a long-range capital preventive maintenance plan to help guide the prioritization of Capital Maintenance Fund allocations.	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___
<b>Evidence:</b> The District maintains a 10-year capital maintenance plan that is reviewed annually as part of the capital planning process. This plan was presented to the Board along with a corresponding financial plan on April 8, 2025.	
<b>Board Comments:</b>	

<b>OE-5.10</b>	
<b>The Superintendent may not invest District funds in financial instruments that are not secured or that are not authorized by law.</b>	
<b>Superintendent:</b> Compliant <input checked="" type="checkbox"/> Compliant with noted exceptions ___ Not compliant ___	<b>Board:</b> Compliant ___ Compliant with noted exceptions ___ Not compliant ___

**Superintendent Interpretation**

- *District Funds* shall mean District-owned assets, cash or capital; and
- *Invest* shall mean the commitment of district money or capital to the purchase of financial instruments or other assets so as to gain profitable returns in the form of interest, income, dividend, or appreciation of the value of the instrument.

**Board Indicator 1**

The District has only deposited funds with entities authorized in accordance with the District's investment policy.

**Superintendent:**Compliant 

Compliant with noted exceptions \_\_\_

Not compliant \_\_\_

**Board:**

Compliant \_\_\_

Compliant with noted exceptions \_\_\_

Not compliant \_\_\_

**Evidence:**

All investments, made through PMA Network, are in compliance with law and District policy.

**Board Comments:**

*OE 5 Financial Management & Administration*

*Revised and Adopted: December 13, 2022*



**Shorewood**  
SCHOOL DISTRICT

**Operational Expectations Monitoring Document  
OE-1 Global Operational Expectation**

**Certification of the Superintendent: *With respect to Operational Expectation 1 (Global Operational Expectation), taken as a whole, the superintendent certifies that the proceeding information is accurate and complete, and is:***

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

**Signed:** Laurie Burgos, Superintendent      **Date:** January 13, 2026

**Executive Summary**

Operational Expectation 1 (OE 1) Global Operational Expectation has been monitored and reviewed to ensure that the District is in compliance with state law, Board expectations, and District policy. In keeping with revisions and recommendations approved for OE 1 on January 28, 2025, and other Monitoring Documents, evidence is limited to the report year.

**Summary of Compliance**

This Operational Expectations Monitoring Document is defined by the following Board Policy and Expectations:

**The Superintendent shall not cause, allow, or fail to take reasonable measures to prevent any practice, activity, decision or organizational condition that is unlawful, unethical, unsafe, disrespectful, imprudent, in violation of Board policy or endangers the District’s public image or credibility.**

- **1.1** - The Board, upon evaluation of the OE policies, finds no significant violation of or not in compliance with any of the policies; and
- **1.2** - The District is not found to be in violation of any law when any legal action is taken against the District; and

The District is in compliance with these indicators.

**Disposition of the Board: *With respect to Operational Expectation 1 (Global Operational Expectation), the Board:***

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

**Summary statement/motion of the Board:**

Signed: \_\_\_\_\_, Board President

Date:

## OE-1: Global Operational Expectations

**The Superintendent shall not cause, allow, or fail to take reasonable measures to prevent any practice, activity, decision or organizational condition that is unlawful, unethical, unsafe, disrespectful, imprudent, in violation of Board policy or endangers the District's public image or credibility.**

### Superintendent Interpretation:

- This OE holds the Superintendent accountable for following Board policy, State and Federal law along with upholding the values of Village of Shorewood. This OE is broad in its scope and generally holds the Superintendent responsible for ensuring that the District operates in a legal, safe, and ethical manner.
  - **Unlawful** shall mean in violation of federal, state, and local laws.
  - **Unethical** shall mean behavior that is improper or does not conform to accepted professional standards of conduct.
  - **Unsafe** shall mean in a manner that is likely to physically injure students, employees, or visitors to the District.
  - **Disrespectful** shall mean in a manner that is not reasonably considering the situation or feelings of the person to whom one is speaking.
  - **Imprudent** shall mean reckless or irresponsible actions.
- This OE requires the Superintendent to take "**reasonable measures**," which shall mean that the Superintendent shall take steps to follow Board policy or protect the District's public image in a manner similar to what other superintendents or leaders of organizations might take under similar circumstances.
- This OE requires the Superintendent to protect the legal position of the District as well as the ethical standing of the District. The Superintendent is charged with protecting the "**organizational condition**," which shall mean the legal standing of the District and the perception that stakeholders have of the District with regard to trust and respect.

<b>OE-1</b> The Superintendent shall not cause, allow, or fail to take reasonable measures to prevent any practice, activity, decision or organizational condition that is unlawful, unethical, unsafe, disrespectful, imprudent, in violation of Board policy or endangers the district's public image or credibility.	<u>Superintendent</u>	<u>Board</u>
	<b>Compliant</b>	Compliant
	Compliant with Exceptions	Compliant with Exceptions
	Not Compliant	Not Compliant

Superintendent Interpretation

<b>Board Indicator 1</b> The Board, upon evaluation of the OE policies, finds no significant violation of or not in compliance with any of the policies.	<u>Superintendent</u>	<u>Board</u>
	<b>Compliant</b>	Compliant
	Not Compliant	Not Compliant

Evidence: There were no significant violations of Board policy during the past year, and efforts were made to review and revise OE indicators to clarify expectations and outcomes measurements.

<b>Board Indicator 2</b> The District is not found to be in violation of any law when any legal action is taken against the District.	<u>Superintendent</u>	<u>Board</u>
	<b>Compliant</b>	Compliant
	Not Compliant	Not Compliant

Evidence: The District was not in violation of any law when any legal action was taken against the District.

Board Comments:

1                                   **WISCONSIN ASSOCIATION OF SCHOOL BOARDS, INC.**  
2                                   Madison, Wisconsin  
3                                   December 1, 2024

4  
5                                   **REPORT TO THE MEMBERSHIP ON PROPOSED 2025 RESOLUTIONS**  
6                                   WASB Policy & Resolutions Committee  
7                                   Andrew Maertz, Reedsville School Board, Chair  
8

9  
10                                  ***Resolution 25-01: Blue Ribbon Commission on School Funding***

11  
12                                  **Amend Existing Resolution 2.061:** The WASB supports all twenty of the recommendations of the  
13                                  bipartisan Blue Ribbon Commission on School Funding, as published in January 2019 ~~that align with~~  
14                                  ~~WASB resolutions.~~ The WASB further calls upon the Legislature to provide an equal opportunity for  
15                                  every pupil to have a sound basic education.

16  
17                                  **Rationale:** The current challenges facing school districts are numerous and growing. Declining  
18                                  enrollment, staffing shortages, high inflation, and lagging state support threaten to upend school  
19                                  finance and students’ education across the state of Wisconsin. In 2018 the Legislature established a  
20                                  bipartisan Blue Ribbon Commission on School Funding that published 20 recommendations designed  
21                                  to help districts in critical areas.

22  
23                                  Despite the bipartisan nature of their work and support from the public K-12 education community,  
24                                  the findings of the Commission have yet to be acted upon.

25  
26  
27                                  ***Resolution 25-02: Pathway to Licensure for Paraprofessionals***

28  
29                                  **Amend Existing Resolution 4.61 (a) as follows:** The WASB supports reasonable efforts to  
30                                  provide pathways to licensure for teaching candidates in subject or content areas where there is a  
31                                  shortage of licensed teachers, provided that candidates have bachelor's degrees and/or are  
32                                  qualified to be in a classroom as demonstrated by appropriate experience, knowledge, and skills  
33                                  in the subject or content area, and rigorous training in pedagogy, assessment, and classroom  
34                                  management.

35  
36                                  **Rationale:** In a time of staffing shortages in K-12 education, districts have been looking for  
37                                  alternative pathways to teacher licensure to provide opportunities for licensure to individuals  
38                                  who may struggle to overcome the barriers of entry in a traditional pathway to licensure. Last  
39                                  legislative session, a proposal was put forward to create a provisional license for  
40                                  paraprofessionals already working in a school district, to teach in that school district.

1 This new pathway would give districts the ability to sponsor qualified paraprofessionals in their  
2 districts to become licensed teachers in a time of great need.

3  
4  
5 **Resolution 25-03: *Early Literacy Assessments for English Learners***

6  
7 **Create:** The WASB supports that early literacy assessments, screeners, and diagnostics required  
8 in state law be provided in an English Learner (EL) student’s home language in accordance with  
9 current best practices in assessment and instruction for bilingual program students. EL students  
10 tested in English should not be labeled “at risk” without verification that the student also fails an  
11 early literacy test in their home language.

12  
13 **Rationale:** 2023 Wisconsin Act 20 requires traditional public schools and independent charter  
14 schools to administer a universal screening assessment. A student that scores below the 25th  
15 percentile is identified as “at-risk,” meaning the student must be given certain interventions.  
16 Students who are not English proficient may be labeled “at risk” by a reading screener in English  
17 even though they may not have reading difficulties but instead may have a language barrier that  
18 the reading interventions will not address.

19  
20  
21 **Resolution 25-04: *Decoupling Public and Private School Funding***

22  
23 **Create:** The WASB supports separating state funding for voucher schools and independent  
24 charter schools from the school aid formula.

25  
26 **Rationale:** Future school choice expansion (under current law) could increase local property  
27 taxes to the extent school boards increase their levy to make up for the deducted aid. Taxpayers  
28 would be protected from additional property tax increases if decoupling occurs as compared to  
29 the current funding system that would use further state aid reductions and higher property taxes  
30 to fund the program.

31  
32 Removing voucher and independent charter school funding from the school aid formula would  
33 reduce the burden on local property taxpayers, who currently are facing increases in property  
34 taxes as a result of the current funding structure for the programs.

35  
36 **Resolution 25-05: *Consistent Standards Across All Wisconsin Schools***

37  
38 **Amend Existing Resolution 2.70 (2nd paragraph):** All publicly funded schools, including  
39 private schools receiving voucher funding, must have the exact same accountability, reporting,  
40 and transparency standards/~~and~~ requirements.

1 **Rationale:** Currently there is a disparity in the accounting, reporting, and adherence to state  
2 education statutes within Wisconsin public, private, and charter school districts and local  
3 education agencies who receive state funds. There exist differences in rules for public versus  
4 private schools in application of state education reporting requirements and participation in  
5 statutory mandates. The current statutory structure lacks transparency for state taxpayers by  
6 allowing random inequities in accountability and adherence to state statutes among like groups  
7 with no rational basis.

8  
9  
10 **Resolution 25-06: *Early Childhood Education Funding and Public-Private Partnerships***

11  
12 **Create:** The WASB supports state funded public school 3K and full day 4K for all Wisconsin  
13 children. The WASB also supports collaboration between public schools and other public  
14 agencies and programs, private childcare providers, and Wisconsin institutions of higher  
15 learning. The WASB further supports district discretionary use of expanded Title I dollars to  
16 earlier grade levels by districts meeting the benchmarks for National School Lunch Program  
17 (NSLP) direct and categorical participation, and 3K and 4K student households meeting income  
18 eligibility for NSLP.

19  
20 **Rationale:** There exist challenges with the cost and availability of high-quality childcare and  
21 early childhood education for many families. Additionally, many areas in Wisconsin are  
22 experiencing an increase in poverty and economic disadvantage, and childcare deserts exist in  
23 many areas.

24  
25 Early interventions such as high-quality early childhood education and childcare, including early  
26 literacy and social skills development, that counteract poverty and student economic  
27 disadvantage have positive, lasting effects, and a high return on public investment, especially  
28 when applied early in a child's education.

29  
30  
31 **Resolution 25-07: *Staff Mental Health***

32  
33 **Create:** The WASB supports legislation to fund statewide mental health initiatives for district  
34 staff in order to help improve staff mental health and increase retention rates.

35  
36 **Rationale:** Many school staff members experience significant stress due to the unique demands  
37 of working in a school district. School staff are asked to support students' social, emotional,  
38 behavioral, physical, and academic needs in concert with the cooperation of families, the  
39 community, and an elected school board. This is due in no small part to the dedication, talents,

1 and perseverance of all school personnel. However, in some cases, school staff members find  
2 themselves feeling overwhelmed, exhausted, underappreciated, or may even be experiencing  
3 burnout.

4  
5 In a time of great staff turnover in education, increasing access to mental health services for staff  
6 could help retain teachers in the profession.

7  
8  
9 **Resolution 25-08: *Accountability and School Report Card Standards***

10  
11 **Create:** The WASB supports timely revision of the school accountability system to calculate  
12 school and district report card overall scores based on student achievement only. Other data may  
13 be included for informational purposes, but not used in calculating the overall score. Consistent  
14 grade bands should be used rather than school building configuration.

15  
16 **Rationale:** This resolution aims to redefine the state school accountability system to provide  
17 greater simplicity and transparency by focusing on solely student achievement in calculating  
18 school and district report card scores. This redefinition additionally aims to establish consistent  
19 scoring metrics across grade bands (such as K-5, 6-8, 9-12) rather than individual school  
20 building configurations that may differ from district to district.

21  
22  
23 **Resolution 25-09: *Educational Objectives***

24  
25 **Amend Existing Resolution 3.05 Educational Objectives as follows:** The WASB supports  
26 local initiatives that promote increased student academic achievement in key curricular areas  
27 including science, math, language arts, social studies, foreign language, and technology with the  
28 intent of ensuring college, career, and workforce readiness, in addition to supporting the  
29 development of critical thinking and problem-solving skills. The WASB affirms local school  
30 board responsibility to establish student course offerings and credit requirements that support the  
31 education mission as stated above.

32  
33 **Rationale:** The original resolution is limited by listing a finite number of curricular areas. The  
34 goal of support for local district initiatives should be ensuring they have the resources necessary  
35 to provide course offerings that lead to college, workforce, and career readiness.

1 **Resolution 25-10: *Truancy***

2

3 **Amend Existing Resolution 3.83 Truancy as follows:** The WASB supports legislation which  
4 would clarify the responsibilities of school districts, parents, students, courts, and law  
5 enforcement agencies in the enforcement of truancy laws ~~and provide greater latitude in~~  
6 ~~applying disciplinary measures to keep students in school~~ with the goal of keeping students in  
7 school by using strengths-based and evidence-based approaches that focus on families, schools,  
8 and community organizations.

9

10 **Rationale:** Amending the current resolution on Truancy will better align it with emerging  
11 research and data that suggest an increase of disciplinary measures may not produce positive  
12 outcomes in this regard. A strengths-based approach is a way of working that focuses on an  
13 individual's strengths, rather than their deficits.

14

15

16 **Resolution 25-11: *Funding for School Meal Debt***

17

18 **Create:** The WASB supports legislation that allocates money to reimburse districts for the  
19 cost of unpaid school meal debt if they are feeding all students without stigma.

20

21 **Rationale:** Communities continue to show that they are willing to bear the burden of paying  
22 for school meals if students are unable to do so by fundraising and donating money to cover  
23 unpaid school meal balances. Several districts within the state pay for school meals for all  
24 students. The state could alleviate that burden on districts, students, and families by allocating  
25 to a fund that districts can submit for reimbursement at the end of the year.

26

27

28 **Resolution 25-12: *Cybersecurity***

29

30 **Create:** The WASB calls upon the legislature to allocate funding to school districts for  
31 cybersecurity measures, including, but not limited to, cybersecurity software/hardware  
32 upgrades and trainings for personnel.

33

34 Furthermore, the WASB encourages school boards to develop a plan of action and/or a policy  
35 on how the district will respond in the event of a cyber-attack. This may include whether a  
36 ransom will be paid, how to operate in the event of a loss of power or data records, and  
37 determining authority structures and procedures for communicating with law enforcement.

38

1 **Rationale:** Ransom attacks and other such cybersecurity threats continue to be a growing  
2 problem for school districts. Often viewed by malicious actors as particularly vulnerable  
3 targets, schools unfortunately have very little funding and experience in cybersecurity matters  
4 to help resist cybersecurity threats. The proposed resolution language would aid schools by  
5 calling on the state for investment in key protections, as well as providing guidance on best  
6 practices that could help alleviate damage in the event of an attack.

7  
8

9 ***(Note: Headings/Titles of resolutions and placement in the book are decided by WASB staff.***  
10 ***The delegates need to approve resolution language changes and deletions. The numbers in***  
11 ***parentheses indicate the year the original/existing language was adopted by delegates.)***



SCHOOL DISTRICT OF SHOREWOOD  
Board Meeting Minutes  
Shorewood High School Library Media Center  
December 9, 2025

Board Member Participation: Nathan Hammons, President  
Ellen Eckman, Vice President & Governance Officer  
Mary Theisen, Treasurer  
Abby Fowler, Clerk  
Aaron Lippman, Member & Governance Officer  
  
Milan Robinson Student Representative

District Administrator Participation: Laurie Burgos, Superintendent  
Janice Carter, Atwater Principal  
Johanna French, Lake Bluff Principal  
Heather Heaviland, Director of Business Services  
Mike Joynt, Director of Teaching and Learning  
Tim Kenney, SHS Principal  
Tiara Rogers, SIS Principal

I. 6:00 pm CALL TO ORDER

A. Motion to Adopt the Agenda

MOVED by Abby Fowler and SECONDED by Aaron Lippman AYE: 5 NAY: 0

B. Overarching Result for Shorewood School District

C. Awards & Recognition

II. 6:02 pm PUBLIC COMMENT #1 -

Sheila Mooney	2461 North Cramer, Staff
Jay Lowery	4055 North Newhall, Staff
Joe Oleniczak	1400 East Warinmont (Milwaukee), Staff
Clifford Tisser	4454 North Newhall
Chase Kelm	2428 East Beverly
Kathryn Myzewski	3946 North Farwell, Staff
Mary Renner	703 East Locust (Milwaukee), Staff
Gari Burma	Student
Joel Berkowitz	2419 North Marion
Drew Demeny	715 East Glendale, Staff
Sarah Anton	8960 West Eagle Court (Mequon), Staff
Chris Jacquart	4684 North Wilshire (Whitefish Bay), Staff
Hayley Kutz	1942 South 58th (West Allis), Staff
Esther Berkowitz	2419 North Marion
Sophia Saramiento	Student

Claire Bernatz  
Jenna Abu-Zahra

2621 North 73rd Street (Wauwatosa), Staff  
Student

IV. 6:58 pm SUPERINTENDENT'S REPORT

V. 7:04 pm

BOARD BUSINESS AND POSSIBLE BOARD ACTION

A. Approval of Supplemental Salary and Wage Increases for Teachers and Aides (2025-2026)

MOVED by Abby Fowler and SECONDED by Aaron Lippman AYE: 5 NAY: 0

B. Approval of the 2026-2027 Instructional Calendar

MOVED by Abby Fowler and SECONDED by Mary Theisen AYE: 5 NAY: 0

C. Approval of R2 (Student Achievement and Growth) Results Monitoring Document

MOVED by Abby Fowler and SECONDED by Mary Theisen AYE: 5 NAY: 0

VII. 8:26 pm BOARD CONSENT AGENDA

A. Approval of Board Meeting Minutes

November 11, 2025 Regular Board Meeting

November 10, 2025 Closed Session

B. Approval of SIS Band Trip (April 2026)

MOVED by Aaron Lippman and SECONDED by Abby Fowler AYE: 4 NAY: 0

VIII. 7:22 pm PUBLIC COMMENT #2 - no comments

IX. 7:23 pm BOARD MEMBER REPORTS

School Leadership Team Board Listening Sessions (written reports)

X. 7:24 pm REVIEW OF TO DO AND FUTURE AGENDA ITEMS

R2 (Student Achievement and Growth) Results Monitoring Document; 2026-2027 Instructional Calendar; DPI District and School Report Cards

XI. 7:25 pm RECESS AND DEBRIEF



SCHOOL DISTRICT OF SHOREWOOD  
Board Meeting Minutes - Closed Session  
December 9, 2025

Board Member Participation: Nathan Hammons, President  
Ellen Eckman, Vice President and Governance Officer  
Mary Theisen, Treasurer  
Abby Fowler, Clerk  
Aaron Lippman, Member and Governance Officer

District Administrator Participation: Laurie Burgos, Superintendent  
Heather Heaviland, Director of Business Services

On Wednesday, December 9 at 5:15 pm, the School Board met in Closed Session.

Call to Order in Open Session.

The School Board voted to convene in Closed Session, pursuant to Wisconsin Statutes Section 19.85(1)(e) for purposes of "deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session." Specifically, discussion of the mediation between the District, the SEA, and the SSSA, including strategic and bargaining considerations undertaken by the District's bargaining team during mediation.

The meeting was adjourned without objection at 5:45 pm.



66.0301 Shared Services Agreement for the Woodland Conference Athletic Conference

Pursuant to a resolution adopted by each of the following school districts:

Brown Deer	Pius XI
Cudahy	Shorewood
Greendale	South Milwaukee
Greenfield	West Allis Central
Milwaukee Lutheran	Whitnall
New Berlin (Eisenhower and West)	Wisconsin Lutheran
Pewaukee	

Said school districts hereby mutually agree, pursuant to Section 66.0301 of the Wisconsin Statutes, to the following conditions:

1. That said above parties agree and contract for the cooperation of the Woodland Athletic Conference;
2. That the Greendale School District is to be the operator and fiscal agent of the Woodland Athletic Conference programs.
3. That the fiscal agent district will include all program expenditures and receipts in Fund 99 of the Wisconsin Elementary and Secondary School Accounting System (WUFAR). (Fiscal Agent Requirements)



4. That the proration of costs to each participating district be determined prior to June 30, annually, on the basis of an approved budget by the Woodland Conference Board. The proration of costs as determined for the 2025-26 school year is \$3,900 per member school. Greendale to pay membership fee with in-kind, for continued conference financial services;
5. That the estimated budget and plan of operation, including payment schedule for this cooperative shall be approved in advance of contract signing by all school district parties hereto;
6. That variations from the budget will require prior approval of all school district parties hereto;
7. That the fiscal agent agrees to file the required financial reports with DPI;
8. That the Budget attached hereto and incorporated herein by reference includes the budget plan for the fiscal agent and approved by each school district.



# Greendale Schools

*Cultivating Excellence In Every Student.*

Dated: 12-9-2025

## Member of Cooperative

Nat Hammons President

[Signature] Clerk

Sharewood School District

## Operator of Cooperative - Greendale School District

\_\_\_\_\_ President

\_\_\_\_\_ Clerk

\_\_\_\_\_ Greendale \_\_\_\_\_ School District

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**Greendale School District** • 6815 Southway • Greendale, WI 53129 • [www.greendaleschools.org](http://www.greendaleschools.org)  
Administrative Office (414) 423-2700 • FAX (414) 423-2723 • Pupil Services Office (414) 423-2714

Kimberly Amidzich, Ph.D., Superintendent

Jonathan Mitchell, Director of Business Services

Maggy Olson, Director of Equity and Instruction