



**Kenosha
Unified**
SCHOOL DISTRICT

Annual Financial Report

FISCAL YEAR ENDING
JUNE 30, 2023



**KENOSHA UNIFIED SCHOOL DISTRICT
KENOSHA, WISCONSIN**

**FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND SINGLE AUDIT**

YEAR ENDED JUNE 30, 2023

**KENOSHA UNIFIED SCHOOL DISTRICT
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**KENOSHA UNIFIED SCHOOL DISTRICT
SCHOOL BOARD AND ADMINISTRATION
2022-2023**

MEMBERS OF THE BOARD OF EDUCATION

Yolanda Adams	President
Mary Modder	Vice President
Dr. Todd Alan Price	Clerk
Rebecca Stevens	Treasurer
Todd Battle	Member
Eric Meadows	Member
Kristine Schmaling	Member

ADMINISTRATION

Dr. Jeffrey Weiss	Superintendent of Schools
Tarik Hamdan	Chief Financial Officer
Julie Housaman	Chief Academic Officer
William Haithcock	Chief of School Leadership
Kevin Neir	Chief Human Resource Officer
Kristopher Keckler	Chief Information Officer
Tanya Ruder	Chief Communication Officer

ANNUAL FINANCIAL REPORT PREPARED BY

Lisa M. Salo, CPA, Accounting Manager



INDEPENDENT AUDITORS' REPORT

Board of Education
Kenosha Unified School District
Kenosha, 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 Kenosha Unified School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 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 GAAS, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements, charter school schedule, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of state awards as required by the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration 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 combining nonmajor fund financial statements, charter school schedule and the schedules of expenditures of federal and state awards are 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 4, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Kenosha, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

The management's discussion and analysis of the Kenosha Unified School District's financial performance provides an overall review of financial activities for the fiscal year. This analysis focuses on school district financial performance as a whole.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The annual financial report includes the management's discussion and analysis, basic financial statements, required supplementary information, and supplementary information. The basic financial statements include the District-wide financial statements, fund financial statements, and notes to the financial statements. The District's annual financial report also provides an additional section called federal and state awards as required by award granting agencies. The annual financial report is the responsibility of the District administration. The independent auditors' reports included in the annual financial report provide various assurances on the annual financial report and are the auditors' responsibility.

Basic Financial Statements

District-wide Financial Statements

The *statement of net position* and *statement of activities* comprise the District-wide financial statements. These statements present an aggregate view of the District's finances, similar to a private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial situation is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the year. This statement reports the cost of governmental functions and the financing of those functions in the fiscal year.

Fund Financial Statements

A grouping of related accounts used to maintain control over resources segregated for specific activities defines a fund. Fund statements report operations in more detail than the District-wide statements and provide information that may help evaluate a district's near-term financing requirements. Three fund types may comprise the Fund financial statements: *governmental*, *proprietary*, and *fiduciary*. Governmental funds and fiduciary funds constitute the District's fund financial statements. The District does not have any proprietary funds.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Governmental Funds

Governmental funds report using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. In general, the type of revenues that come in and the expenditures paid out define the fund types' focus. *Governmental funds* include the General Fund, Special Revenue Funds (Head Start, Special Revenue Trust, Food Service, and Community Service), and Debt Service Fund. Under generally accepted accounting principles, the Special Education Fund (Fund 27) activities are reported with general fund activities because a transfer from the General Fund (Fund 10) finances the excess expenditures within the Special Education Fund.

The District produces *fund financial statements* for this fund type. There are two fund financial statements, the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* (operating statement). Financial information for the major funds is presented separately on both the balance sheet and the statement of revenues, expenditures, and changes in fund balances. The General Fund and Debt Service Fund are major funds. Data for the non-major funds combine into a single, aggregated column. The non-major funds consist of the Special Revenue Trust Fund, Head Start Fund, Food Service Fund, and Community Service Fund. The supplementary information provides detailed information for each of the individual non-major funds.

A reconciliation to facilitate the comparison of the statement of net position to the governmental fund's balance sheet is presented. Also, a separate reconciliation from the statement of activities to the statement of revenues, expenditures, and changes in fund balances of governmental funds is presented. Both reconciliations are presented after the corresponding statement.

The District adopts an annual budget for its governmental funds. Budgetary comparison statements for the general fund and any major special revenue funds have been provided in the required supplementary information to demonstrate budget compliance as required by generally accepted accounting principles.

Proprietary Funds

Proprietary funds operate similarly to a business. These funds have exchange transactions where each party receives and gives up nearly equal value for the essential activity for that fund. This fund type uses the accrual basis of accounting. The District does not have any proprietary funds.

Fiduciary Funds

The District also serves as a trustee, or fiduciary, for a retiree benefits fund to provide for obligated premiums that the District has in relation to retired employees' prior service. The assets of these organizations do not directly benefit the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operations. These funds follow the accrual basis of accounting that is described above in the District-wide Financial Statement section. There are two fiduciary financial



Kenosha, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

statements, the *statement of net position* and the *statement of changes in net position* (operating statement).

Notes to the Financial Statements

The *notes to the financial statements* provide additional information essential to understanding the data provided in the district-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Required Supplementary Information

The *required supplementary information and related notes* contain the information required to be reported under generally accepted accounting principles (GAAP). This information is not audited. Although not part of the basic financial statements, it is considered an essential part of financial reporting. The required supplementary information and related notes follow the notes to the financial statements.

Supplementary Information

The *supplementary information* is provided for additional analysis and is not part of the basic financial statements. It includes the combining fund statements, which provide further details for the non-major governmental funds. This information follows the required supplementary information section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the District exceeded the liabilities and deferred inflows at the close of the fiscal year by \$220.0 million (*net position*), an increase of \$10.0 million over the prior year's restated net position. Of this amount, \$147.9 million represents the net investment in capital assets, and \$11.2 million is restricted; this results in an unrestricted net position balance of \$60.9 million.

Total capital assets, net of accumulated depreciation and amortization, increased by \$3.1 million due to an increase in construction in progress for construction projects funded by ESSER II federal grant funds.

The net pension asset changed to a net pension liability of \$46.7 million due to the actuarial study performed on behalf of the State of Wisconsin Retirement System (WRS) with a measurement date of December 31, 2022. The District does not have control over the results of that study.

Other liabilities decreased by \$3.7 million due to a reduction in end of year payables for construction projects.

Long-term obligations on Table 8 decreased by \$10.4 million as a result of the scheduled principal payments for the general obligation bonds and related premiums.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Other post-employment benefits (OPEB) liability decreased by \$14.8 million. The OPEB liability is a combination of two plan liabilities. The first OPEB liability included is the Wisconsin Department of Employee Trust Fund (ETF) Local Retiree Life Insurance Fund (LRLIF). The District participates in this multi-employer-defined benefit plan. It must record its proportionate share of the LRLIF in its statement of net position. This LRLIF OPEB obligation has a \$21.3 million liability, decreasing \$13.2 million from the prior year. The District does not have control over the results of the LRLIF plan or study.

The District's single-employer defined benefit post-employment benefit plan liability comprises the remaining portion of the accrued other post-employment liability. This plan has an unfunded liability of approximately \$17.2 million, which decreased by approximately \$1.7 million from the previous year. The decrease resulted from the District recently reducing costs by moving to a high deductible health plan starting July 1, 2020, while also contributing more revenues than expenses through a pay-as-you-go-plus funding mechanism. The OPEB liability reflects the effect of this significant plan change.

In governmental funds, the total fund balance increased by \$6.4 million as a result of the General Fund surplus from operations of \$6.4 million.

At the end of the current fiscal year, the General Fund's unassigned fund balance was approximately \$63.7 million. District policies require a minimum fund balance policy of 15% and a maximum of 20% of the ensuing year's budgeted General Fund expenditures. The \$63.7 million unassigned fund balance is approximately 21.2% of the fiscal year 2023 General Fund budgeted expenditures.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Governmental Activities

As previously stated, the district-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances, like a private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*.

The most considerable portion of the District's net position is its net investment in capital assets (e. g. land, buildings, and equipment), less related outstanding debt used to acquire those assets. The District uses these assets to provide services to students and consequently are not available for future spending. \$147.9 million represents the net investment in capital assets.

Restricted net position accounts for 5% of the total net position. The restricted net position results from restrictions imposed by external groups such as creditors, grantors, or other governments or through enabling legislation. \$11.2 million is restricted; of this amount, \$1.6 million for debt service, \$3.8 million for food service programs, \$4.2 million for community service programs, \$0.3 million for scholarships, and \$1.3 million for grants.

The remaining net position, called unrestricted net position, increased \$67.1 million, resulting in a \$60.39 million net position due to the prior year pension asset becoming a pension liability. Accounting standards require net pension assets to be restricted net position whereas net pension liabilities are not restricted. As a result, the prior year net pension asset restriction was released and placed back into unrestricted net position.



Kenosha, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Statement of Net Position

Table 1 below summarizes the District's statement of net position for the year ended June 30, 2023, compared to 2022.

Table 1 Condensed Statement of Net Position (in thousands of dollars)				
	Governmental Activities		\$ Change	% Change
	2023	2022		
Assets				
Current assets	\$ 131,426	\$ 128,574	\$ 2,852	2.2%
Net pension asset	-	74,079	(74,079)	-100.0%
Capital assets	259,230	256,079	3,151	1.2%
Total Assets	390,656	458,732	(68,076)	-14.8%
Deferred Outflows				
Loss on advance refunding	131	197	(66)	-33.5%
Related to pension	170,170	139,736	30,434	21.8%
Related to OPEB	16,033	16,840	(807)	-4.8%
Total Deferred Outflows	186,334	156,773	29,561	18.9%
Liabilities				
Other liabilities	38,006	41,703	(3,697)	-8.9%
Long-term obligations	113,709	124,174	(10,465)	-8.4%
OPEB liability	38,481	53,304	(14,823)	-27.8%
Net pension liability	46,679	-	46,679	100.0%
Total Liabilities	236,875	219,181	17,694	8.1%
Deferred Inflows				
Related to pension	97,836	174,601	(76,765)	-44.0%
Related to OPEB	22,265	11,719	10,546	90.0%
Total Deferred Inflows	120,101	186,320	(66,219)	-35.5%
Net Position				
Net investment in capital assets	147,891	132,508	15,383	11.6%
Restricted	11,213	83,761	(72,548)	-86.6%
Unrestricted (deficit)	60,910	(6,264)	67,174	1072.4%
Total Net Position	\$ 220,014	\$ 210,005	\$ 10,009	4.8%

Note: May be rounding differences.



Kenosha, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Changes in Net Position

Table 2 provides summarized operating results and their impact on net position for the year ended June 30, 2023, compared to 2022.

Table 2				
Changes in Net Position from Operating Results				
(in thousands of dollars)				
	Governmental Activities		\$ Change	% Change
	2023	2022		
Revenues				
Program Revenues				
Charges for services	\$ 7,112	\$ 5,037	\$ 2,075	41.2%
Operating grants and contributions	68,338	58,654	9,684	16.5%
General Revenues				
Property taxes	87,191	89,912	(2,721)	-3.0%
State and federal aids not restricted	164,174	165,843	(1,669)	-1.0%
Interest and investment earnings	2,182	111	2,071	1865.8%
Gain on disposal of capital asset	642	-	642	100.0%
Miscellaneous	1,371	907	464	51.2%
Total Revenues	331,010	320,464	10,546	3.3%
Expenses				
Instruction	176,979	153,796	23,183	15.1%
Support services	128,846	113,888	14,958	13.1%
Community services	1,131	835	296	35.4%
Non-program transactions	11,258	9,360	1,898	20.3%
Interest and fiscal charges	2,787	4,724	(1,937)	-41.0%
Total Expenses	321,001	282,603	38,398	13.6%
Change in Net Position	\$ 10,009	\$ 37,861	\$ (27,852)	-73.6%

Note: May be rounding differences.



Kenosha, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Revenues

The District relies primarily on property taxes, state and federal aids that are not restricted, and operating grants and contributions to fund District activities and are 26.34%, 49.60%, and 20.65% of total revenues, respectively.

School funding regulations restrict, in combination, property tax, and general state equalization aid amounts. This restriction, called the revenue limit, is intended to help hold down increases in property taxes throughout the state. Property Taxes decreased by \$2.7 million or 3.0% from the prior year. State and federal aids not restricted decreased \$1.7 million or 1.0% from the prior year.

General state equalization aid resides within the unrestricted state and federal aids amount. The state calculates general state equalization aid according to a complex formula. The formula considers district spending, pupil counts, and property values compared to spending and property values for the state as a whole. The revenue limit, in general, is the combination of general state aid and the local tax levy for funds 10 and 38. The District's general equalization state aid decreased by \$1.5 million or 1.0% over the prior year. In 2023, the total revenue limit decreased due to declining enrollment, and therefore, both property taxes and general equalization state aid decreased. The revenue limit and property taxes are discussed further in the Governmental Revenues section of this report.

Other variations between years existed within the sources of revenue as well. Program revenues, in the form of charges for services, increased \$2.0 million or 41.2 % from the prior year due to an increase in building rentals, sporting activities or other co-curricular and extra-curricular fees collected as the District reconvened these activities.

Operating grants and contributions increased \$16.5 million for governmental activities compared to the prior year due to the increased spending of the ESSER federal grant funds.

The District shows a gain on the disposal of capital assets of \$0.6 million as the District sold a parcel of vacant land.

Miscellaneous general revenues include general donations and gifts to the District. Those sources may vary from year to year based on the community's generosity. Interest and investment earnings are earnings on all cash sources. Investment earnings increased due to increased rates of return.



Kenosha, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Expenses

Overall, total expenses experienced a net increase of \$38.3 million or 13.6% compared to the prior year. The increase in expenses is a result of increased ESSER Federal Grant spending and the net pension and OPEB expenses in the instruction and support services categories.

Total and Net Cost of Governmental Activities

Table 3 presents the cost of the five major district activities. The table reports each activity's net cost (total cost fewer fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden placed on the District's taxpayers by each of these functions.

Table 3 Total and Net Cost of Governmental Activities (in thousands of dollars)								
	Total Cost of Services		\$ Change	% Change	Net Cost of Services		\$ Change	% Change
	2023	2022			2023	2022		
Instruction	\$ 176,979	\$ 153,796	\$ 23,183	15.1%	\$ 141,852	\$ 119,791	\$ 22,061	18.4%
Support services	128,846	113,888	14,958	13.1%	90,848	86,263	4,585	5.3%
Community services	1,131	835	296	35.4%	1,055	798	257	32.2%
Non-program transactions	11,258	9,360	1,898	20.3%	9,009	7,337	1,672	22.8%
Interest and fiscal charges	2,787	4,724	(1,937)	-41.0%	2,787	4,724	(1,937)	-41.0%
Totals	\$ 321,001	\$ 282,603	\$ 38,398	13.6%	\$ 245,551	\$ 218,913	\$ 26,638	12.2%

Note: May be rounding differences.

The cost of all governmental activities this year was \$321.0 million. Individuals who directly participated or benefited from a program offering paid \$7.1 million of the costs. Federal and state governments subsidized specific programs with grants and contributions of \$68.3 million. The general revenues of the District financed the net cost of governmental activities totaling \$245.5 million.

Governmental Funds

The District uses fund accounting to provide information on inflows, outflows, and balances of spendable resources. Fund statements report operations in more detail than the district-wide statements and provide information that may help in evaluating a district's near-term financing requirements.



Kenosha, Wisconsin

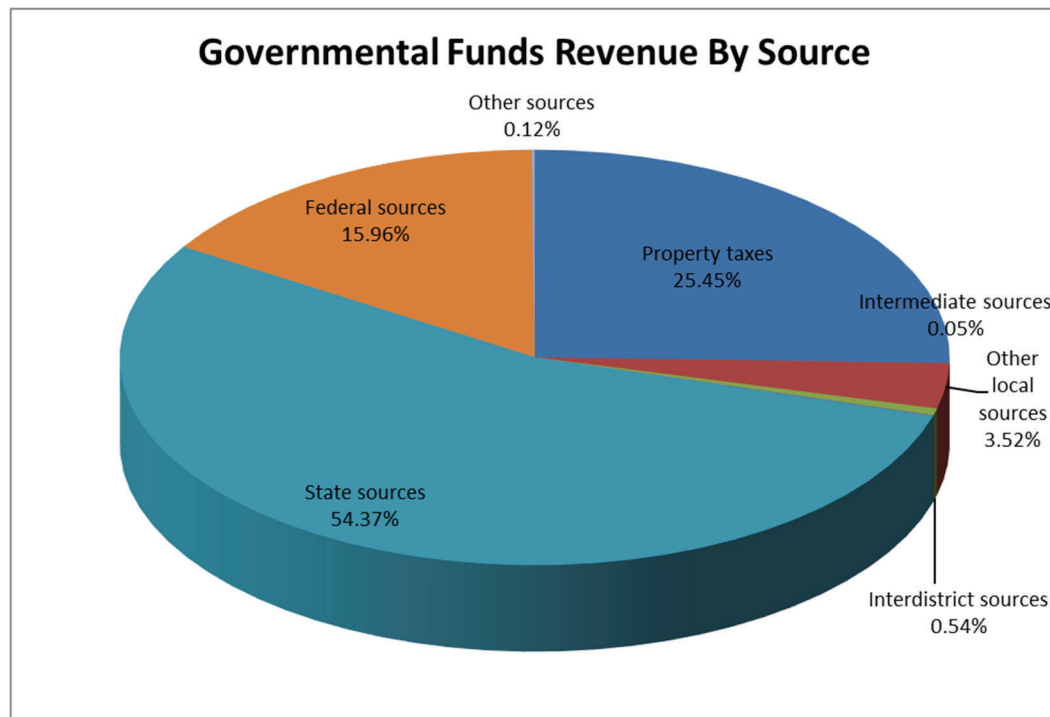
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Revenues

Table 4 presents a comparison of the 2023 governmental funds revenue by source results to the 2022 results.

			\$	%
	2023	2022	Change	Change
Property taxes	\$ 84,099	\$ 89,696	\$ (5,597)	-6.24%
Other local sources	11,619	3,886	7,733	199.00%
Interdistrict sources	1,779	1,708	71	4.16%
Intermediate sources	155	-	155	100.00%
State sources	179,632	180,027	(395)	-0.22%
Federal sources	52,726	44,470	8,256	18.57%
Other sources	386	657	(271)	-41.25%
Total	\$ 330,396	\$ 320,444	\$ 9,952	3.1%

Note: May be rounding differences.





Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Total governmental fund revenues minimally increased from the prior year in total by 3.1%. However, fluctuations occurred amongst the revenue categories.

Total property taxes decreased 6.24% due to several factors. First, state law mandates that school district revenues be limited or what districts call the revenue limit. The revenue limit, in general, is the combination of general state aid and the local tax levy for funds 10 and 38. In total, the revenue limit for fiscal year 2022-2023 decreased from the prior year by 2.86% due to declining enrollment and no inflationary increase in the revenue limit formula. The general state aid in the revenue limit decreased and property taxes inside the limit decreased. As depicted in the chart below, due to the total decrease in the revenue limit, the general fund (fund 10) had to levy less taxes in 2022-2023. The District's total property tax levy of \$84,099,728 consists of the following levies:

Fund	2021-2022	2021-2022	Change	%
General (Fund 10)	\$70,288,237	\$75,891,832	(\$5,603,595)	(7.38%)
Non-Referendum Debt Service (Fund 38)	5,393,022	5,391,272	1,750	0.00%
Referendum Debt Service (Fund 39)	6,918,469	6,913,369	5,100	0.00%
Community Service (Fund 80)	1,500,000	1,500,000	-	0.00%
Total	\$84,099,728	\$89,696,473	(\$5,596,745)	(6.24%)

The total allowable general fund tax levy (inside limit) is \$70,288,237. The Debt Service levy is comprised of \$5,393,022 of non-referendum debt (inside of limit) and \$6,918,469 of referendum approved debt (outside of limit). The community service levy (outside of limit) is comprised of \$500,000 to operate the recreation department and senior center, as well as \$1,000,000 for other community service programs.

Other local sources increased \$7.7 million due to several reasons. First, the District received a Tax Incremental Financing District closing payment of approximately \$2.8 million. Also, the District received an additional \$1.7 million of unexpected investment income as a result of rising interest rates. Lastly, the District had an increase in food service revenues, building rentals, sporting activities or other co-curricular and extra-curricular fees collected as well as an increase in fundraising efforts for student activities.

Federal sources increased \$8.2 million or 18.57% from the prior year due to the increased spending of the ESSER federal grant funds.



Kenosha, Wisconsin

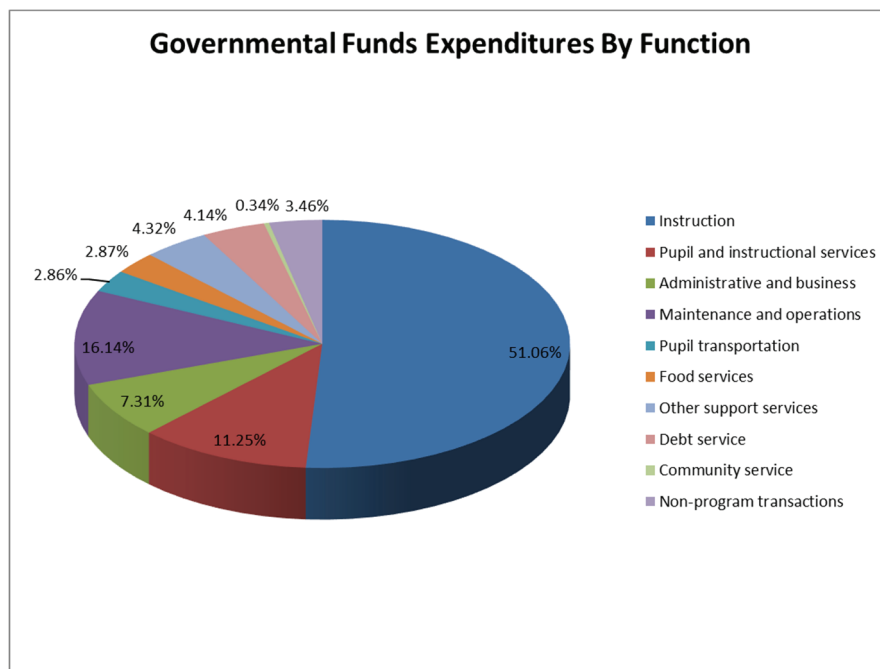
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Expenditures

Table 5 presents a comparison of the 2023 governmental funds expenditures by function results to the 2022 results.

			\$	%
	2023	2022	Change	Change
Instruction	\$ 166,151	\$ 162,639	\$ 3,512	2.2%
Pupil and instructional services	36,618	34,610	2,008	5.8%
Administrative and business	23,771	22,224	1,547	7.0%
Maintenance and operations	40,349	34,427	5,922	17.2%
Pupil transportation	9,302	8,698	604	6.9%
Food services	9,329	8,029	1,300	16.2%
Other support services	14,064	16,021	(1,957)	-12.2%
Debt service	13,464	13,447	17	0.1%
Community service	1,095	880	215	24.4%
Non-program transactions	11,258	9,360	1,898	20.3%
Total	\$ 325,401	\$ 310,335	\$ 15,066	4.9%

Note: May be rounding differences.





Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Fund Balance

Table 6 provides a comparison of the governmental fund balances for the current year and the prior year.

Table 6 Comparison of Governmental Fund Balances (in thousands of dollars)				
Fund	Fund Balance		\$ Change	% Change
	2023	2022		
General Fund	\$ 81,375	\$ 74,884	\$ 6,491	8.7%
Head Start	-	-	-	0.0%
Special Revenue Trust	2,352	2,276	76	3.3%
Food service	3,760	3,837	(77)	-2.0%
Community service	4,171	4,155	16	0.4%
Debt service	2,622	2,646	(24)	-0.9%
	<u>\$ 94,280</u>	<u>\$ 87,798</u>	<u>\$ 6,482</u>	<u>7.4%</u>

Note: May be rounding differences.

The District completed the year with a total governmental fund balance of \$94.3 million, which increased from last year's ending fund balance of \$87.8 million due to the following:

The general fund had an increase in fund balance of \$6.49 million. The general fund's actual results are discussed further in the General Fund Budgetary Highlights below.

The special revenue trust fund had a minimal increase in fund balance. The special revenue trust fund tracks the use of gifts and donations from private parties, scholarships and student activities.

The food service fund balance had a minimal decrease.

The community service fund's fund balance will fluctuate each year based on community service activities' timing. In the current year, the community service fund's fund balance had a minimal increase.

The debt service fund balance had a minimal decrease. The debt service fund's fund balance will fluctuate each year based on bond activity and bond payment timing.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District authorizes expenditures before the formal adoption of the budget in June for the subsequent fiscal year (beginning July 1st). Consistent with current state statutes and regulations, an original budget is adopted in October, following a determination of the official enrollment, the certification of general state aids, and equalized property valuations. After the October budget adoption, the District then notifies its respective municipalities of their share of the tax levy no later than November 10th, in compliance with Wis. Stat. 120.12(3)(a).

For budgetary purposes, DPI requires the District to separate the special education revenues and expenditures (Fund 27) from the general fund (fund 10) amounts. The required supplementary information section displays the budgetary schedules. The discussion below has been categorized by each fund.

General Fund (Fund 10)

The general fund was originally budgeted with a decrease of \$367,665 in fund balance. The final budget adopted with carryovers, expected a decrease of \$3,054,037 in fund balance. The actual net change in the fund balance resulted in a surplus of \$6,490,338. The general fund surplus occurred due to several variances in revenues and expense items. First, the District earned an additional \$1.7 million in investment income as a result of rising interest rates that the District did not expect. Also, the District received aids for Common School Library Fund, Get Kids Ahead, CTE Incentives and Project Lead the Way in a total amount of \$1.3 million that the District did not spend. Also, the District did not spend the Tax Incremental Financing District (TIF) closing payment of \$2.8 million. Instead, the TIF funds are earmarked to be spent in 2023- 2024 to replace the gymnasium floor at Bradford High School.

On the expenditure side, the District had approximately \$5.6 million in FTE's salaries and benefits surplus for positions not filled across the various functions. However, other areas such as utilities being higher than anticipated and Facilities having unexpected maintenance projects that were outside the determined budget offset the surplus from the vacant positions.

Special Education Fund

The special education fund was budgeted, anticipating a zero fund balance as required by DPI. To achieve the zero fund balance, the general fund finances excess special education fund expenditures with a transfer to the special education fund. The transfer into the special education fund from the general fund was \$3,953,345 less than budgeted.

The special education instruction function and support services function spent less than budget due to unfilled budgeted full-time equivalents (FTE's) during the year.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CAPITAL ASSETS

At the end of the fiscal year 2023, the District had invested \$399,763,303 in capital assets, including buildings, sites, and equipment (See Table 7). Total accumulated depreciation and amortization on the capital assets totaled \$140,532,809. Capital Asset acquisitions for governmental activities totaled \$16,090,575. The majority of capital asset acquisitions are comprised of ESSER federal grant projects during the year, as shown in the building and improvements category. Total disposals equal \$1,585,825. The District recognized a depreciation/amortization expense of \$12,237,216 for governmental activities. Detailed information about capital assets can be found in Note 2(B) in the notes to the financial statements.

Table 7 Capital Assets (in thousands of dollars)				
	Governmental Activities		\$ Change	% Change
	2023	2022		
Land	\$ 9,498	\$ 10,053	\$ (555)	-5.5%
Construction in progress	15,963	8,583	7,380	86.0%
Land improvements	17,307	16,857	450	2.7%
Buildings and improvements	304,927	298,749	6,178	2.1%
Furniture and equipment	48,756	47,853	903	1.9%
Leased Assets (Right to Use)	3,312	3,163	149	4.7%
Total	<u>\$ 399,763</u>	<u>\$ 385,258</u>	<u>\$ 14,505</u>	<u>3.8%</u>

Note: May be rounding differences.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

OUTSTANDING LONG-TERM OBLIGATIONS ADMINISTRATION

Outstanding long-term obligations include general obligation debt and related premiums and discounts, lease liabilities, and compensated absences. These liabilities are shown below in Table 8. At the time of issuance, the School Board secures the debt of the District by adopting an irrevocable tax levy. Wisconsin state statutes require that the District segregates the first property tax receipts for annual debt service payments. Long-term obligations decreased by \$10.5 million mainly due to the scheduled principal payments for the general obligation bonds and related premiums.

Table 8 Outstanding Long-term Obligations (in thousands of dollars)				
	Governmental Activities		\$ Change	% Change
	2023	2022		
General Obligation Bonds	\$ 102,890	\$ 111,115	\$ (8,225)	-7.4%
Debt premium	6,522	8,230	(1,708)	-20.8%
Lease Liability - Right to Use	1,433	1,626	(193)	-11.9%
Lease Liability - Financed Purchase	238	472	(234)	-49.6%
Compensated absences	2,626	2,731	(105)	-3.8%
Total	\$ 113,709	\$ 124,174	\$ (10,465)	-8.4%

Note: May be rounding differences.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are as follows:

The District is continuing to experience expected declining enrollment, primarily attributed to decreased births in the community. This lower birthrate occurred most significantly from 2008 to 2012, which first impacted kindergarten enrollments during the 2013-2014 school year. The 2021-2022 enrollment was 19,620. The 2022-2023 enrollment was 19,187. Continuing the downward trend, the third Friday count for the 2023-2024 school year enrollment was 18,870.

KUSD, like many districts, has been facing declining enrollment for many years, mainly due to a declining birthrate, and will be impacted by this trend for at least the next decade. As the District strives to maintain the services and opportunities currently offered, KUSD is undergoing a rightsizing process. To achieve this, KUSD plans to consolidate schools, change school boundaries, and/or merge programs for the 2024-2025 school year.

On September 18, 2020, Moody's Investors Service affirmed a MIG 1 short-term rating to the District's short-term tax and revenue anticipation promissory notes. This rating is the highest rating for short-term debt obligations. The MIG 1 short-term rating incorporates the historical timeliness and predictability of pledged revenues, which include property tax receipts and state aid, the accuracy of the District's past cash flow projections, as well as the reasonableness of the District's future cash flow projections.

On September 18, 2020, Moody's Investors Service assigned an underlying rating of Aa2 to the District's long-term debt issued in the form of general obligation bonds. The Aa2 rating reflects the District's healthy financial position, sizable and growing tax base, and modest debt burden. Also incorporated are declining enrollment factors and a moderate pension burden.

The District's tax base has experienced modest growth given the recent recovery in property valuations and ongoing development in the local economy. The District, located in Kenosha County along the busy 1-94 transportation corridor and benefits from its position between the converging Milwaukee and Chicago metro areas. Significant development activity in Pleasant Prairie, which is within the District's boundaries, continues to occur.

The overall economic conditions continue to be generally positive in and around Kenosha County. Kenosha County's unemployment rate continues to hover in the low to mid 3% range. However, the tight labor market is driving wage inflation, in all occupational levels.



Kenosha, Wisconsin

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District designs the financial report to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and demonstrates the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kenosha Unified School District Office of Finance (262-359-6300), Kenosha Unified School District, 3600 52nd Street, Kenosha, WI 53144.

BASIC FINANCIAL STATEMENTS

**KENOSHA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 97,032,001
Receivables:	
Taxes	16,740,679
Accounts, Net	660,440
Due from Employee Benefit Trust Fund	4,501,180
Due from Other Governments	10,874,309
Inventories and Prepaid Items	1,617,190
Capital Assets:	
Nondepreciable	25,461,348
Depreciable/Amortizable	233,769,146
Total Assets	<u>390,656,293</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Advance Refunding	131,513
Pension Related Amounts	170,169,638
Other Postemployment Related Amounts	16,033,107
Total Deferred Outflows of Resources	<u>186,334,258</u>
LIABILITIES	
Short-Term Notes Payable	5,590,000
Accounts Payable	5,067,453
Due to Employee Benefit Trust Fund	7,953,039
Accrued and Other Current Liabilities	17,990,281
Accrued Interest Payable	1,124,891
Deposits Payable	279,589
Long-Term Obligations:	
Due in One Year	9,167,642
Due in More Than One Year	104,541,711
Other Postemployment Benefits Liability	38,481,449
Net Pension Liability	46,679,271
Total Liabilities	<u>236,875,326</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	97,836,251
Other Postemployment Related Amounts	22,264,841
Total Deferred Inflows of Resources	<u>120,101,092</u>
NET POSITION	
Net Investment in Capital Assets	147,891,095
Restricted	
Debt Service	1,646,253
Food Service	3,759,873
Community Service	4,171,062
Scholarships	334,065
Grants	1,302,077
Unrestricted	60,909,708
Total Net Position	<u><u>\$ 220,014,133</u></u>

See accompanying Notes to Basic Financial Statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

					Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 176,979,606	\$ 1,059,757	\$ 34,068,015	\$ -	\$ (141,851,834)
Support Services	128,846,245	4,196,920	33,801,160	-	(90,848,165)
Community Services	1,130,575	75,962	-	-	(1,054,613)
Nonprogram	11,257,663	1,778,983	468,783	-	(9,009,897)
Interest and Fiscal Charges	2,787,377	-	-	-	(2,787,377)
Total Governmental Activities	<u>\$ 321,001,466</u>	<u>\$ 7,111,622</u>	<u>\$ 68,337,958</u>	<u>\$ -</u>	(245,551,886)
GENERAL REVENUES					
Property Taxes					84,099,728
Other Taxes					3,091,797
State and Federal Aids Not Restricted to Specific Functions					164,174,323
Interest and Investment Earnings					2,182,368
Gain on Disposal of Capital Assets					641,742
Contributions and Gifts					805,791
Miscellaneous					565,349
Total General Revenues					<u>255,561,098</u>
CHANGE IN NET POSITION					10,009,212
Net Position - Beginning of Year					<u>210,004,921</u>
NET POSITION - END OF YEAR					<u>\$ 220,014,133</u>

See accompanying Notes to Basic Financial Statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 84,544,918	\$ 2,622,076	\$ 9,865,007	\$ 97,032,001
Receivables:				
Taxes	16,740,679	-	-	16,740,679
Accounts, Net	635,804	-	24,636	660,440
Due from Other Funds	214,066	-	-	214,066
Due from Employee Benefit Trust Fund	4,442,722	-	58,458	4,501,180
Due from Other Governments	10,631,694	-	242,615	10,874,309
Inventories and Prepaid Items	940,560	-	676,630	1,617,190
Total Assets	<u>\$ 118,150,443</u>	<u>\$ 2,622,076</u>	<u>\$ 10,867,346</u>	<u>\$ 131,639,865</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Short-Term Notes Payable	\$ 5,590,000	\$ -	\$ -	\$ 5,590,000
Accounts Payable	4,880,237	-	187,216	5,067,453
Accrued and Other Current Liabilities	18,106,983	-	-	18,106,983
Accrued Interest Payable	149,068	-	-	149,068
Due to Other Funds	-	-	214,066	214,066
Due to Employee Benefit Trust Fund	7,953,039	-	-	7,953,039
Deposits Payable	96,264	-	183,325	279,589
Total Liabilities	<u>36,775,591</u>	<u>-</u>	<u>584,607</u>	<u>37,360,198</u>
FUND BALANCES				
Nonspendable	940,560	-	676,630	1,617,190
Restricted	1,302,077	2,622,076	7,588,370	11,512,523
Committed	10,889,313	-	2,017,739	12,907,052
Assigned	4,538,446	-	-	4,538,446
Unassigned	63,704,456	-	-	63,704,456
Total Fund Balances	<u>81,374,852</u>	<u>2,622,076</u>	<u>10,282,739</u>	<u>94,279,667</u>
Total Liabilities and Fund Balances	<u>\$ 118,150,443</u>	<u>\$ 2,622,076</u>	<u>\$ 10,867,346</u>	<u>\$ 131,639,865</u>

See accompanying Notes to Basic Financial Statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Reconciliation to the Statement of Net Position

Total fund balances as shown on previous page \$ 94,279,667

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. 259,230,494

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

Deferred Outflows Loss on Advance Refunding	131,513
Deferred Outflows Related to Pensions	170,169,638
Deferred Inflows Related to Pensions	(97,836,251)
Deferred Outflows Related to Other Postemployment Benefits	16,033,107
Deferred Inflows Related to Other Postemployment Benefits	(22,264,841)

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

Bonds and Notes Payable	(102,890,000)
Premium on Debt	(6,521,603)
Lease Liability - Right-to-Use	(1,433,360)
Finance Purchase	(238,247)
Compensated Absences	(2,509,441)
Other Postemployment Benefits Liability	(38,481,449)
Net Pension Liability	(46,679,271)
Accrued Interest on Long-Term Obligations	(975,823)

**Net Position of Governmental Activities as Reported on the
Statement of Net Position**

\$ 220,014,133

KENOSHA UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Debt Service	Other Governmental Funds	Total
REVENUES				
Property Taxes	\$ 70,288,237	\$ 12,311,491	\$ 1,500,000	\$ 84,099,728
Other Local Sources	7,057,335	159,527	4,401,664	11,618,526
Interdistrict Sources	1,778,983	-	-	1,778,983
Intermediate Sources	154,861	-	-	154,861
State Sources	179,499,205	-	132,513	179,631,718
Federal Sources	41,809,430	-	10,916,272	52,725,702
Other Sources	273,384	-	112,467	385,851
Total Revenues	300,861,435	12,471,018	17,062,916	330,395,369
EXPENDITURES				
Instruction:				
Regular Instruction	113,746,058	-	749,436	114,495,494
Vocational Instruction	5,143,136	-	-	5,143,136
Special Education Instruction	37,461,092	-	-	37,461,092
Other Instruction	8,046,409	-	1,005,074	9,051,483
Total Instruction	164,396,695	-	1,754,510	166,151,205
Support Services:				
Pupil Services	20,079,133	-	463,595	20,542,728
Instructional Staff Services	15,964,893	-	111,266	16,076,159
General Administration Services	1,253,188	-	447,608	1,700,796
School Administration Services	16,204,095	-	3,403,748	19,607,843
Business Services	2,461,943	-	-	2,461,943
Operations and Maintenance of Plant	40,066,865	-	281,747	40,348,612
Pupil Transportation Services	9,262,925	-	39,107	9,302,032
Food Services	-	-	9,328,724	9,328,724
Central Services	3,148,124	-	-	3,148,124
Insurance	751,390	-	-	751,390
Other Support Services	10,164,698	-	-	10,164,698
Total Support Services	119,357,254	-	14,075,795	133,433,049
Debt Service:				
Principal	717,105	8,225,000	-	8,942,105
Interest and Fiscal Charges	252,297	4,269,690	-	4,521,987
Total Debt Service	969,402	12,494,690	-	13,464,092
Community Service	-	-	1,095,266	1,095,266
Nonprogram:				
General Tuition Payments	10,901,459	-	-	10,901,459
Post-Secondary Scholarship Expenditures	-	-	8,900	8,900
Special Education Tuition Payments	226,639	-	-	226,639
Adjustments and Refunds	120,665	-	-	120,665
Total Nonprogram	11,248,763	-	8,900	11,257,663
Total Expenditures	295,972,114	12,494,690	16,934,471	325,401,275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,889,321	(23,672)	128,445	4,994,094
OTHER FINANCING SOURCES (USES)				
Leases Issued	290,507	-	-	290,507
Proceeds from Sale of Capital Assets	1,197,097	-	-	1,197,097
Transfers In	113,413	-	-	113,413
Transfers Out	-	-	(113,413)	(113,413)
Total Other Financing Sources (Uses)	1,601,017	-	(113,413)	1,487,604
NET CHANGE IN FUND BALANCES	6,490,338	(23,672)	15,032	6,481,698
Fund Balances - Beginning of Year	74,884,514	2,645,748	10,267,707	87,797,969
FUND BALANCES - END OF YEAR	<u>\$ 81,374,852</u>	<u>\$ 2,622,076</u>	<u>\$ 10,282,739</u>	<u>\$ 94,279,667</u>

See accompanying Notes to Basic Financial Statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

Reconciliation to the Statement of Activities

Net change in fund balances as shown on previous page \$ 6,481,698

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 Capital Outlay Reported in Governmental Fund Statements	16,090,575
Depreciation Expense Reported in the Statement of Activities	(12,237,216)
Net Book Value of Disposals	(702,237)

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.

Right-to-Use Leases Issued	(287,783)
Right-to-Use Leases Paid	480,141
Finance Purchase Paid	236,964
Long-Term Debt - Principal Paid	8,225,000

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

Accrued Interest on Long-Term Debt	91,600
Amortization of Debt Premium	1,708,766
Amortization of Loss on Advance Refunding	(65,756)
Compensated Absences	81,164
Net Pension Liability (Asset)	(120,758,266)
Deferred Outflows of Resources Related to Pensions	30,433,349
Deferred Inflows of Resources Related to Pensions	76,765,160
Other Postemployment Benefits	14,822,393
Deferred Outflows of Resources Related to Other Postemployment Benefits	(807,533)
Deferred Inflows of Resources Related to Other Postemployment Benefits	<u>(10,546,083)</u>

**Change in Net Position of Governmental Activities as Reported
in the Statement of Activities**

\$ 10,009,212

**KENOSHA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION — FIDUCIARY FUND
JUNE 30, 2023**

	Retiree Health Insurance
ASSETS	
Cash and Investments	\$ 55,762,961
Due from District Funds	<u>7,953,039</u>
Total Assets	<u>63,716,000</u>
LIABILITIES	
Due to District Funds	<u>4,501,180</u>
Total Liabilities	<u>4,501,180</u>
NET POSITION	
Restricted for Post Employment Benefits	<u><u>\$ 59,214,820</u></u>

See accompanying Notes to Basic Financial Statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION — FIDUCIARY FUND
YEAR ENDED JUNE 30, 2023**

	<u>Retiree Health Insurance</u>
ADDITIONS	
Contributions:	
Employer	\$ 10,403,649
Plan Members	520,810
Investment Earnings	<u>1,997,040</u>
Total Additions	12,921,499
DEDUCTIONS	
Trust Fund Disbursements	6,553,096
Administrative Expenditures	<u>13,499</u>
Total Deductions	<u>6,566,595</u>
CHANGE IN NET POSITION	6,354,904
Net Position - Beginning of Year	<u>52,859,916</u>
NET POSITION - END OF YEAR	<u><u>\$ 59,214,820</u></u>

See accompanying Notes to Basic Financial Statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Kenosha Unified School District (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 common school district governed by an elected seven-member school board. The District operates grades pre-kindergarten through grade 12, Head Start, and several adult education and recreation programs. The District is comprised of four municipal taxing districts (City of Kenosha, Village of Pleasant Prairie, Village of Somers and Town of Somers).

In accordance with U.S. GAAP, the basic financial statements are required to include the District (the primary government) 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. District-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*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The District has no business-type activities.

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 funds 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. The District has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. District-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. The District follows the regulatory requirements of the Wisconsin Department of Public Instruction, which requires educational programs for students with disabilities to be reported in a Special Education Fund (Fund 27), separate from other instructional activities reported in the General Fund (Fund 10). Under U.S. GAAP, the activities of the Special Education Fund are reported with General Fund activities because excess expenditures within the Special Education Fund are financed by a transfer from Fund 10. General Fund sources include financial aid received from the state and federal government and payments from other school districts.

Debt Service Fund

This fund accounts for the resources restricted for the repayment of principal and interest on outstanding debt.

The District reports the following nonmajor governmental funds:

- Special Revenue Funds: Head Start; Special Revenue Trust; Food Service; and Community Service.

Additionally, the District reports the following fund types:

- The Retiree Health Insurance fund is used to account for resources legally held in trust for other postemployment benefits.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

2. Property Taxes

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

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

3. Accounts Receivable

Accounts receivable are recorded net of allowance for uncollectible amounts. The allowance for uncollectible accounts was \$273,632 on June 30, 2023.

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.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

6. 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 accounted for on the consumption method.

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. 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. Capital assets are capitalized and reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. Donated capital assets are recorded at acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities Years
Buildings	50
Building Improvement	20 to 25
Land Improvements	10 to 20
Furniture & Equipment	4 to 15
Computer & Related Technology	4 to 10
Right-to-use Buildings	50
Right-to-use Furniture & Equipment	4 to 15

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Compensated Absences

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

9. 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.

10. 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.

11. Leases

Lessee:

The District is a lessee for various equipment, vehicles and building space. The District recognizes a lease liability and a right-to-use lease asset (tangible or intangible) in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87, *Leases*.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Leases (Continued)

At the commencement of a lease, the District determines based on the criteria dictated in GASB Statement No. 87, *Leases*, if the lease is a right to use lease liability. Then the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A right-to-use asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the District capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use lease asset is amortized on a straight line basis over the life of the lease. The intangible right-to-use lease asset is reported with the District capital assets in its own category called Leased Assets (Right to Use).

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Leases (Continued)

The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the District treats the components as a single lease unit.

The District monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.

12. Pensions

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 this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue). Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Other Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Single-Employer Defined Postemployment Benefit Plan

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.

14. 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 authorized the Chief Financial Officer to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

The District maintains a minimum fund balance policy for the General Fund. The policy states that the unassigned fund balance in the General Fund will be equal to a minimum of 15% and a maximum of 20% of the ensuing year's budgeted General Fund expenditures.

District-Wide Statements

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

- **Net Investment in Capital Assets:** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **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 U.S. GAAP 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.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The debt service funds account for their transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, the fiduciary 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. Investments in the private-purpose trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act."

The carrying amount of the District's cash and investments totaled \$152,794,962 on June 30, 2023 as summarized below:

Petty Cash and Cash on Hand	\$ 10,823
Deposits with Financial Institutions	23,959,987
Investments:	
Repurchase Agreement	5,205,327
Wisconsin Investment Series Cooperative (WISC):	
Cash Management Series	11,287,047
Investment Series	111,048,739
U.S. Treasury Bonds	1,281,776
Wisconsin Local Government Investment Pool	1,263
Total	<u><u>\$ 152,794,962</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 97,032,001
Fiduciary Fund Statement of Net Position:	
Retiree Health Insurance	55,762,961
Total	<u><u>\$ 152,794,962</u></u>

Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements (Continued)

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions.

The District has the following fair value measurement as of June 30, 2023:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
WISC Investments			
U.S. Treasury Bonds	\$ 1,281,776	\$ -	\$ -

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.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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

As of June 30, 2023, \$25,867,623 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits and were collateralized with securities held by the pledging financial institution or its trust department or agent in the District's name.

On June 30, 2023, the District held repurchase agreement investments of \$5,205,327 of which the underlying securities are held by the investment's counterparty, not in the name of the District.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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
Wisconsin Local Government					
Investment Pool	\$ 1,263	\$ -	\$ -	\$ -	\$ 1,263
WISC Investments					
Cash Management Series	11,287,047	-	11,287,047	-	-
Investment Series	111,048,739	-	111,048,739	-	-
U.S. Treasury Bonds	1,281,776	1,281,776	-	-	-
Totals	<u>\$ 123,618,825</u>	<u>\$ 1,281,776</u>	<u>\$ 122,335,786</u>	<u>\$ -</u>	<u>\$ 1,263</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At June 30, 2023, the District had no investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. As of June 30, 2023, the Wisconsin local government investment pool had a weighted average maturity of 28 days.

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
Wisconsin Local Government					
Investment Pool	\$ 1,263	\$ 1,263	\$ -	\$ -	\$ -
WISC Investments					
Cash Management Series	11,287,047	11,287,047	-	-	-
Investment Series	111,048,739	111,048,739	-	-	-
U.S. Treasury Bonds	1,281,776	1,281,776	-	-	-
Repurchase Agreements	5,205,327	5,205,327	-	-	-
Totals	<u>\$ 128,824,152</u>	<u>\$ 128,824,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District's investments do not include investments that are highly sensitive to interest rate fluctuations.

Investment in Wisconsin Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$123,617,562 at year-end consisting of \$11,287,407 invested in the Cash Management Series, \$111,048,739 invested in the Investment Series, and \$1,281,776 in U.S. Treasury Bonds. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Investment Series Cooperation (Continued)

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.

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$1,263 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2023, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/Nonamortized:				
Land	\$ 10,053,223	\$ -	\$ 555,355	\$ 9,497,868
Construction in Progress	8,583,249	13,541,539	6,161,308	15,963,480
Total Capital Assets, Nondepreciable/Nonamortized	18,636,472	13,541,539	6,716,663	25,461,348
Capital Assets, Depreciable/Amortizable:				
Land Improvements	16,856,932	483,278	33,100	17,307,110
Buildings and Improvements	298,749,435	6,177,653	-	304,927,088
Furniture and Equipment	47,853,213	1,806,799	904,294	48,755,718
Leased Assets (Right of Use)	3,162,501	242,614	93,076	3,312,039
Subtotals	366,622,081	8,710,344	1,030,470	374,301,955
Less Accumulated Depreciation/Amortization for:				
Land Improvements	6,951,658	727,819	33,100	7,646,377
Buildings and Improvements	105,607,458	8,202,841	-	113,810,299
Furniture and Equipment	14,835,719	2,898,732	757,803	16,976,648
Leased Assets (Right of Use)	1,784,346	407,824	92,685	2,099,485
Subtotals	129,179,181	12,237,216	883,588	140,532,809
Total Capital Assets, Depreciable/Amortizable, Net	237,442,900	(3,526,872)	146,882	233,769,146
Governmental Activities Capital Assets, Net	<u>\$ 256,079,372</u>	<u>\$ 10,014,667</u>	<u>\$ 6,863,545</u>	259,230,494
Less: Capital Related Debt				(102,890,000)
Less: Financed Purchase and Right-to-Use Leases				(1,671,607)
Less: Debt Premium				(6,521,603)
Less: Retainage Payable and Construction-Related Accounts Payable				(387,702)
Add: Loss on Advance Refunding				131,513
Net Investment in Capital Assets				<u>\$ 147,891,095</u>

Amortization and depreciation expense was charged to functions of the District as follows:

	Amortization	Depreciation	Total
Governmental Activities:			
Instruction	\$ -	\$ 2,669,980	\$ 2,669,980
Support Services	407,824	9,156,455	9,564,279
Community Services	-	2,957	2,957
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 407,824</u>	<u>\$ 11,829,392</u>	<u>\$ 12,237,216</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
General	\$ 214,066	\$ -
Special Revenue:		
Head Start	-	214,066
Subtotal	<u>214,066</u>	<u>214,066</u>
Retiree Health Insurance		
General	4,442,722	7,953,039
Special Revenue:		
Head Start	25,250	-
Food Service	23,956	-
Community Service	9,252	-
Fiduciary Fund	7,953,039	4,501,180
Subtotal	<u>12,454,219</u>	<u>12,454,219</u>
 Totals	 <u><u>\$ 12,668,285</u></u>	 <u><u>\$ 12,668,285</u></u>

Interfund transfers for the year ended June 30, 2023 were as follows:

<u>Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 113,413	\$ -
Special Revenue:		
Head Start	-	113,413
Total	<u><u>\$ 113,413</u></u>	<u><u>\$ 113,413</u></u>

Interfund transfers were made for the following purposes:

Indirect Cost Reimbursement	<u>\$ 113,413</u>
Total	<u><u>\$ 113,413</u></u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Short-Term Obligations

The District issued tax and revenue anticipation promissory notes in advance of property tax collections. The notes are needed because District expenses for the year begin in July whereas tax collections are not received until January. Short-term debt activity for the year ended June 30, 2023 was as follows:

	Outstanding 7/1/22	Issued	Retired	Outstanding 6/30/23
Tax and Revenue Anticipation Notes	<u>\$ 10,000,000</u>	<u>\$ 5,590,000</u>	<u>\$ 10,000,000</u>	<u>\$ 5,590,000</u>

Total interest paid for the year on short-term debt totaled \$183,333.

E. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 111,115,000	\$ -	\$ 8,225,000	\$ 102,890,000	\$ 8,625,000
Debt Premium	8,230,369	-	1,708,766	6,521,603	-
Lease Liability - Right-to-Use	1,625,718	287,783	480,141	1,433,360	415,775
Financed Purchases	472,487	2,724	236,964	238,247	10,165
Compensated Absences	2,731,013	-	104,870	2,626,143	116,702
Governmental Activities					
Long-Term Obligations	<u>\$ 124,174,587</u>	<u>\$ 290,507</u>	<u>\$ 10,755,741</u>	<u>\$ 113,709,353</u>	<u>\$ 9,167,642</u>

Total interest paid during the year on long-term obligations totaled \$4,329,421.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

		Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 6/30/23
General Obligation Bonds	Refinancing & EE Project	09/17/13	04/01/33	3.00%	\$ 23,100,000	\$ 10,490,000
General Obligation Bonds	Athletic Building	07/15/15	04/01/35	3.00% - 5.00%	30,005,000	15,455,000
General Obligation Bonds	Energy Efficiency Project	07/26/16	04/01/36	2.50% - 5.00%	28,945,000	14,535,000
General Obligation Bonds	Refunding & EE Project	06/15/17	04/01/37	3.00 - 5.00%	34,510,000	32,145,000
General Obligation Bonds	Refunding	10/08/19	04/01/29	3.00 - 5.00%	45,960,000	30,265,000
Total Outstanding General Obligation Debt						<u>\$ 102,890,000</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$102,890,000 on June 30, 2023 are detailed below:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,625,000	\$ 3,903,291	\$ 12,528,291
2025	9,055,000	3,479,591	12,534,591
2026	9,470,000	3,036,291	12,506,291
2027	9,860,000	2,598,241	12,458,241
2028	9,675,000	2,268,103	11,943,103
2029-2033	36,165,000	6,677,760	42,842,760
2034-2038	20,040,000	1,425,288	21,465,288
Total	<u>\$ 102,890,000</u>	<u>\$ 23,388,565</u>	<u>\$ 126,278,565</u>

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

The District's legal margin for creation of additional general obligation debt on June 30, 2023 was \$1,245,227,492 as follows:

Equalized Valuation of the District	\$ 13,481,174,919
Statutory Limitation Percentage	(x) 10%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	1,348,117,492
Outstanding General Obligation Debt Applicable to Debt Limitation	102,890,000
Legal Margin for New Debt	<u>\$ 1,245,227,492</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases and Financed Purchases

Lease Liability: Right-to-Use Asset Agreements

During the current year, the District entered into fourteen new right-to-use lease arrangements for vehicles and space. A lease liability was recorded in the amount of \$287,783 during the current fiscal year. The District is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement.

The District leases vehicles and space for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2033.

Total principal and interest costs for such leases for governmental funds were \$522,588 for the year ended June 30, 2023. The future minimum lease payments for these agreements are as follows:

<u>Year Ended June 30.</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 415,775	\$ 46,950	\$ 462,725
2025	225,015	20,794	245,809
2026	178,087	18,629	196,716
2027	127,701	11,296	138,997
2028	95,694	6,313	102,007
2029-2033	391,088	42,927	434,015
Total	<u>\$ 1,433,360</u>	<u>\$ 146,909</u>	<u>\$ 1,580,269</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases and Financed Purchases (Continued)

Lease Liability: Right-to-Use Asset Agreements (Continued)

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

	Governmental Activities
Right-to-Use Assets:	
Leased Asset - Buildings	\$ 2,302,158
Leased Asset - Machinery and Equipment	1,009,881
Subtotal	3,312,039
Less: Accumulated Amortization	(2,099,485)
Total	<u>\$ 1,212,554</u>

Financed Purchases

The District is required to make various monthly principal and interest payments. These finance purchases have an interest rate of 3.5% to 14.5%. The machinery and equipment will have estimated useful lives of 3 to 5 years. No down payments were required for these agreements. The financed purchase leases expire at various dates through 2026.

These agreements qualify as a financed purchase for accounting purposes and, therefore, have been recorded at the present value of their future minimum payments as of the date of their inception. The assets acquired through financed purchases are as follows:

	Governmental Activities
Assets:	
Furniture and Equipment	\$ 1,184,023
Less: Accumulated Amortization	(946,065)
Total	<u>\$ 237,958</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases and Financed Purchases (Continued)

Financed Purchases (Continued)

The future minimum obligations and the net present value of these minimum payments as of June 30, 2023 were as follows:

<u>Year Ended June 30,</u>	Governmental Activities		
	Principal	Interest	Total
2024	\$ 136,690	\$ 10,165	\$ 146,855
2025	91,962	5,163	97,125
2026	9,595	930	10,525
Total	<u>\$ 238,247</u>	<u>\$ 16,258</u>	<u>\$ 254,505</u>

G. Pension Plan

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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://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.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

<u>Year Ended June 30,</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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 reporting period July 1, 2022 through June 30, 2023, the WRS recognized \$10,369,453 in contributions from the District.

Contribution rates for the reporting period are:

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

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

At June 30, 2023, the District reported a liability of \$46,679,271 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.88112271%, which was a decrease of 0.03795054% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$23,969,577.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 74,345,615	\$ 97,673,445
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	79,297,302	-
Changes in Assumptions	9,179,076	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	845,769	162,806
Employer Contributions Subsequent to the Measurement Date	6,501,876	-
Total	<u>\$ 170,169,638</u>	<u>\$ 97,836,251</u>

\$6,501,876 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>(Revenue) Expense</u>
2024	\$ 2,878,231
2025	13,651,406
2026	14,051,987
2027	35,249,887
Total	<u>\$ 65,831,511</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic 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 Equity	48.0 %	7.6 %	5.0 %
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive Assets	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Cash	(15.0)	N/A	N/A
Total Core Fund	<u>100.0 %</u>	<u>7.4 %</u>	<u>4.8 %</u>
Variable Fund Asset Class:			
U.S. Equities	70.0 %	7.2 %	4.6 %
International Equities	30.0	8.1	5.5
Total Variable Fund	<u>100.0 %</u>	<u>7.7 %</u>	<u>5.1 %</u>

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

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

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

Actuarial Assumptions (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal 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)	\$ 154,926,978	\$ 46,679,271	\$ (27,785,868)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the Pension Plan

The District reported a payable of \$3,887,831 for the outstanding amount of contributions to the pension plan as of June 30, 2023.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits

The District reports OPEB related balances at June 30, 2023 as summarized below:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Single-Employer Defined OPEB Plan	\$ 17,157,361	\$ 7,612,152	\$ 6,435,619	\$ 5,098,389
Local Retiree Life Insurance Fund (LRLIF)	21,324,088	8,420,955	15,829,222	1,948,785
Total	<u>\$ 38,481,449</u>	<u>\$ 16,033,107</u>	<u>\$ 22,264,841</u>	<u>\$ 7,047,174</u>

1. Single-Employer Defined Benefit Postemployment Benefit Plan

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) and dental coverage for retired employees through the District's self-insured plans.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	304
Active Employees	1,929
Total	<u>2,233</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Benefit Postemployment Benefit Plan (Continued)

Contributions

Employee Category

Certified Teachers

Eligibility: Dental Benefits - Any retiree who was working more than half-time and has attained age 62 and 15 years of service.

All other benefits - Any retiree who was working more than half-time and has attained age 55 and 15 years of service.

Retiree Health Benefits: District pays 100% of the health insurance premium for single or family coverage for employees retiring at age 62 or older but before age 65. District pays 100% of the health insurance premium for single coverage for employees retiring prior to age 62. District portion is 88% for retirements after September 1, 2014. The health benefits coverage will terminate when the retiree attains age 65.

Retiree Dental Benefits: District pays 90% of the dental insurance premiums for family coverage. The dental benefits coverage will terminate when the retiree attains age 65.

Service Employees

Eligibility: Any retiree who was working full-time and has attained age 55 and 15 years of service.

Retiree Health Benefits: District pays 98.3% of the health insurance premium for single coverage. District portion is 88% for retirements after September 1, 2014. The health benefits coverage will terminate when the retiree attains age 65.

Carpenters and Painters

Eligibility: Any retiree who was working full-time and has attained age 57 and 15 years of service.

Retiree Health Benefits: District pays 98% of the health insurance premium for single coverage. District portion is 88% for retirements after September 1, 2014. The health benefits coverage will terminate when the retiree attains age 65.

Secretaries

Eligibility: Any retiree who was working full-time and has attained age 57 and 15 years of service.

Retiree Health Benefits: District pays 98.3% of the health insurance premium for single coverage. District portion is 90% for retirements after September 1, 2014. The health benefits coverage will terminate when the retiree attains age 65.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Benefit Postemployment Benefit Plan (Continued)

Contributions (Continued)

Educational Assistants

Eligibility: Any retiree who was working full-time and has attained age 57 and 15 years of service.

Retiree Health Benefits: District pays 100% of the health insurance premium for single coverage. The health benefits coverage will terminate when the retiree attains age 65.

Administrators, Supervisors, and Technical Employees

Eligibility: Any retiree who was working full-time and has attained 55 and 15 years of service.

Retiree Health Benefits: District portion is 88% for retirements after September 1, 2014. District paid up to 100% for retirements before September 1, 2014. The benefits coverage will terminate at age 65 for employees retiring with less than 20 years of service, at age 66 for employees retiring with 20 or more years of service but less than 25 years of service, and at age 67 for employees retiring with more than 25 years of service.

Retiree Dental Benefits: District pays 90% of the dental insurance premium for family coverage. The dental benefits coverage will terminate at age 65 for employees retiring with less than 20 years of service, at age 66 for employees retiring with 20 or more years of service but less than 25 years of service, and at age 67 for employees retiring with more than 25 years of service.

Miscellaneous and Interpreters

Eligibility: Any Retiree who was working full-time and has attained age 55.

Retiree Health Benefits: Retiree pays 100% of the health insurance premium. The health benefits coverage will terminate when the retiree attains age 65.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Benefit Postemployment Benefit Plan (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.35%
Salary Increases Including Inflation:	WRS
Investment Rate of Return:	2.56%
Healthcare Cost Trend Rates:	5.10% for 2022-2023 increasing to 4.90% for 2023-2024, and decreasing to 3.70% thereafter

Mortality rates are the same as those used in the Wisconsin 2020 Mortality Table.

The actuarial assumptions used in the June 30, 2022 valuation were based on the "Wisconsin Retirement System 2018 - 2020 Experience Study".

The long-term expected rate of return on OPEB plan investments was valued at 2.82%. A blend of expected earnings on District funds and the current yield for 20 year tax-exempt AA Municipal bond rate or higher as of the measurement date was used for all years of benefit payments.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.52%. 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 not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and then municipal bond rate applied to benefit payments, to the extent that the plans' fiduciary net position is not projected to be sufficient.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Benefit Postemployment Benefit Plan (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at July 1, 2022	\$ 71,679,749	\$ 52,859,917	\$ 18,819,832
Changes for the Year:			
Service Cost	4,549,529	-	4,549,529
Interest	2,481,324	-	2,481,324
Effect on Plan Changes	-	-	-
Effect of Economic/Demographic Gains or Losses	1,585,955	-	1,585,955
Effect of Assumptions Changes or Inputs	2,628,720	-	2,628,720
Contributions - Employer	-	10,403,649	(10,403,649)
Member Contributions	-	520,810	(520,810)
Net Investment Income	-	1,997,040	(1,997,040)
Administrative Expenses	-	(13,500)	13,500
Benefit Payments	(6,553,096)	(6,553,096)	-
Net Changes	4,692,432	6,354,903	(1,662,471)
Balance at June 30, 2023	<u>\$ 76,372,181</u>	<u>\$ 59,214,820</u>	<u>\$ 17,157,361</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 (2.52%) or 1-percentage-point higher (4.52%) than the current rate:

	1% Decrease to Discount Rate (2.52%)	Current Discount Rate (3.52%)	1% Increase to Discount Rate (4.52%)
Net OPEB Liability	\$ 22,050,650	\$ 17,157,361	\$ 12,495,732

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 (4.10% decreasing to 2.70%) or 1-percentage-point higher (6.10% decreasing to 4.70%) than the current healthcare cost trend rates:

	1% Decrease (4.10% decreasing to 2.70%)	Healthcare Cost Trend Rates (5.10% decreasing to 3.70%)	1% Increase (6.10% decreasing to 4.70%)
Net OPEB Liability	\$ 9,417,225	\$ 17,157,361	\$ 26,209,700

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Benefit Postemployment Benefit Plan (Continued)

Changes in the Net OPEB Liability (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.

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$5,098,389. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,256,482	\$ 1,128,808
Changes in Assumptions	2,995,773	5,306,811
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	359,897	-
Total	<u>\$ 7,612,152</u>	<u>\$ 6,435,619</u>

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

<u>Year Ended June 30,</u>	<u>(Revenue) Expense</u>
2024	\$ (160,035)
2025	(260,201)
2026	(294,165)
2027	(267,320)
2028	269,922
Thereafter	1,888,332
Total	<u>\$ 1,176,533</u>

Payable to the OPEB Plan

At June 30, 2023, the District reported a payable of \$7,953,039 for the outstanding amount of contribution to the plan.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are listed below:

Life Insurance Employee Contribution Rates* For the Year Ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit

During the year ended June 30, 2023, LRLIF recognized \$111,596 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a liability of \$21,324,088 for its proportionate share of the net LRLIF OPEB liability. The net LRLIF OPEB liability was measured as of December 31, 2022, and the total LRLIF OPEB liability used to calculate the net LRLIF OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net LRLIF OPEB liability was based on the District's share of contributions to the LRLIF OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 5.59712800%, which was a decrease of 0.23736500% from its proportion measured as of December 31, 2021.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,948,785 from the LRLIF plan.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 2,086,912
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	400,132	-
Changes in Assumptions	7,661,280	12,587,059
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	359,543	1,155,251
Total	<u>\$ 8,420,955</u>	<u>\$ 15,829,222</u>

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

<u>Year Ended June 30,</u>	<u>Expense</u>
2024	\$ (619,940)
2025	(774,984)
2026	(343,646)
2027	(1,368,358)
2028	(2,227,916)
Thereafter	<u>(2,073,423)</u>
Total	<u>\$ (7,408,267)</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total LRLIF OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2021			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	50.0 %	2.45 %
U.S. Mortgages	Bloomberg US MBS	50.0	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate of 3.76% was used to measure the total LRLIF OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total LRLIF OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The project of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's Proportionate Share of Net LRLIF OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net LRLIF OPEB liability calculated using the discount rate of 3.76%, as well as what the District's proportionate share of the net LRLIF OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
District's Proportionate Share of the Net LRLIF OPEB Liability	\$ 29,073,139	\$ 21,324,088	\$ 15,385,344

LRLIF OPEB Plan Fiduciary Net Position

Detailed information about the LRLIF OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the LRLIF OPEB Plan

At June 30, 2023, the District reported a payable of \$-0- for the outstanding amount of contribution to the plan.

I. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At June 30, 2023, nonspendable fund balance was as follows:

	General	Nonmajor	Total
Nonspendable:			
Inventories and Prepaid Items	\$ 940,560	\$ 676,630	\$ 1,617,190

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2023, restricted fund balance was as follows:

General Fund:

Restricted for:

CTE Grant	\$ 359,713
PLTW	57,065
Common School Library Fund	340,613
Get Kids Ahead	544,686
Total General Fund Restricted Fund Balance	<u>1,302,077</u>

Special Revenue Funds:

Restricted for:

Community Services	4,171,062
Scholarships	334,065
Food Services Program	3,083,243
Total Special Revenue Fund Restricted Fund Balance	<u>7,588,370</u>

Debt Service Fund:

Restricted for:

Retirement of Long-Term Debt	<u>2,622,076</u>
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Total Restricted Fund Balance	<u><u>\$ 11,512,523</u></u>
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Committed Fund Balance

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

General Fund:

Committed for:

Contracts	\$ 10,889,313
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Special Revenue Funds:

Committed for:

Donations	150,193
Student Activities	1,867,546
Total Special Revenue Fund Committed Fund Balance	<u>2,017,739</u>

Total Committed Fund Balance	<u><u>\$ 12,907,052</u></u>
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**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At June 30, 2023, fund balance was assigned as follows:

General Fund:

Assigned for:

Charter Schools	\$ 3,704,371
Budget Carryovers	<u>834,075</u>
Total Assigned Fund Balance	<u><u>\$ 4,538,446</u></u>

Minimum General Fund Balance Policy

The District has also adopted a minimum fund balance policy that unassigned fund balance in the general fund will be equal to a minimum of 15% and a maximum of 20% of the ensuing year's budgeted general fund expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2024 General Fund Expenditures	\$ 292,808,668
Minimum Fund Balance %	<u>(x) 15% - 20%</u>
Minimum Fund Balance Amount	<u><u>\$43,921,300 to \$58,561,734</u></u>

The District's unassigned General Fund balance of \$63,704,456 is above the minimum and maximum fund balance amount.

Restricted Fiduciary Fund Net Position

In the fund financial statements, portions of fiduciary fund net position are not available for appropriation or are legally restricted for use for a specific purpose. At June 30, 2023, restricted fiduciary fund net position was as follows:

Fiduciary Funds:

Restricted for:

Postemployment Benefits	<u><u>\$ 59,214,820</u></u>
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**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Net Position

The District reports restricted net position at June 30, 2023 as follows:

Governmental Activities:

Restricted for:

Debt Service	\$ 1,646,253
Food Service	3,759,873
Community Service	4,171,062
Scholarships	334,065
Grants	<u>1,302,077</u>
Total Governmental Activities	
Restricted Net Position	<u><u>\$ 11,213,330</u></u>

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. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from coverage in the prior year.

Self-Funded Insurance Program

The District has a self-insured workers' compensation benefit plan for its employees. The plan administrator, Aegis Corporation (administrator), is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The plan reports on a fiscal year ended June 30, 2023.

Accounting and budgeting requirements for the plan are established by the Wisconsin Department of Public Instruction. Currently, the plan is accounted for in the General Fund of the District.

As part of the workers' compensation coverage of the plan, the District purchases stop-loss coverage, which pays claims in excess of \$1 million per individual.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Self-Funded Insurance Program (Continued)

At June 30, 2023, the District has reported a liability of \$1,164,977 which represents reported and unreported claims which were incurred on or before June 30, 2023, but were not paid by the District as of that date. The amounts not reported to the District were determined by the plan administrator. Changes in the claims liability for the years ended June 30, 2022 and June 30, 2023 are as follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability June 30
2022	\$ 1,357,457	\$ 1,192,090	\$ 1,679,473	\$ 870,074
2023	870,074	1,944,016	1,649,113	1,164,977

The District has not received an actuarial certification attesting to the adequacy of the reserves, rates, and overall financial soundness of the plan.

B. Contingencies

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.

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.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Commitments

In March 2023, the District entered into a lease agreement with Kenosha Area Business Alliance Foundation, Inc. for the purpose of building space for LakeView Technology Academy for a period of twenty-five years commencing on the anticipated effective date of August 2024. The lease agreement is noncancellable. Payments range from \$423,951 to \$467,963, with a five year optional term in the amount of \$479,662.

REQUIRED SUPPLEMENTARY INFORMATION

KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
BUDGET TO ACTUAL — GENERAL FUND — BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 70,288,237	\$ 70,288,237	\$ 70,288,237	\$ -
Other Local Sources	1,678,819	2,104,914	7,053,383	4,948,469
Interdistrict Sources	1,700,000	1,700,000	1,778,983	78,983
Intermediate Sources	-	158,461	154,861	(3,600)
State Sources	166,384,173	166,880,228	166,933,264	53,036
Federal Sources	55,186,163	55,131,689	36,610,605	(18,521,084)
Other Sources	60,000	60,000	273,384	213,384
Total Revenues	295,297,392	296,323,529	283,092,717	(13,230,812)
EXPENDITURES				
Instruction:				
Regular Instruction	117,991,754	123,352,492	113,746,058	9,606,434
Vocational Instruction	5,586,286	5,769,681	5,143,136	626,545
Other Instruction	8,509,266	8,912,448	8,046,409	866,039
Total Instruction	132,087,306	138,034,621	126,935,603	11,099,018
Support Services:				
Pupil Services	13,715,515	14,401,151	13,873,304	527,847
Instructional Staff Services	20,789,234	17,315,594	14,742,008	2,573,586
General Administration Services	1,376,214	1,367,887	1,253,188	114,699
School Administration Services	15,388,071	15,395,719	16,204,095	(808,376)
Business Services	2,609,891	2,609,891	2,461,943	147,948
Operations and Maintenance of Plant	49,742,884	48,979,934	40,050,762	8,929,172
Pupil Transportation Services	5,797,273	5,843,082	6,089,651	(246,569)
Central Services	3,231,573	3,259,680	3,148,124	111,556
Insurance	725,150	725,150	751,390	(26,240)
Other Support Services	5,453,562	6,695,271	10,083,492	(3,388,221)
Total Support Services	118,829,367	116,593,359	108,657,957	7,935,402
Debt Service:				
Principal	-	-	717,105	(717,105)
Interest and Fiscal Charges	322,000	322,000	252,297	69,703
Total Debt Service	322,000	322,000	969,402	(647,402)
Nonprogram:				
General Tuition Payments	10,030,649	10,047,872	10,901,459	(853,587)
Adjustments and Refunds	-	-	120,665	(120,665)
Total Nonprogram	10,030,649	10,047,872	11,022,124	(974,252)
Total Expenditures	261,269,322	264,997,852	247,585,086	17,412,766
EXCESS OF REVENUES OVER EXPENDITURES	34,028,070	31,325,677	35,507,631	4,181,954
OTHER FINANCING SOURCES (USES)				
Leases Issued	-	-	290,507	290,507
Proceeds from Sale of Capital Assets	-	-	1,197,097	1,197,097
Transfers In	321,886	335,840	257,312	(78,528)
Transfers Out	(34,717,621)	(34,715,554)	(30,762,209)	3,953,345
Total Other Financing Sources (Uses)	(34,395,735)	(34,379,714)	(29,017,293)	5,362,421
NET CHANGE IN FUND BALANCE	(367,665)	(3,054,037)	6,490,338	9,544,375
Fund Balance - Beginning of Year	74,884,514	74,884,514	74,884,514	-
FUND BALANCE - END OF YEAR	<u>\$ 74,516,849</u>	<u>\$ 71,830,477</u>	<u>\$ 81,374,852</u>	<u>\$ 9,544,375</u>

See Notes to Required Supplementary Information.

KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
BUDGET TO ACTUAL — SPECIAL EDUCATION SPECIAL REVENUE FUND —
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Other Local Sources	\$ 5,000	\$ 5,000	\$ 3,952	\$ (1,048)
State Sources	11,763,432	11,763,432	12,565,941	802,509
Federal Sources	5,092,250	5,299,819	5,198,825	(100,994)
Total Revenues	16,860,682	17,068,251	17,768,718	700,467
EXPENDITURES				
Instruction:				
Special Education Instruction	40,385,320	40,502,854	37,461,092	3,041,762
Other Instruction	66	66	-	66
Total Instruction	40,385,386	40,502,920	37,461,092	3,041,828
Support Services:				
Pupil Services	6,917,541	6,917,626	6,205,829	711,797
Instructional Staff Services	1,296,374	1,368,876	1,222,885	145,991
Operations and Maintenance of Plant	215	300	16,103	(15,803)
Pupil Transportation Services	2,669,200	2,669,950	3,173,274	(503,324)
Other Support Services	76,366	76,941	81,206	(4,265)
Total Support Services	10,959,696	11,033,693	10,699,297	334,396
Nonprogram:				
Special Education Tuition Payments	25,000	26,086	226,639	(200,553)
Total Expenditures	51,370,082	51,562,699	48,387,028	3,175,671
EXCESS OF REVENUES UNDER EXPENDITURES	(34,509,400)	(34,494,448)	(30,618,310)	3,876,138
OTHER FINANCING SOURCES (USES)				
Transfers In	34,717,621	34,715,554	30,762,209	(3,953,345)
Transfers Out	(208,221)	(221,106)	(143,899)	77,207
Total Other Financing Sources (Uses)	34,509,400	34,494,448	30,618,310	(3,876,138)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Required Supplementary Information.

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS —
SINGLE-EMPLOYER DEFINED BENEFIT OTHER POSTEMPLOYMENT PLAN
LAST 10 FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 4,549,529	\$ 5,162,700	\$ 4,997,622	\$ 4,529,182	\$ 6,106,457	\$ 6,136,970	\$ 6,651,090
Interest	2,481,324	1,565,965	1,560,134	2,337,899	4,072,739	3,595,120	2,902,942
Effect of Plan Changes	-	-	-	-	(30,983,814)	-	-
Effect of Economic/Demographic Gains or Losses	1,585,955	2,066,524	605,150	(1,547,420)	(485,969)	619,689	2,052,664
Effect of Assumptions Changes or Inputs	2,628,720	(1,266,619)	303,369	745,486	(5,083,461)	(1,839,964)	(4,525,856)
Benefit Payments	(6,553,096)	(5,670,319)	(4,566,795)	(4,718,297)	(7,729,757)	(6,739,916)	(8,699,457)
Net Change in Total OPEB Liability	4,692,432	1,858,251	2,899,480	1,346,850	(34,103,805)	1,771,899	(1,618,617)
Total OPEB Liability - Beginning	71,679,749	69,821,498	66,922,018	65,575,168	99,678,973	97,907,074	99,525,691
Total OPEB Liability - Ending (a)	<u>\$ 76,372,181</u>	<u>\$ 71,679,749</u>	<u>\$ 69,821,498</u>	<u>\$ 66,922,018</u>	<u>\$ 65,575,168</u>	<u>\$ 99,678,973</u>	<u>\$ 97,907,074</u>
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 10,403,649	\$ 12,984,449	\$ 10,398,181	\$ 10,482,243	\$ 12,103,990	\$ 10,928,534	\$ 12,316,038
Net Investment Income	1,997,040	70,487	170,331	413,227	548,843	286,003	104,661
Benefit Payments	(6,553,096)	(5,670,319)	(4,566,795)	(4,718,297)	(7,729,757)	(6,739,916)	(8,699,457)
Administrative Expenses	(13,500)	-	(13,905)	(13,500)	-	-	372,857
Member Contributions	520,810	492,484	355,454	351,426	462,613	437,193	386,295
Net Change in Plan Fiduciary Net Position	6,354,903	7,877,101	6,343,266	6,515,099	5,385,689	4,911,814	4,480,394
Plan Fiduciary Net Position - Beginning	52,859,917	44,982,816	38,639,550	32,124,451	26,738,762	21,826,948	17,346,554
Plan Fiduciary Net Position - Ending (b)	<u>\$ 59,214,820</u>	<u>\$ 52,859,917</u>	<u>\$ 44,982,816</u>	<u>\$ 38,639,550</u>	<u>\$ 32,124,451</u>	<u>\$ 26,738,762</u>	<u>\$ 21,826,948</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 17,157,361</u>	<u>\$ 18,819,832</u>	<u>\$ 24,838,682</u>	<u>\$ 28,282,468</u>	<u>\$ 33,450,717</u>	<u>\$ 72,940,211</u>	<u>\$ 76,080,126</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	78%	74%	64%	58%	49%	27%	22%
Covered-Employee Payroll	\$ 148,737,357	\$ 145,934,429	\$ 145,516,244	\$ 142,552,539	\$ 138,155,128	\$ 131,554,820	\$ 133,952,782
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	12%	13%	17%	20%	24%	55%	57%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	3.88%	0.16%	0.44%	1.17%	1.87%	1.18%	0.53%

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

See Notes to Required Supplementary Information.

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS —
SINGLE-EMPLOYER DEFINED BENEFIT OTHER POSTEMPLOYMENT PLAN
LAST 10 FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ 5,714,693	\$ 6,409,868	\$ 6,414,431	\$ 6,492,823	\$ 10,483,198	\$ 10,528,984	\$ 10,952,469
Contributions in Relation to the ADC	10,403,649	12,984,449	10,398,181	10,482,243	12,103,990	10,928,534	12,316,038
Contribution Deficiency (Excess)	<u>\$ (4,688,956)</u>	<u>\$ (6,574,581)</u>	<u>\$ (3,983,750)</u>	<u>\$ (3,989,420)</u>	<u>\$ (1,620,792)</u>	<u>\$ (399,550)</u>	<u>\$ (1,363,569)</u>
Covered-Employee Payroll	\$ 148,737,357	\$ 145,934,429	\$ 145,516,244	\$ 142,552,539	\$ 138,155,128	\$ 131,554,820	\$ 133,952,782
Contributions as a Percentage of Covered-Employee Payroll	6.99%	8.90%	7.15%	7.35%	8.76%	8.31%	9.19%

Key Methods and Assumption Used to Calculate ADC

Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Amortization Method	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar	30 Year Level Dollar
Discount Rate	3.40%	2.17%	2.24%	3.45%	3.85%	3.85%	3.57%
Inflation	2.35%	2.20%	2.20%	2.30%	2.3%	2.3%	3.0%

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

See Notes to Required Supplementary Information.

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) —
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS***

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	1.00717634 %	\$ (24,739,006)	\$ 141,510,815	17.48 %	102.74 %
12/31/15	1.00194701	16,281,444	143,092,222	11.38	98.20
12/31/16	1.00757730	8,304,843	144,464,731	5.75	99.12
12/31/17	0.98029680	(29,106,175)	138,468,955	21.02	102.93
12/31/18	0.95666211	34,035,039	144,131,114	23.61	96.45
12/31/19	0.94560901	(30,490,751)	154,669,147	(19.71)	102.96
12/31/20	0.93835093	(58,582,550)	152,200,267	(38.49)	105.26
12/31/21	0.91907325	(74,078,995)	152,176,202	(48.68)	106.02
12/31/22	0.88112271	46,679,271	153,971,111	30.32	95.72

**SCHEDULE OF CONTRIBUTIONS —
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS***

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	\$ 9,783,986	\$ 9,783,986	\$ -	\$ 142,255,255	6.88 %
6/30/16	9,544,430	9,544,430	-	142,911,017	6.68
6/30/17	9,775,956	9,775,956	-	145,641,274	6.71
6/30/18	9,474,391	9,474,391	-	140,651,906	6.74
6/30/19	9,715,921	9,715,921	-	147,162,795	6.60
6/30/20	10,166,917	10,166,917	-	152,357,105	6.67
6/30/21	10,195,814	10,195,814	-	151,049,090	6.75
6/30/22	10,101,695	10,101,695	-	153,118,905	6.60
6/30/23	10,369,453	10,369,453	-	155,154,496	6.68

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

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) —
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS***

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	5.89314100 %	\$ 17,729,987	\$ 138,468,955	12.80 %	44.81 %
12/31/18	5.64697400	14,571,098	127,134,000	11.46	48.69
12/31/19	5.67155000	24,150,565	126,461,000	19.10	37.58
12/31/20	5.83882100	32,117,732	133,484,000	24.06	31.36
12/31/21	5.83449300	34,484,010	128,205,000	26.90	29.57
12/31/22	5.59712800	21,324,088	122,726,000	17.38	38.81

**SCHEDULE OF CONTRIBUTIONS —
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS***

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
6/30/18	\$ 111,482	\$ 111,482	\$ -	\$ 140,651,906	0.0008 %
6/30/19	110,439	110,439	-	147,162,795	0.0008
6/30/20	113,374	113,374	-	152,357,105	0.0007
6/30/21	120,797	120,797	-	151,049,090	0.0008
6/30/22	114,642	114,642	-	153,118,905	0.0007
6/30/23	111,596	111,596	-	155,154,496	0.0007

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit Postemployment Benefit Plan

Changes of Benefit Terms

There were no changes in benefit terms included in the actuarial valuation for the year ended June 30, 2023.

Changes of Assumptions

6/30/2023	Actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate and medical trend rates.
6/30/2022	Actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate, demographic assumption, medical trend rates, and expected medical costs.
6/30/2021	Actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate, demographic assumptions, participant rate and spouse elections, medical trends, and expected medical costs.
6/30/2020	Actuarial assumptions are based on an actuarial experience study for the period 2015-2017 for the Wisconsin Retirement System. Based on the experience study, actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates. The discount rate selected is in accordance with GASB 74/75. The expected claims and medical trend rates were changed to reflect anticipated experience under the most recent Getzen model application. The percentage of retirees electing family coverage for dental benefits was updated per a review of recent data. The overall impact of the new assumptions is an increase in the benefit obligation of \$745,486
6/30/2019	Actuarial assumptions are based on an actuarial experience study for the period 2015-2017 for the Wisconsin Retirement System. Based on the experience study, actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.
6/30/2018	No significant change in assumptions were noted from the prior year.

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Local Retiree Life Insurance Fund

Changes of Benefit Terms

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

Changes of Assumptions

The ETF Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retirement insurance programs and are summaries below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate form 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate form 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

NOTE 2 WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms

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

Changes of Assumptions

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

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

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 end December 31, 2018, including the following:

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

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2023.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 3 BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented in accordance with U.S. GAAP, except the District adopts a budget for the special education special revenue fund. 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</u>
Revenues:		
Actual Amounts (Budgetary Basis)	\$ 283,092,717	\$ 17,768,718
Reclassification of Special Education	<u>17,768,718</u>	<u>(17,768,718)</u>
Total Revenues	300,861,435	-
Expenditures:		
Actual Amounts (Budgetary Basis)	247,585,086	48,387,028
Reclassification of Special Education	<u>48,387,028</u>	<u>(48,387,028)</u>
Total Expenditures	295,972,114	-
Excess Revenues Over (Under) Expenditures:		
Actual Amounts (Budgetary Basis)	35,507,631	(30,618,310)
Reclassification of Special Education	<u>(30,618,310)</u>	<u>30,618,310</u>
Excess of Revenues Over (Under) Expenditures	4,889,321	-
Other Financing Sources (Uses):		
Actual Amounts (Budgetary Basis)	(29,017,293)	30,618,310
Reclassification of Special Education	<u>30,618,310</u>	<u>(30,618,310)</u>
Total Other Financing Sources (Uses)	<u>1,601,017</u>	<u>-</u>
Net Change in Fund Balance		
Actual Amounts (Budgetary Basis)	6,490,338	-
Fund Balance - Beginning of the Year		
Actual Amounts (Budgetary Basis)	<u>74,884,514</u>	<u>-</u>
Fund Balance - End of the Year		
Actual Amounts (Budgetary Basis)	<u><u>\$ 81,374,852</u></u>	<u><u>\$ -</u></u>

SUPPLEMENTARY INFORMATION

**KENOSHA UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue				Total Nonmajor Governmental Funds
	Head Start	Special Revenue Trust	Food Service	Community Service	
ASSETS					
Cash and Investments	\$ -	\$ 2,356,459	\$ 3,347,245	\$ 4,161,303	\$ 9,865,007
Receivables:					
Accounts, Net	-	6,267	-	18,369	24,636
Due to Employee Benefit Trust Fund	25,250	-	23,956	9,252	58,458
Due from Other Governments	222,605	-	20,010	-	242,615
Inventories and Prepaid Items	-	-	676,630	-	676,630
Total Assets	\$ 247,855	\$ 2,362,726	\$ 4,067,841	\$ 4,188,924	\$ 10,867,346
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 33,789	\$ 10,922	\$ 124,643	\$ 17,862	\$ 187,216
Due to Other Funds	214,066	-	-	-	214,066
Deposits Payable	-	-	183,325	-	183,325
Total Liabilities	247,855	10,922	307,968	17,862	584,607
FUND BALANCES					
Nonspendable	-	-	676,630	-	676,630
Restricted	-	334,065	3,083,243	4,171,062	7,588,370
Committed	-	2,017,739	-	-	2,017,739
Total Fund Balances	-	2,351,804	3,759,873	4,171,062	10,282,739
Total Liabilities and Fund Balances	\$ 247,855	\$ 2,362,726	\$ 4,067,841	\$ 4,188,924	\$ 10,867,346

**KENOSHA UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue				Total Nonmajor Governmental Funds
	Head Start	Special Revenue Trust	Food Service	Community Service	
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Other Local Sources	-	3,194,366	1,132,433	74,865	4,401,664
State Sources	-	-	132,513	-	132,513
Federal Sources	2,766,776	-	8,149,496	-	10,916,272
Other Sources	-	112,233	234	-	112,467
Total Revenues	2,766,776	3,306,599	9,414,676	1,574,865	17,062,916
EXPENDITURES					
Instruction:					
Regular Instruction	742,847	6,589	-	-	749,436
Other Instruction	980,321	24,753	-	-	1,005,074
Total Instruction	1,723,168	31,342	-	-	1,754,510
Support Services:					
Pupil Services	463,595	-	-	-	463,595
Instructional Staff Services	18,613	92,653	-	-	111,266
General Administration Services	-	-	-	447,608	447,608
School Administration Services	305,900	3,097,848	-	-	3,403,748
Operations and Maintenance of Plant	91,968	-	174,515	15,264	281,747
Pupil Transportation Services	38,378	-	-	729	39,107
Food Services	11,741	-	9,316,983	-	9,328,724
Total Support Services	930,195	3,190,501	9,491,498	463,601	14,075,795
Community Service	-	-	-	1,095,266	1,095,266
Nonprogram:					
Post-Secondary Scholarship Expenditures	-	8,900	-	-	8,900
Total Expenditures	2,653,363	3,230,743	9,491,498	1,558,867	16,934,471
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	113,413	75,856	(76,822)	15,998	128,445
OTHER FINANCING USES					
Transfers Out	(113,413)	-	-	-	(113,413)
NET CHANGE IN FUND BALANCE	-	75,856	(76,822)	15,998	15,032
Fund Balance - Beginning of Year	-	2,275,948	3,836,695	4,155,064	10,267,707
FUND BALANCE - END OF YEAR	\$ -	\$ 2,351,804	\$ 3,759,873	\$ 4,171,062	\$ 10,282,739

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
YEAR ENDED JUNE 30, 2023**

		The Brompton School	Dimensions of Learning	Kenosha School of Technology Enhance Curriculum	Kenosha E-School	Harborside Academy
Operating Activity:	Object					
Employee Salaries	100	\$ 64,359	\$ 65,511	\$ 374,424	\$ 86,232	\$ 181,942
Employee Benefits	200	27,985	30,405	171,437	36,378	78,101
Purchased Services	300	3,612	3,156	36,333	1,714	19,793
Noncapital Objects	400	4,283	960	12,877	7,302	8,121
Other	900	14	1	713	2	25
Total		<u>\$ 100,253</u>	<u>\$ 100,033</u>	<u>\$ 595,784</u>	<u>\$ 131,628</u>	<u>\$ 287,982</u>

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOL OPERATING COSTS
YEAR ENDED JUNE 30, 2023**

				Kenosha School of Technology Enhance Curriculum	Kenosha E-School	Harborside Academy
Function:	WUFAR	The Brompton School	Dimensions of Learning			
Undifferentiated Curriculum	110000	\$ 901,413	\$ 1,319,425	\$ 7,820,325	\$ 1,852,805	\$ 4,130,134
Regular Instruction	120000	466,191	182,400	12,960	-	11,171
Vocational Instruction	130000	-	-	30,341	-	417
Physical Curriculum	140000	43,513	88,106	180,178	-	3,256
Special Education Instruction	150000	44,874	949	827,150	194,509	451,503
Co-curriculum Activities	160000	-	-	-	-	13,399
Pupil Services	210000	77,272	36,562	163,118	125,003	215,053
Instructional Staff Training	220000	28,267	82,401	387,445	147,883	53,567
School Administration Services	240000	313,135	148,784	1,129,849	217,199	382,643
Business Administration Services	250000	80,250	87,554	1,058,730	23,453	341,632
Total		<u>\$ 1,954,915</u>	<u>\$ 1,946,181</u>	<u>\$ 11,610,096</u>	<u>\$ 2,560,852</u>	<u>\$ 5,602,775</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
Kenosha Unified School District
Kenosha, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenosha Unified School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses, or significant deficiencies may exist that have not been identified.

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*.

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 4, 2023

FEDERAL AND STATE AWARDS



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

Board of Education
Kenosha Unified School District
Kenosha, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Kenosha Unified School District'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 state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and 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 Wisconsin *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the Wisconsin *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 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 of 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 Wisconsin *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Wisconsin *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 Wisconsin *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 Wisconsin *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 4, 2023

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/Federal Program Title	Federal Assistance Listing	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
<i>Child Nutrition Cluster</i>								
(COVID-19) School Breakfast Program	10.553	WI DPI	2022-302793-SB-546	\$ (74,373)	\$ 74,373	\$ -	\$ -	\$ -
School Breakfast Program	10.553	WI DPI	2023-302793-DPI-SB-546	-	1,666,815	-	1,666,815	-
Total School Breakfast Program				(74,373)	1,741,188	-	1,666,815	-
(COVID-19) - National School Lunch Program	10.555	WI DPI	2022-302793-NSL-547	(172,577)	172,577	-	-	-
National School Lunch Program	10.555	WI DPI	2023-302793-NSL-547	-	5,525,183	-	5,525,183	-
Donated Commodities	10.555	WI DPI	N/A	-	725,395	-	725,395	-
Total National School Lunch Program				(172,577)	6,423,155	-	6,250,578	-
(COVID-19) - Summer Food Service Program for Children	10.559	WI DPI	2022-302793-SFSP-586	(21,888)	21,888	-	-	-
Summer Food Service Program for Children	10.559	WI DPI	2023-302793-SFSP-586	-	29,840	20,010	49,850	-
Total Summer Food Service Program for Children				(21,888)	51,728	20,010	49,850	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2022-302793-DPI-FFVPOCTPUB-376	(26,448)	26,448	-	-	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2023-302793-DPI-FFVPOCTPUB-376	-	154,514	-	154,514	-
Fresh Fruit and Vegetable Program	10.582	WI DPI	2023-302793-DPI-FFVJPJULPUB-594	-	27,739	-	27,739	-
Total Fresh Fruit and Vegetable Program				(26,448)	208,701	-	182,253	-
Total Child Nutrition Cluster				(295,286)	8,424,772	20,010	8,149,496	-
Total U.S. Department of Agriculture				(295,286)	8,424,772	20,010	8,149,496	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2023-302793-DPI-TIA-141	(1,984,383)	6,442,256	1,054,763	5,512,636	-
Title I Grants to Local Educational Agencies	84.010A	WI DPI	2023-302793-DPI-TI-D N&D-144	(8,878)	55,707	5,844	52,673	-
Total Title I Grants to Local Educational Agencies				(1,993,261)	6,497,963	1,060,607	5,565,309	-
<i>Special Education Cluster (IDEA)</i>								
Special Education Grants to States	84.027A	WI DPI	2023-302793-DPI-IDEA-FT-341	(1,245,777)	4,718,560	1,574,307	5,047,090	-
Special Education Preschool Grants	84.173A	WI DPI	2023-302793-DPI-IDEA-P-347	(143,247)	292,177	22,251	171,181	-
(COVID-19) Special Education Preschool Grants	84.173A	WI DPI	2022-302793-DPI-IDEA-P-347	(75,387)	75,387	-	-	-
Total Special Education Cluster (IDEA)				(1,464,411)	5,086,124	1,596,558	5,218,271	-

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

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

Grantor Agency/Federal Program Title	Federal Assistance Listing	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/22	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
Career and Technical Education - Basic Grants to States	84.048	WI DPI	2023-302793-DPI-CTE-400	\$ (71,446)	\$ 198,767	\$ 44,342	\$ 171,663	\$ -
English Language Acquisition State Grants	84.365A	WI DPI	2023-302793-DPI-TIIIA-391	(112,536)	345,215	28,693	261,372	-
Supporting Effective Instruction State Grants	84.367A	WI DPI	2023-302793-DPI-TIIA-365	(267,158)	794,220	93,840	620,902	-
Student Support and Academic Enrichment Program	84.424A	WI DPI	2023-302793-DPI-TIVA-381	(232,274)	694,904	91,067	553,697	-
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	WI DPI	2022-302793-DPI-ESSERF-160	(1,183,428)	1,353,234	-	169,806	-
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	WI DPI	2022-302793-DPI-ESSERFII-163	(5,268,972)	12,897,866	1,880,112	9,509,006	-
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	WI DPI	2022-302793-DPI-ESSERFII-165	-	9,667,596	4,762,235	14,429,831	-
(COVID-19) Governors Emergency Education Relief Fund	84.425C	WI DPI	2022-302793-DPI-GEERF-162	(2,329,709)	2,375,555	-	45,846	-
(COVID-19) ARPA-Homeless Children and Youth I	84.425W	WI DPI	2022-302793-DPI-ARPHCYI-168	-	-	17,132	17,132	-
(COVID-19) ARPA-Homeless Children and Youth II	84.425W	WI DPI	2023-302793-DPI-ARPHCYI-168	-	134,614	9,679	144,293	-
Total Education Stabilization Fund				<u>(8,782,109)</u>	<u>26,428,865</u>	<u>6,669,158</u>	<u>24,315,914</u>	<u>-</u>
Total U.S. Department of Education				(12,923,195)	40,046,058	9,584,265	36,707,128	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Public Health Emergency Response	93.354	CESA #1	N/A	-	154,861	-	154,861	-
<i>Head Start Cluster</i>								
Head Start	93.600	Direct Program	N/A	(284,632)	2,381,913	222,605	2,319,886	-
(COVID-19) CARES Act - Head Start	93.600	Direct Program	N/A	-	87,478	-	87,478	-
(COVID-19) American Rescue Plan (ARP) - Head Start	93.600	Direct Program	N/A	(34,457)	393,869	-	359,412	-
Total Head Start Cluster				<u>(319,089)</u>	<u>2,863,260</u>	<u>222,605</u>	<u>2,766,776</u>	<u>-</u>
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	WI DHS	44202800	(94,046)	2,949,223	134,375	2,989,552	-
Total Medicaid Cluster								
Total U.S. Department of Health and Human Services				<u>(413,135)</u>	<u>5,967,344</u>	<u>356,980</u>	<u>5,911,189</u>	<u>-</u>
Total Federal Awards				<u>\$ (13,631,616)</u>	<u>\$ 54,438,174</u>	<u>\$ 9,961,255</u>	<u>\$ 50,767,813</u>	<u>\$ -</u>

Reconciliation to the Basic Financial Statements:

Federal Sources	\$ 52,725,702
Intermediate Sources	154,861
Less: JROTC not Subject to Single Audit	38,463
Less: Governors CRF Funding	1,801,944
Less: Get Kids Ahead	272,343
Total Federal Awards	<u>\$ 50,767,813</u>

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

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 7/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/23	Total Expenditures	Subrecipient Payments
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents	255.101	Direct Program	302793-100	\$ -	\$ 12,317,592	\$ -	\$ 12,317,592	\$ -
State School Lunch Aid	255.102	Direct Program	302793-107	-	70,597	-	70,597	-
Common School Fund Library Aid	255.103	Direct Program	302793-104	-	1,271,600	-	1,271,600	-
Bilingual Bicultural Aid Lea	255.106	Direct Program	302793-111	-	31,650	-	31,650	-
General Transportation Aid	255.107	Direct Program	302793-102	-	240,749	-	240,749	-
WI School Day Milk Program	255.115	Direct Program	302793-109	-	15,752	-	15,752	-
Equalization Aids	255.201	Direct Program	302793-116	-	147,448,617	-	147,448,617	-
High Cost Special Education Aid	255.210	Direct Program	302793-119	-	139,432	-	139,432	-
School Based Mental Health Services Grant	255.297	Direct Program	302793-177	(48,778)	48,778	100,838	100,838	-
Alcohol and Other Drug Abuse	255.306	Direct Program	302793-143	(1,908)	12,557	1,708	12,357	-
Head Start Supplement	255.327	Direct Program	302793-145	(30,377)	286,139	40,475	296,237	-
State School Breakfast Aid	255.344	Direct Program	302793-108	-	46,164	-	46,164	-
Tuition Payments by State	255.401	Direct Program	302793-157	-	217,643	-	217,643	-
Early College Credit Program	255.445	Direct Program	302793-178	-	1,465	-	1,465	-
High-Poverty Aid	255.926	Direct Program	302793-121	-	1,073,240	-	1,073,240	-
Educator Effective Evaluation System	255.940	Direct Program	302793-154	(127,840)	127,840	124,400	124,400	-
Per Pupil Aid	255.945	Direct Program	302793-113	-	14,313,922	-	14,313,922	-
Career and Technical Education Incentive Grants	255.950	Direct Program	302793-152	-	271,871	-	271,871	-
Assessments of Reading Readiness	255.956	Direct Program	302793-166	-	23,310	-	23,310	-
Special Education Transition Incentives Grant	255.960	Direct Program	302793-168	-	108,917	-	108,917	-
Total Wisconsin Department of Public Instruction				<u>(208,903)</u>	<u>178,067,835</u>	<u>267,421</u>	<u>178,126,353</u>	<u>-</u>
WISCONSIN DEPARTMENT OF JUSTICE								
School Safety Initiative	455.206	Direct Program	2018-SSI-10-17302	-	-	59,054	59,054	-
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT								
Youth Apprenticeship Program	445.107	Direct Program	3659	(35,149)	89,835	21,459	76,145	-
Total Wisconsin Department of Workforce Development				<u>(35,149)</u>	<u>89,835</u>	<u>21,459</u>	<u>76,145</u>	<u>-</u>
Total State Awards				<u>\$ (244,052)</u>	<u>\$ 178,157,670</u>	<u>\$ 347,934</u>	<u>\$ 178,261,552</u>	<u>\$ -</u>
Reconciliation to the Basic Financial Statements:								
State Sources							\$ 179,631,718	
Less: State Sources not Considered State Financial Assistance								
State Exempt Aids							1,337,079	
Payment in Lieu of Taxes (PILOT)							33,087	
Total State Awards							<u>\$ 178,261,552</u>	

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

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the Kenosha Unified School District (the 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, or changes in net position of the District.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2023 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Wisconsin *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% for indirect 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.

**KENOSHA UNIFIED SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 5 OVERSIGHT AGENCIES

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

Federal - U.S. Department of Health and Human Services

State - Wisconsin Department of Public Instruction

NOTE 6 PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DHS - Wisconsin Department of Health Services

WI DPI - Wisconsin Department of Public Instruction

CESA #1 – Cooperative Educational Service Agency No. 1

NOTE 7 DONATED SERVICES

The District receives an undeterminable amount of donated services from a variety of unpaid volunteers assisting the Head Start program. Therefore, no amounts have been recorded in the Schedule of Expenditures of Federal Awards.

**KENOSHA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors' Results

Basic Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Were significant deficiency(ies) identified? _____ Yes X 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
 - Were significant deficiency(ies) identified? _____ Yes X None Reported
2. Type of auditor's 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(s)

Name of Federal Program

84.425C

(COVID-19) Elementary and Secondary
School Emergency Relief Fund

84.425D

(COVID-19) Governors Emergency Relief
Fund

84.425W

(COVID-19) APRA Homeless Children and
Youth

Audit threshold used to determine between Type A and Type B programs:

Federal

\$ 1,523,034

Auditee qualify as low-risk auditee?

 X Yes _____ No

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

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over major state programs:
- | | | |
|--|-----------|----------------------------|
| • Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| • Were significant deficiency(ies) identified? | _____ Yes | <u> X </u> None Reported |
2. Type of auditor's report issued on compliance for major programs:
- Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with the Wisconsin *State Single Audit Guidelines*?
- | | |
|-----------|-----------------|
| _____ Yes | <u> X </u> No |
|-----------|-----------------|

Identification of major state programs:

State ID Number(s)	Name of State Program
255.103	Common School Fund Library Aid
255.201	General Equalization Aids
255.945	Per Pupil Aids
255.950	Career and Technical Education Incentive Grants

Audit threshold used to determine between Type A and Type B programs:

State	\$	250,000
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Auditee qualify as low-risk auditee? X Yes No

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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal and State Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with Uniform Guidance or the Wisconsin *State Single Audit Guidelines*.

Section IV – Other Issues

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial, noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the Wisconsin *State Single Audit Guidelines*:

Department of Public Instruction	No
Department of Workforce Development	No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of partner



Amber Drewieske, CPA

5. Date of report

December 4, 2023

Elementary schools

Bose Elementary School

1900 15th St., Kenosha, WI 53140
Phone: 359-4044 Fax: 359-4005
kUSD.edu/bose

Brass Community School

6400 15th Ave., Kenosha, WI 53143
Phone: 359-8000 Fax: 359-8050
kUSD.edu/brass

Curtis Strange Elementary School

5414 49th Ave., Kenosha, WI 53144
Phone: 359-6024 Fax: 359-6247
kUSD.edu/strange

EBSOLA Creative Arts

2600 50th St., Kenosha, WI 53140
Phone: 359-2300 Fax: 359-2400
kUSD.edu/ebsolaca

Forest Park Elementary School

6810 45th Ave., Kenosha, WI 53142
Phone: 359-6319 Fax: 359-6170
kUSD.edu/forestpark

Frank Elementary School

1816 57th St., Kenosha, WI 53140
Phone: 359-6324 Fax: 359-6393
kUSD.edu/frank

Grant Elementary School

1716 35th St., Kenosha, WI 53140
Phone: 359-6346 Fax: 359-6672
kUSD.edu/grant

Grewenow Elementary School

7714 20th Ave., Kenosha, WI 53143
Phone: 359-6362 Fax: 359-7706
kUSD.edu/grewenow

Harvey Elementary School

2012 19th Ave., Kenosha, WI 53140
Phone: 359-4040 Fax: 359-4020
kUSD.edu/harvey

Jefferson Elementary School

1832 43rd St., Kenosha, WI 53140
Phone: 359-6390 Fax: 359-7578
kUSD.edu/jefferson

Jeffery Elementary School

4011 87th St., Kenosha, WI 53142
Phone: 359-2100 Fax: 359-2033
kUSD.edu/jeffery

McKinley Elementary School

5520 32nd Ave., Kenosha, WI 53144
Phone: 359-6002 Fax: 359-7641
kUSD.edu/mckinley

Nash Elementary School

6801 99th Ave., Kenosha, WI 53142
Phone: 359-3500 Fax: 359-3550
kUSD.edu/nash

Pleasant Prairie Elementary School

9208 Wilmot Road, Pleasant Prairie, WI 53158
Phone: 359-2104 Fax: 359-2157
kUSD.edu/pleasantprairie

Prairie Lane Elementary School

10717 47th Ave., Pleasant Prairie, WI 53158
Phone: 359-3600 Fax: 359-3650
kUSD.edu/prairielane

Roosevelt Elementary School

3322 Roosevelt Road, Kenosha, WI 53142
Phone: 359-6097 Fax: 359-6107
kUSD.edu/roosevelt

Somers Elementary School

1245 72nd Ave., Kenosha, WI 53144
Phone: 359-3200 Fax: 359-3212
kUSD.edu/somers

Southport Elementary School

723 76th St., Kenosha, WI 53143
Phone: 359-6309 Fax: 359-5952
kUSD.edu/southport

Stocker Elementary School

6315 67th St., Kenosha, WI 53142
Phone: 359-2143 Fax: 359-2012
kUSD.edu/stocker

Vernon Elementary School

8518 22nd Ave., Kenosha, WI 53143
Phone: 359-2113 Fax: 359-2169
kUSD.edu/vernon

Whittier Elementary School

8542 Cooper Road, Pleasant Prairie, WI 53158
Phone: 359-2110 Fax: 359-2270
kUSD.edu/whittier

Middle schools

Bullen Middle School

2804 39th Ave., Kenosha, WI 53144
Phone: 359-4460 Fax: 359-4487
kUSD.edu/bullen

Lance Middle School

4515 80th St., Kenosha, WI 53142
Phone: 359-2240 Fax: 359-2184
kUSD.edu/lance

Lincoln Middle School

6729 18th Ave., Kenosha, WI 53143
Phone: 359-6296 Fax: 359-5966
kUSD.edu/lincoln

Mahone Middle School

6900 60th St., Kenosha, WI 53144
Phone: 359-8100 Fax: 359-6851
kUSD.edu/mahone

Washington Middle School

811 Washington Road, Kenosha, WI 53140
Phone: 359-6291 Fax: 359-6056
kUSD.edu/washington

High schools

Bradford High School

3700 Washington Road, Kenosha, WI 53144
Phone: 359-6200 Fax: 359-5948
kUSD.edu/bradford

ITHSA High School

6800 60th St., Kenosha, WI 53144
Phone: 359-8700 Fax: 359-8756
kUSD.edu/indiantrail

Tremper High School

8560 26th Ave., Kenosha, WI 53143
Phone: 359-2200 Fax: 359-2353
kUSD.edu/tremper

Choice schools

LakeView Technology Academy (Grades 9-12)

9449 88th Ave., Pleasant Prairie, WI 53158
Phone: 359-8155 Fax: 359-8159
kUSD.edu/lakeview

Reuther Central High School (Grades 9-12)

913 57th St., Kenosha, WI 53140
Phone: 359-6160 Fax: 359-6281
kUSD.edu/reuther

ITHSA Academy

6800 60th St., Kenosha, WI 53144
Phone: 359-8700 Fax: 359-8756
kUSD.edu/indiantrail

EBSOLA Dual Language

2600 50th St., Kenosha, WI 53140
Phone: 359-2300 Fax: 359-2400
kUSD.edu/ebsoladl

Charter schools

Harborside Academy

(Grades 6-12)
913 57th St., Kenosha, WI 53140
Phone: 359-8400 Fax: 359-8450
kUSD.edu/harborside

Kenosha School of Technology Enhanced Curriculum (KTEC)

KTEC East (Grades K-8):
6811 18th Ave., Kenosha, WI 53143
Phone: 359-3800 Fax: 359-3850
KTEC West (Grades 4K-8):
5710 32nd Ave., Kenosha, WI 53144
Phone: 359-7100 Fax: 359-7070
kUSD.edu/ktec

The Brompton School

(Grades K-8)
8518 22nd Ave., Kenosha, WI 53143
Phone: 359-2191 Fax: 359-2194
kUSD.edu/brompton

Dimensions of Learning Academy

(Grades K-8)
6218 25th Ave., Kenosha, WI 53143
Phone: 359-6849 Fax: 359-3134
kUSD.edu/dimensions

Head Start Center

Cesar E. Chavez Learning Station

6300 27th Ave., Kenosha, WI 53143
Phone: 359-6078 Fax: 359-6286
kUSD.edu/chavez

Specialty schools

Hillcrest School

(Bridges Center/T.I.M.E. Program, grades 6-12)
4616 24th St., Kenosha, WI 53144
Phone: 359-6118 Fax: 359-7870
kUSD.edu/hillcrest