

**LODI SCHOOL DISTRICT
FINANCIAL STATEMENTS**

JUNE 30, 2023

(AUDITED)

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Education
Lodi School District
Lodi, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lodi School District (the "District"), Wisconsin 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, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditor's 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 these 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.

Auditor's 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 auditor's 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 general accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of information for pension and OPEB related items on pages 41 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, are presented for the 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 audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule 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 12, 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 of 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 District's internal control over financial reporting and compliance.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 12, 2023

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 7,293,436	\$ 278,269	\$ 7,571,705
Receivables			
Accounts	48,552	2,573	51,125
Taxes	4,180,415		4,180,415
Due from other governments	608,410	2,627	611,037
Inventory		6,031	6,031
Total Current Assets	<u>12,130,813</u>	<u>289,500</u>	<u>12,420,313</u>
Noncurrent Assets			
Land	214,307		214,307
Buildings and improvements	62,307,175		62,307,175
Construction in progress	443,333		443,333
Furniture and equipment	2,268,955	149,878	2,418,833
Less accumulated depreciation	(29,784,860)	(122,216)	(29,907,076)
Net Noncurrent Assets	<u>35,448,910</u>	<u>27,662</u>	<u>35,476,572</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources	11,905,439	73,025	11,978,464
OPEB and stipend related outflows of resources	131,752		131,752
Total Deferred Outflows of Resources	<u>12,037,191</u>	<u>73,025</u>	<u>12,110,216</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 59,616,914</u>	<u>\$ 390,187</u>	<u>\$ 60,007,101</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 596,074	\$ 29,519	\$ 625,593
Accrued Liabilities			
Payroll, payroll taxes, insurance	1,270,751		1,270,751
Interest	102,810		102,810
Due to other governments	723		723
Unearned revenue		26,210	26,210
Current portion of financing lease payable	85,423		85,423
Current portion of long-term obligations	992,554		992,554
Total Current Liabilities	<u>3,048,335</u>	<u>55,729</u>	<u>3,104,064</u>
Noncurrent Liabilities			
Capital lease payable	99,123		99,123
Noncurrent portion of long-term obligations	9,709,841		9,709,841
Total Noncurrent Liabilities	<u>9,808,964</u>	<u>0</u>	<u>9,808,964</u>
Other Noncurrent Liabilities			
Net pension liability	3,267,634	20,043	3,287,677
Net OPEB and stipend liability	1,122,171		1,122,171
Total Other Noncurrent Liabilities	<u>4,389,805</u>	<u>20,043</u>	<u>4,409,848</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources	6,842,705	41,971	6,884,676
OPEB and stipend related inflows of resources	295,237		295,237
Total Deferred Inflows of Resources	<u>7,137,942</u>	<u>41,971</u>	<u>7,179,913</u>
Total Liabilities and Deferred Inflows	<u>24,385,046</u>	<u>117,743</u>	<u>24,502,789</u>
NET POSITION			
Net investment in capital assets	25,399,050	27,662	25,426,712
Restricted	4,879,410	244,782	5,124,192
Unrestricted	4,953,408		4,953,408
Total Net Position	<u>35,231,868</u>	<u>272,444</u>	<u>35,504,312</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 59,616,914</u>	<u>\$ 390,187</u>	<u>\$ 60,007,101</u>

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI WISCONSIN**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular instruction	\$ 9,029,299	\$ 147,646	\$ 460,505	\$ (8,421,148)	\$ 0	\$ (8,421,148)
Vocational instruction	522,062	4,453		(517,609)		(517,609)
Special education instruction	3,203,221	32,142	1,105,737	(2,065,342)		(2,065,342)
Other instruction	1,165,993	416,239		(749,754)		(749,754)
Total Instruction	<u>13,920,575</u>	<u>600,480</u>	<u>1,566,242</u>	<u>(11,753,853)</u>	<u>0</u>	<u>(11,753,853)</u>
Support Services						
Pupil services	1,075,784	143,422	140,552	(791,810)		(791,810)
Instructional staff services	1,025,713		131,650	(894,063)		(894,063)
General administration services	484,671			(484,671)		(484,671)
Business administration services	1,209,734			(1,209,734)		(1,209,734)
Business services	437,192			(437,192)		(437,192)
Operations and maintenance of plant	3,001,817			(3,001,817)		(3,001,817)
Pupil transportation services	1,213,548	7,207	139,703	(1,066,638)		(1,066,638)
Central services	62,522			(62,522)		(62,522)
Insurance	206,137			(206,137)		(206,137)
Other support services	1,248,637			(1,248,637)		(1,248,637)
Community services	534,319	26,923		(507,396)		(507,396)
Depreciation - unallocated*	976,705			(976,705)		(976,705)
Interest on debt	366,940			(366,940)		(366,940)
Total Support Services	<u>11,843,719</u>	<u>177,552</u>	<u>411,905</u>	<u>(11,254,262)</u>	<u>0</u>	<u>(11,254,262)</u>
Total Governmental Activities	<u>25,764,294</u>	<u>778,032</u>	<u>1,978,147</u>	<u>(23,008,115)</u>	<u>0</u>	<u>(23,008,115)</u>
Business-Type Activities						
School Food Service Program	<u>975,214</u>	<u>497,790</u>	<u>338,074</u>	<u>0</u>	<u>(139,350)</u>	<u>(139,350)</u>
TOTAL SCHOOL DISTRICT	<u>\$ 26,739,508</u>	<u>\$ 1,275,822</u>	<u>\$ 2,316,221</u>	<u>(23,008,115)</u>	<u>(139,350)</u>	<u>(23,147,465)</u>
General Revenues						
Property taxes						
General purposes				13,058,857		13,058,857
Debt services				1,131,272		1,131,272
Capital expansion				2,180,000		2,180,000
Community services				400,000		400,000
State and federal aids not restricted to specific functions						
General				5,469,678		5,469,678
Other				2,169,514		2,169,514
Interest and investment earnings				309,905		309,905
Gain (loss) on disposal of fixed assets				(14,245)		(14,245)
Miscellaneous				254,513		254,513
Total General Revenues				<u>24,959,494</u>	<u>0</u>	<u>24,959,494</u>
Change in Net Position				1,951,379	(139,350)	1,812,029
NET POSITION - Beginning of Year				<u>33,280,489</u>	<u>411,794</u>	<u>33,692,283</u>
NET POSITION - END OF YEAR				<u>\$ 35,231,868</u>	<u>\$ 272,444</u>	<u>\$ 35,504,312</u>

*This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 4.

FUND FINANCIAL STATEMENTS

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 3,818,764	\$ 2,373,382	\$ 1,101,290	\$ 7,293,436
Receivables				
Accounts	48,202		350	48,552
Taxes	4,180,415			4,180,415
Due from other governments	608,410			608,410
TOTAL ASSETS	\$ 8,655,791	\$ 2,373,382	\$ 1,101,640	\$ 12,130,813
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued liabilities				
Accounts payable	\$ 222,780	\$ 366,930	\$ 6,364	\$ 596,074
Payroll, payroll taxes, insurance	1,253,333		17,418	1,270,751
Due to other governments	723			723
Total Liabilities	1,476,836	366,930	23,782	1,867,548
Fund Balances				
Restricted		2,006,452	1,077,858	3,084,310
Unassigned	7,178,955			7,178,955
Total Fund Balances	7,178,955	2,006,452	1,077,858	10,263,265
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,655,791	\$ 2,373,382	\$ 1,101,640	\$ 12,130,813
Total fund balance reported on governmental funds balance sheet				\$ 10,263,265
Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:				
Capital assets used in government activities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Governmental capital asset			65,233,770	
Governmental accumulated depreciation			(29,784,860)	35,448,910
Pension related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Net pension asset (liability)			(3,267,634)	
Pension related deferred outflows			11,905,439	
Pension related deferred inflows			(6,842,705)	1,795,100
OPEB and stipend related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Net OPEB and stipend asset (liability)			(1,122,171)	
OPEB and stipend deferred outflows			131,752	
OPEB and stipend deferred inflows			(295,237)	(1,285,656)
Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore, are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:				
General obligation debt and note payable			(10,049,860)	
Accrued interest on general obligation debt and note payable			(102,810)	
Unamortized debt premium			(482,720)	
Unamortized discounts			162,433	
Vested employee benefits			(332,248)	(10,805,205)
Financing lease payable is not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.				
				(184,546)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES				\$ 35,231,868

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Capital Expansion Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 13,058,857	\$ 2,180,000	\$ 1,531,272	\$ 16,770,129
Other local sources	549,740	500	494,080	1,044,320
Interdistrict sources	892,012			892,012
Intermediate sources	12,522			12,522
State sources	7,942,718			7,942,718
Federal sources	965,643			965,643
Other sources	102,574			102,574
Total Revenues	<u>23,524,066</u>	<u>2,180,500</u>	<u>2,025,352</u>	<u>27,729,918</u>
EXPENDITURES				
Instruction				
Regular instruction	8,676,712		8,727	8,685,439
Vocational instruction	468,491		1,745	470,236
Special instruction	3,047,301			3,047,301
Other instruction	1,035,621		91,457	1,127,078
Total Instruction	<u>13,228,125</u>	<u>0</u>	<u>101,929</u>	<u>13,330,054</u>
Support Services				
Pupil services	1,027,224			1,027,224
Instructional staff services	979,887		12,737	992,624
General administration services	470,654			470,654
Building administration services	1,136,561		17,336	1,153,897
Business services	420,111			420,111
Operations and maintenance	2,736,002	535,016	19,224	3,290,242
Pupil transportation	1,213,548			1,213,548
Central services	42,232			42,232
Insurance	206,137			206,137
Other support services	1,219,813			1,219,813
Community services			516,318	516,318
Principal and interest	122,268		1,209,240	1,331,508
Total Support Services	<u>9,574,437</u>	<u>535,016</u>	<u>1,774,855</u>	<u>11,884,308</u>
Total Expenditures	<u>22,802,562</u>	<u>535,016</u>	<u>1,876,784</u>	<u>25,214,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>721,504</u>	<u>1,645,484</u>	<u>148,568</u>	<u>2,515,556</u>
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other funds	171		(171)	
Long-term debt proceeds	139,755			139,755
Net Other Financing Sources	<u>139,926</u>	<u>0</u>	<u>(171)</u>	<u>139,755</u>
Net Change in Fund Balances	<u>861,430</u>	<u>1,645,484</u>	<u>148,397</u>	<u>2,655,311</u>
FUND BALANCES - Beginning of Year	<u>6,317,525</u>	<u>360,968</u>	<u>929,461</u>	<u>7,607,954</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,178,955</u>	<u>\$ 2,006,452</u>	<u>\$ 1,077,858</u>	<u>\$ 10,263,265</u>

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,655,311
Amounts reported for governmental activities in the statement of activities are different because:	
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.	
Capital outlay reported in governmental fund statements	574,177
Depreciation expense reported in the statement of activities	<u>(1,264,153)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.	(689,976)
In governmental funds the entire proceeds, if any, from the disposal of capital assets are reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported. The difference between the two is the original cost of the asset.	
Gain (loss) on disposition reported on the statement of activities	(14,245)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by:	(58,577)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.	
The amount of long-term debt principal payments in the current year is:	808,160
Proceeds of long-term debt and capital leases are revenue in the governmental funds, but the proceeds increase long-term obligations in the statement of net position.	
Capital lease proceeds	(139,755)
Expenses from principal payments on financing leases are reported as expenses in the governmental funds but decrease capital leases payable in the statement of net position.	106,571
However in the statement of net position, they are deferred and amortized over the life of the debt and reported as revenue or expense in the statement of activities.	
Amortization of bond premium	60,844
Amortization of bond discount	(18,932)
Employer pension contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net pension asset and deferred outflows.	765,847
Pension revenue (expense) is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the pension plan.	(1,664,024)
Employer OPEB and stipend contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net OPEB liability, the net stipend liability, and deferred outflows.	191,997
OPEB expense and stipend expense is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the OPEB plan.	(59,767)
In governmental funds, interest payments on outstanding long term debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.	
The amount of interest paid during the current period	400,130
The amount of interest accrued during the current period	<u>(392,205)</u>
Interest paid is greater (less) than interest accrued by	<u>7,925</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 1,951,379

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023 AND 2022**

		Food Service Fund	
		2023	2022
ASSETS			
Current Assets			
Cash	\$	278,269	\$ 376,970
Inventory		6,031	8,582
Accounts receivable		2,573	
Due from other governments		2,627	
Total Current Assets		<u>289,500</u>	<u>385,552</u>
Noncurrent Assets			
Furniture and equipment		149,878	144,530
Less accumulated depreciation		<u>(122,216)</u>	<u>(107,223)</u>
Net Noncurrent Assets		<u>27,662</u>	<u>37,307</u>
Other Noncurrent Assets			
Net pension asset			<u>33,180</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources		<u>73,025</u>	<u>71,967</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$	<u>390,187</u>	<u>\$ 528,006</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$	29,519	\$ 0
Deferred revenue		<u>26,210</u>	<u>28,635</u>
Total Current Liabilities		<u>55,729</u>	<u>28,635</u>
Other Noncurrent Liabilities			
Net pension liability		<u>20,043</u>	
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources		<u>41,971</u>	<u>87,577</u>
NET POSITION			
Invested in capital assets, net of related debt		27,662	37,307
Restricted for food service programs		233,771	356,917
Restricted for pension related items		<u>11,011</u>	<u>17,570</u>
Total Net Position		<u>272,444</u>	<u>411,794</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$	<u>390,187</u>	<u>\$ 528,006</u>

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Fund	
	2023	2022
REVENUES		
Food sales	\$ 497,790	\$ 139,447
State sources	15,212	20,739
Federal sources	270,322	1,085,700
Federal commodities	50,737	50,839
Other sources	1,803	1,004
Total Revenues	<u>835,864</u>	<u>1,297,729</u>
OPERATING EXPENSES		
Salaries and wages	74,477	74,014
Employer paid benefits	42,352	53,360
Supplies, food and materials	387,715	511,777
Purchased services	449,387	428,319
Other	6,290	12
Depreciation	14,993	14,547
Total Operating Expenses	<u>975,214</u>	<u>1,082,029</u>
Operating Income (Loss)	<u>(139,350)</u>	<u>215,700</u>
Change in Net Assets	(139,350)	215,700
NET ASSETS - Beginning of Year	<u>411,794</u>	<u>196,094</u>
NET ASSETS - END OF YEAR	<u>\$ 272,444</u>	<u>\$ 411,794</u>

See Accompanying Notes to the Basic Financial Statements

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Fund	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 497,168	\$ 132,552
Cash received from other government payments	282,907	1,141,234
Cash payments to employees for services	(83,324)	(128,131)
Cash payments to suppliers for goods and services	(334,427)	(457,357)
Cash payments for purchased services	(449,387)	(428,319)
Cash payments for other operating expenses	(6,290)	(12)
Net Cash Provided By (Used For) Operating Activities	<u>(93,353)</u>	<u>259,967</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash payments for acquisition of capital assets	<u>(5,348)</u>	<u></u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(5,348)</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(98,701)	259,967
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>376,970</u>	<u>117,003</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 278,269</u>	<u>\$ 376,970</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (139,350)	\$ 215,700
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	14,993	14,547
Net change in pension related items	6,559	(911)
Changes in operating assets and liabilities		
Inventory	2,551	3,581
Prepaid expense	(2,573)	826
Due from other governments	(2,627)	34,795
Accounts payable	29,519	(868)
Accrued payroll, payroll taxes, insurance		196
Deferred revenue	<u>(2,425)</u>	<u>(7,899)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (93,353)</u>	<u>\$ 259,967</u>
NONCASH NONCAPITAL FINANCING ACTIVITIES		
During the year the District received commodities from the U.S. Department of Agriculture in the amount of:	<u>\$ 50,737</u>	<u>\$ 50,839</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**STATEMENTS OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	<u>Private-Purpose Trust Funds</u>
ASSETS	
Current Assets	
Cash and investments	\$ 2,393,365
Accounts receivable	<u>723</u>
TOTAL ASSETS	<u>\$ 2,394,088</u>
LIABILITIES	
Accounts payable	<u>0</u>
NET POSITION	
Held in Trust for Scholarships	<u>\$ 2,394,088</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Gifts, contributions	\$ 14,736
Unrealized gain on investments	634,848
Investment earnings	<u>13,118</u>
Total Additions	<u>662,702</u>
DEDUCTIONS	
Scholarships awarded	<u>29,533</u>
Total Deductions	<u>29,533</u>
Change in Net Position	633,169
NET POSITION - Beginning of Year	<u>1,760,919</u>
NET POSITION - END OF YEAR	<u>\$ 2,394,088</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lodi School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Lodi School District is organized as a common school district governed by an elected seven-member board. The District is comprised of all or parts of nine taxing districts.

The accompanying financial statements present the activities of the Lodi School District. The school district is not a component unit of another reporting entity nor does it have any component units.

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial reporting entity consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

B. Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as other governmental funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The District reports the following major governmental funds:

General Fund – This is the District's primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund. This includes the General Fund (Fund 10) and the Special Education Fund (Fund 27), which accounts for the activities associated with providing educational programs for students with disabilities. Excess expenditures in Fund 27 are financed with a transfer from Fund 10.

Capital Expansion Fund – This fund accounts is used to account for capital project expenditures financed through bonds, promissory notes, land contracts, tax levies and other sources of revenue.

The District operates one enterprise fund, the Food Service Fund. This fund accounts for the activities of the District's food service, generally school hot lunch program.

The District accounts for assets held that were accumulated from donations that are used to pay scholarships in the Private-Purpose Trust Funds.

C. Measurement Focus and Basis of Accounting

The district-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Reports for the District's food service fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts.

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. Agency issues, high-grade commercial paper, and the local government pooled investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled investment fund.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statements as increases or decreases in investment income.

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village and school districts before retaining any for county purposes.

The District's property taxes are levied on or before October 31st on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two installments with the first installment payable the subsequent January 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2022 tax levy is used to finance operations of the District's fiscal year ended June 30, 2023. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such an allowance would not be material.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where inventories are offset by deferred revenues if there is a balance at year end.

Due To/Due From Other Funds

The amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Capital Assets

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	7-50 years
Furniture & equipment	\$5,000	Straight-line	5-20 years

Vested Employee Benefits

Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation is attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The District's employees are granted vacation and severance pay in varying amounts, based on length of service. Vacation leave earned in the preceding year must be used within one year of the employee's anniversary date.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

The District's policy allows employees to earn varying amounts of sick pay for each year employed, accumulating to a maximum vested amount of 120 days. A maximum of 10 days per year can be credited to contracted employees every year. Regular (Full-time) employees can be credited up to 12 days annually. After 15 years of employment, compensation is paid at the rate of \$20 per day for retiring staff and \$10 per day for teachers leaving the district.

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental fund financial statements, the unpaid compensated absences are not expected to be paid using expendable available resources and, therefore, the liability is not reported.

Retirement Plans – District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when paid.

Postemployment Benefits – Teachers or support staff who retired before July 1, 2012 the District will contribute towards their medical premiums for a period of 7 or 8 years until Medicare eligibility. All current teachers and support staff are eligible to remain on the group medical plan provided they self-pay the full premium required to continue such coverage until Medicare eligibility. The District will also provide to eligible retirees an annual 403(b) contribution in varying amounts based on hire date. The District will also fund during active years of service to all eligible teachers an annual contribution of \$750 into a teachers HRA account. The HRA may be used only during retirement and only for health insurance premiums. There are also similar 403(b) and HRA benefits for administrators and support staff.

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

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

E. Fund Balance Reporting

The Lodi School District reports under provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Balance Reporting (Continued)

1. Nonspendable, such as fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balance classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation,
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the district's highest level of decision-making authority),
4. Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classification.

Fund balance amounts are reported in conformance with generally accepted accounting principles and shall be reclassified not less than the end of each fiscal year for general purpose financial statements. The District will report inventories, prepaid expenses, long-term receivables, and amounts legally or contractually required to be maintained intact as non-spendable. The fund balance for the spendable portion of permanent funds and balance, if any, in the special revenue trust fund, debt service funds, food service fund, postemployment employee benefit trust fund, SAGE funds, and other funds established by regulatory authority will be classified as restricted.

The Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by majority vote of the Board.

The School Board may authorize and direct an individual to assign fund balances for specific purposes; to the extent such assignment does not create a negative unassigned fund balance. As of June 30, 2023, the School Board has not authorized any individual with the authority to assign funds.

F. Deferred Outflows/Inflows of Resources

The District reports under GASB Statement No. 65, *Items previously reported as assets and liabilities*. In addition to reporting assets and liabilities in the statement of net position and balance sheet, the following are the provisions for reporting a separate section for deferred outflows and inflows of resources:

Deferred Outflows of Resources: The District reports decreases in net position and fund balances that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position and governmental funds balance sheet. There were deferred outflows of resources reported in this year's government-wide and proprietary funds statement of net position for pension related items, which are detailed in Note 8 and OPEB related items, which are detailed in Note 9.

Deferred Inflows of Resources: The District's government-wide and governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position and fund balance that relates to a future period. There were deferred inflows of resources reported in this year's government-wide and proprietary funds statement of net position for pension related items, which are detailed in Note 8 and OPEB related items, which are detailed in Note 9.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used on the governmental fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

**A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances and the Statement of Activities**

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- A) Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.
- B) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- C) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenues and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS (CONTINUED)**

**A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances and the Statement of Activities (Continued)**

	Total Governmental Funds	Long-Term Revenues/ Expenses	Capital Related Items	Long-Term Debt Transactions	Statement Of Activities Total
Revenues and Other Sources					
Property taxes	\$16,770,129	\$ 0	\$ 0	\$ 0	\$16,770,129
Other local sources					
Interest and investment earnings	309,905				309,905
Miscellaneous	151,939				151,939
Charges for services	582,476				582,476
Interdistrict sources					
Other general aid	852,143				852,143
Charges for services	39,869				39,869
Intermediate sources					
Operating grants and contributions	12,522				12,522
State sources					
General aid	5,446,418				5,446,418
Operating grants and contributions	1,155,669				1,155,669
Other general aid	1,340,631				1,340,631
Federal sources					
Charges for services	143,422				143,422
Operating grants and contributions	822,221				822,221
Other revenue sources					
Miscellaneous	102,574				102,574
Long-term debt proceeds	139,755			(139,755)	
Gain(Loss) on disposal of fixed asset			(14,245)		(14,245)
Total Revenues and Other Sources	<u>\$27,869,673</u>	<u>\$ 0</u>	<u>\$ (14,245)</u>	<u>\$(139,755)</u>	<u>\$27,715,673</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED)

A. Explanation of Differences Between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities (Continued)

	Total Governmental	Long-Term Revenues/ Expenses	Pension/OPEB Related Items Employer Contributions	Pension Expense	Capital Related Items Acquisitions	Depreciation	Long-Term Debt Transactions	Statement Of Activities Total
<u>Expenditures/Expenses</u>	<u>Funds</u>							
Regular instruction	\$ 8,685,439	\$ 38,167	\$ (424,708)	\$ 764,329	\$ (39,990)	\$ 6,062	\$ 0	\$ 9,029,299
Vocational instruction	470,236	2,066	(24,042)	43,267		30,535		522,062
Special instruction	3,047,301	13,391	(171,358)	308,386		5,501		3,203,221
Other instruction	1,127,078	4,953	(47,413)	85,327	(8,576)	4,624		1,165,993
Pupil services	1,027,224		(60,728)	109,288				1,075,784
Instructional staff services	992,624		(41,379)	74,468				1,025,713
General administration services	470,654		(17,529)	31,546				484,671
Building administration services	1,153,897		(69,827)	125,664				1,209,734
Business services	420,111		(21,360)	38,441				437,192
Operations and maintenance	3,290,242		(37,643)	67,745	(525,611)	207,084		3,001,817
Pupil transportation	1,213,548							1,213,548
Central Services	42,232					20,290		62,522
Insurance	206,137							206,137
Other support services	1,219,813		(19,348)	34,820		13,352		1,248,637
Community Service	516,318		(22,509)	40,510				534,319
Depreciation-unallocated						976,705		976,705
Principal and interest	1,331,508						(964,568)	366,940
Total Expenditures/Expenses	25,214,362	58,577	(957,844)	1,723,791	(574,177)	1,264,153	(964,568)	25,764,294
Net Change for Year	\$ 2,655,311	\$ (58,577)	\$ 957,844	\$ (1,723,791)	\$ 559,932	\$ (1,264,153)	\$ 824,813	\$ 1,951,379

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS

The Debt Service Fund and Capital Projects Fund account for their transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, Trust and Agency funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

Deposits: Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian, per official depository institution for each ownership category and extends into the foreseeable future. In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$400,000 per public depository above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available. However, since the risk that an economic event would occur of the magnitude that would deplete the fund has been assessed as minimal, this coverage has been included in computing the amounts in Category 1 below.

Investments: Wisconsin Statute 66.04(2) and 67.11(2) restrict investment of temporarily idle cash. The School Board has adopted an investment policy pursuant to these statutes, which allows the District to invest in time deposits, securities guaranteed by the U.S. Government, securities of the Wisconsin Local Government Pooled Investment Fund, the Wisconsin School District Liquid Asset Fund and commercial paper, if the security has the highest or second highest rating of a nationally recognized rating agency.

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.

The District's deposits and investments are categorized into three categories of custodial credit risk:

- Category 1 – Insured or registered which are collateralized with securities held by the District or by its agent in the District's name.
- Category 2 – Uninsured and unregistered deposits and investments, which are collateralized with securities, held by the counter party's trust department or agent in the District's name.
- Category 3 – Uncollateralized deposits and uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the District's name.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The District's deposits and investment balances at June 30, 2023 were as follows:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Associated Bank	<u>\$650,000</u>	<u>\$ 0</u>	<u>\$6,788,876</u>	<u>\$ 7,438,876</u>	\$ 7,396,324
Thompson IM Funds					80,447
Intel Corporation Stocks					53,504
Apple Inc. Stocks					2,172,464
Petty Cash					5,733
Wisconsin Investment Series Cooperative					<u>256,598</u>
Total Cash					9,965,070
Less cash and investments – fiduciary funds					<u>(2,393,365)</u>
Total					<u>\$ 7,571,705</u>

Investments are stated at cost which approximates fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. 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 LGIP's assets was substantially equal to the District's share as reported above. The investment in the LGIP is insured against defaults in principal payments by Financial Security Assurance Incorporated.

The difference between carrying amounts and bank balances is due to outstanding checks and deposits in transit.

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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The District's investments at June 30, 2023 include the following:

	<u>Credit Quality Rating</u>	<u>Credit Exposure As a Percentage of Total Investments</u>	<u>Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Thompson IM Funds	BBB	3%	Not available	\$ 80,447	\$ 80,447
Intel Corporation					
Stocks	Unrated	2%	Not available	Unknown	53,504
Apple Inc. Stocks	Unrated	85%	Not available	Unknown	2,172,464
Wisconsin Investment					
Series Cooperative	AAA	10%	Not available	256,598	256,598
Total		100%		<u>\$337,045</u>	<u>\$2,563,013</u>

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

The District's valuation methods for recurring fair value measurements are as follows:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Stock	\$ 0	\$2,225,968	\$ 0
Bonds	80,447		
Multi-Class Series	256,598		
	<u>\$337,045</u>	<u>\$2,225,968</u>	<u>\$ 0</u>

The valuation adjustment for marketable securities in the statements of activities consists of both unrealized gains and losses.

NOTE 4 CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Sites (land)	\$ 214,307	\$ 0	\$ 0	\$ 214,307
Total Capital Assets Not Being Depreciated	<u>214,307</u>	<u>0</u>	<u>0</u>	<u>214,307</u>
Capital assets being depreciated				
Buildings and improvements	62,319,703	11,213	(23,741)	62,307,175
Construction in progress		443,333		443,333
Furniture and equipment	<u>2,149,324</u>	<u>119,631</u>		<u>2,268,955</u>
Total Capital Assets Being Depreciated	<u>64,469,027</u>	<u>574,177</u>	<u>(23,741)</u>	<u>65,019,463</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Less accumulated depreciation for				
Buildings and improvements	\$(27,304,468)	\$(1,088,803)	\$ 9,496	\$(28,383,775)
Furniture and equipment	(1,225,735)	(175,350)		(1,401,085)
Total Accumulated Depreciation	<u>(28,530,203)</u>	<u>(1,264,153)</u>	<u>9,496</u>	<u>(29,784,860)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>35,938,824</u>	<u>(689,976)</u>	<u>(14,245)</u>	<u>35,234,603</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 36,153,131</u>	<u>\$ (689,976)</u>	<u>\$ (14,245)</u>	<u>\$35,448,910</u>
Business-Type Activities				
Capital assets being depreciated				
Furniture and equipment	\$ 144,530	\$ 5,348	\$ 0	\$ 149,878
Less accumulated depreciation	<u>(107,223)</u>	<u>(14,993)</u>		<u>(122,216)</u>
Business-Type Activities Capital Assets Net of Accumulated Depreciation	<u>\$ 37,307</u>	<u>\$ (9,645)</u>	<u>\$ 0</u>	<u>\$ 27,662</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 6,062
Vocational instruction	30,535
Special education instruction	5,501
Other instruction	4,624
Operations and maintenance	207,084
Central services	20,290
Other support services	13,352
Depreciation – unallocated	<u>976,705</u>
Total Depreciation for Governmental Activities	<u>\$1,264,153</u>

NOTE 5 LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Notes and Bonds					
2017 G.O. Refunding Bonds	\$ 3,525,000	\$ 0	\$ 0	\$ 3,525,000	\$ 0
2017 G.O. School Building Bond	6,840,000		720,000	6,120,000	865,000

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
State Trust Fund Loan 2	\$ 36,340	\$ 0	\$ 36,340	\$ 0	\$ 0
State Trust Fund Loan 3	456,680		51,820	404,860	53,214
Bond premium	543,564		60,844	482,720	60,844
Bond discount	(181,365)		(18,932)	(162,433)	(18,932)
Total Notes and Bonds	<u>11,220,219</u>	<u>0</u>	<u>850,072</u>	<u>10,370,147</u>	<u>960,126</u>
Other Liabilities					
Vested employee benefits					
Compensated absences	<u>273,671</u>	<u>58,577</u>	<u>0</u>	<u>332,248</u>	<u>32,428</u>
Total Other Liabilities	<u>273,671</u>	<u>58,577</u>	<u>0</u>	<u>332,248</u>	<u>32,428</u>
Total Governmental Activities	<u>\$11,493,890</u>	<u>\$ 58,577</u>	<u>\$ 850,072</u>	<u>\$10,702,395</u>	<u>\$ 992,554</u>

Payments on bonds are made by the Debt Service Fund. Vested employee benefits will be liquidated by several of the governmental funds.

The School District does not currently have any long-term liabilities for business-type activities.

Total interest and other fiscal charges paid and accrued during the year:

	Expense	Paid
Bonds payable	\$392,205	\$400,130
Bond premium amortization	(60,844)	
Bond discount amortization	18,932	
Other fiscal charges	<u>950</u>	<u>950</u>
Total Interest and Other Fiscal Charges Paid	<u>\$351,243</u>	<u>\$401,080</u>

The full faith, credit, and taxing powers of the District secure all general obligation debt, including business-type activities, if any. Bonds and notes payable are comprised of the following individual issues:

	Issue Dates	Interest Rates	Dates of Maturity	Balance 6/30/2023
2017 G.O. Refunding Bonds	03/01/17	3.25-3.75%	09/01/2036	\$ 3,525,000
2017 G.O. School Building Bond	05/30/17	2.0-3.0%	03/01/2030	6,120,000
State Trust Fund Loan 3	09/01/20	2.75%	03/15/2030	<u>404,860</u>
Total General Obligation Debt*				<u>\$10,049,860</u>

The legal debt limit and margin of indebtedness is set at 10% of equalized value by Section 67.03(1)(b), Wisconsin Statutes. The margin of indebtedness at June 30, 2023 is:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Equalized value certified by Wisconsin Department of Revenue for 2022	\$1,690,256,140
Margin of indebtedness at 10%	169,025,614
*Deduct long-term debt applicable to debt margin	<u>(10,049,860)</u>
Margin of Indebtedness	<u>\$ 158,975,754</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on bonds as of June 30, 2023 are as follows:

Governmental Activities Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 918,214	\$ 309,827	\$ 1,228,041
2025	924,708	282,383	1,207,091
2026	971,213	254,779	1,225,992
2027	1,007,758	225,783	1,233,541
2028	1,049,333	195,708	1,245,041
2029 - 2033	<u>5,178,634</u>	<u>391,367</u>	<u>5,570,001</u>
Totals	<u>\$10,049,860</u>	<u>\$1,659,847</u>	<u>\$11,709,707</u>

NOTE 6 FINANCING LEASES

The District entered into a lease purchase agreement on July 1, 2020 for 203 Chromebooks. The lease matures on June 1, 2023 and payments are due monthly with an annual interest rate of 5.88%.

The District entered into a lease purchase agreement on May 15, 2020 for 114 Chromebooks. The lease matures on June 1, 2024 and payments are due monthly with an annual interest rate of 6.22%.

The District entered into a lease purchase agreement on July 1, 2020 for 316 Chromebooks. The lease matures on June 1, 2024 and payments are due monthly with an annual interest rate of 5.99%.

The District entered into a lease purchase agreement on April 1, 2021 for 280 Chromebooks. The lease matures on June 1, 2025 and payments are due monthly with an annual interest rate of 6.67%.

The District entered into a lease purchase agreement on July 1, 2019 for 210 Chromebooks. The lease matures on June 1, 2023 and payments are due monthly with an annual interest rate of 5.96%.

The District entered into a lease purchase agreement on July 1, 2022 for 200 Chromebooks. The lease matures on June 1, 2023 and payments are due monthly with an annual interest rate of 6.54%.

The District entered into a lease purchase agreement on July 1, 2022 for 185 Chromebooks. The lease matures on June 1, 2023 and payments are due monthly with an annual interest rate of 6.58%.

Capital lease balances and activity for the year ended June 30, 2023 were as follows:

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 FINANCING LEASES (CONTINUED)

<u>Capital Leases</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Capital Lease 203 Chromebooks	\$ 11,370	\$ 0	\$ 11,370	\$ 0	\$ 0
Capital Lease 114 Chromebooks	23,255		11,267	11,988	11,988
Capital Lease 316 Chromebooks	32,268		15,652	16,616	16,616
Capital Lease 280 Chromebooks	69,384		21,607	47,777	23,094
Capital Lease 210 Chromebooks	15,085		15,085		
Capital Lease 200 Chromebooks		72,600	16,415	56,185	17,521
Capital Lease 185 Chromebooks		67,155	15,175	51,980	16,204
Total Capital Lease Payable	<u>\$151,362</u>	<u>\$139,755</u>	<u>\$106,571</u>	<u>\$ 184,546</u>	<u>\$85,423</u>

Total interest paid and accrued during the year for the leases was \$15,697

Minimum future lease payments under capital leases as of June 30, 2023 for each of the next three years are as follows:

<u>Governmental Activities Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 85,423	\$ 9,533	\$ 94,956
2025	60,686	4,714	65,400
2026	38,437	1,379	39,816
Total Lease Payments	<u>\$184,546</u>	<u>\$15,626</u>	<u>\$200,172</u>

NOTE 7 INTERFUND ACTIVITY

There were no interfund receivable at June 30, 2023. There was one interfund transfer for the year ended June 30, 2023.

<u>Transfer From</u>	<u>Transfer To</u>	
Package-Cooperative Fund	General Fund	\$ 171

NOTE 8 EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

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

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

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

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

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.

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

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

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

The WRS also provides death and disability benefits for employees.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

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

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, the WRS recognized \$770,544 in contributions from the employer.

Contribution rates as of June 30, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General(including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

At June 30, 2023, the Lodi School District reported a liability (asset) of \$3,287,677 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) 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 Lodi School District's proportion of the Net Pension Liability (Asset) was based on the Lodi School District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Lodi School District's proportion was 0.06205853%, which was a decrease of 0.00145345% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Lodi School District recognized pension expense(revenue) of \$1,675,280.

At June 30, 2023, the Lodi School District reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 5,236,252	\$ (6,879,259)
Net differences between projected and actual earnings on pension plan investments	5,585,004	0
Changes in assumptions	646,493	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,217	(5,417)
Employer contributions subsequent to the measurement date	478,498	0
Total	<u>\$11,978,464</u>	<u>\$ (6,884,676)</u>

\$478,498 reported as Deferred Outflows of Resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ended June 30, 2023.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense (revenue) as follows:

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$6,352,159	\$(6,156,141)
2024	\$5,571,882	\$(4,615,066)
2025	\$4,481,068	\$(3,497,612)
2026	\$3,503,070	\$(1,024,072)
Thereafter	\$ 0	\$ 0

**LODI SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Actuarial assumptions. The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
	January 1, 2018 - December 31, 2020
Experience Study:	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
Post-retirement Adjustments*	1.7%

**No post-retirement 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 post-retirement 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.

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

**Asset Allocation Targets and Expected Returns¹
As of December 31, 2022**

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equities	48%	7.6%	5.0%
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	<u>115%</u>	<u>7.4%</u>	<u>4.8%</u>
<u>Variable Fund Asset Class</u>			
US Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	<u>100%</u>	<u>7.7%</u>	<u>5.1%</u>

LODI SCHOOL DISTRICT LODI, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Long-term expected Return on Plan Assets. (Continued)

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³The 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%.

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

Sensitivity of the Lodi School District's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Lodi School District's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.80 percent, as well as what the Lodi School 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 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate <u>(5.80%)</u>	Current Discount Rate <u>(6.80%)</u>	1% Increase to Discount Rate <u>(7.80%)</u>
Lodi School District's proportionate share of the Net Pension Liability (Asset)	\$10,911,693	\$3,287,677	\$(1,956,992)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Postemployment Benefits Other Than Pensions (OPEB). For purpose 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 Lodi School District's retiree benefits plan and additions to/deductions from them have been determined on the same basis as they are reported by the Lodi School District retiree benefits plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay as you go plan.

General information About the OPEB and Stipend Plan

Plan Description. The Lodi School District operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. The Plan is administered by Key Benefit Concepts, LLC. There are 223 active and 44 retired members in the OPEB plan. There are 209 active and 40 retired members in the stipend plan. Benefits and eligibility for teachers, administrators, supervisors and support staff are established and amended by the governing body.

Funding Policy. The District has elected to make payments on a pay as you go basis. The District had no expenditures for the year ended June 30, 2023 for OPEB and the stipend.

Contributions. The Lodi School District governing body has the authority to establish and amend the contribution requirements of the District and employees. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2022, the District's average contribution rate was 0.0 percent of employee-covered payroll for OPEB and 0.03 percent of employee-covered payroll for the stipend. Employees are not required to contribute to the plan.

Net OPEB and Stipend Liability

The District's net OPEB liability and net stipend liability were measured as of June 30, 2022, and the total OPEB liability and total stipend liability used to calculate the net OPEB liability and stipend liability, respectfully, were determined by an actuarial valuation as of that date.

Actuarial assumptions. The total OPEB liability and total stipend 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:

Actuarial Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2022
Reporting date:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Inflation:	2.50%
Discount rate:	4.00%
Healthcare Cost Trend Rates:	7%, decreasing to 6.5%, then decrease by 0.10% per year down to 4.5%, and level thereafter

Actuarial assumptions were based on an experience study conducted in 2021 using the Wisconsin Retirement System (WRS) experience from 2018-2020. Mortality assumptions were based on 2020 mortality tables.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB and Stipend Liability (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period.

Discount rate. The discount rate used to measure the total OPEB liability and the total stipend liability was 4.00 percent. 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 and stipend plans' fiduciary net position was projected to be available to make all projected OPEB and stipend payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB and stipend plan investments was applied to all periods of projected benefit payments to determine the total OPEB and stipend liability.

Changes in the Total OPEB and Stipend Liability

	Total OPEB Liability (a)	Total Stipend Liability (a)
Balance at 6/30/2021	\$ 213,218	\$ 1,265,369
Changes for the year:		
Service cost	10,133	62,619
Interest	4,911	27,015
Changes of benefit terms		(17,411)
Differences between expected and actual experience	(120,079)	(56,068)
Changes of assumptions or other input	(15,707)	(59,832)
Benefit payments	(120,742)	(191,997)
Net Changes	<u>(120,742)</u>	<u>(235,674)</u>
Balance at 6/30/2022	<u>\$ 92,476</u>	<u>\$ 1,029,695</u>

Sensitivity of the total OPEB and stipend liability to changes in the discount rate. The following presents the total OPEB liability and total stipend liability of the District, as well as what the District's net OPEB liability and stipend liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability (asset)	\$ 98,808	\$ 92,476	\$ 86,376
Net Stipend liability (asset)	\$1,068,544	\$1,029,695	\$991,817

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability (asset)	\$82,801	\$92,476	\$103,571

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

For the year ended June 30, 2022, the District recognized OPEB expense (revenue) of \$6,363 and recognized the stipend expense (revenue) of \$66,130. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB and the stipend from the following sources:

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$64,382	\$164,977
Changes of assumptions or other input	5,046	28,451
District contributions subsequent to the measurement date		
Total	<u>\$69,428</u>	<u>\$193,428</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Stipend

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual Experience	\$46,557	\$ 46,723
Changes of assumptions or other input	15,767	55,086
District contributions subsequent to the measurement date		
Total	<u>\$62,324</u>	<u>\$101,809</u>

Prior actuarial valuations were performed under GASB 45. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and the stipend will be recognized in OPEB and stipend expense as follows:

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$0	\$(27,500)
2024	\$0	\$(27,500)
2025	\$0	\$(27,500)
2026	\$0	\$(27,504)
2027	\$0	\$(18,719)
Thereafter	\$0	\$(34,762)

**SCHOOL DISTRICT
LODI, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District manages these risks through the purchase of various forms of commercial insurance. Certain commercial insurance policies have established deductible amounts whereby the district would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies. There was no significant reduction in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for the past three years.

NOTE 11 CONTINGENCIES AND COMMITMENTS

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

NOTE 12 FUND BALANCES

Portions of fund balances are nonspendable, restricted, committed, assigned or unassigned and not available for current expenses or expenditures. Details of these fund classifications are as follows:

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Capital Expansion Fund</u>	<u>Other Government Funds</u>	<u>Food Service Fund</u>
Restricted for:				
Capital expansion fund	\$ 0	\$2,006,452	\$ 0	\$ 0
Long-term capital improvement fund			1,091	
Debt service fund			206,202	
Community service fund			549,031	
Special revenue trust fund			321,534	
Food service program				233,771
Pension related items				11,011
Nonspendable				
Unassigned	<u>7,178,955</u>			
Total fund balances	<u>\$7,178,955</u>	<u>\$2,006,452</u>	<u>\$1,077,858</u>	<u>\$244,782</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 12 FUND BALANCES (CONTINUED)

Restricted net position balances in the district-wide statement of net position consist of the following:

Governmental activities:	
Capital expansion fund	\$2,006,452
Long-term capital improvement fund	1,091
Debt service fund	206,202
Community service fund	549,031
Special revenue fund	321,534
Pension related items	<u>1,795,100</u>
Total	<u>\$4,879,410</u>
Business-type activities:	
Food service operations	\$ 233,771
Pension related items	<u>11,011</u>
Total	<u>\$ 244,782</u>

NOTE 13 EXCESS OF ACTUAL EXPENDITURE OVER BUDGET

The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2023:

	Governmental Activities (Expenditures)
Community Service Fund	\$ 86,907
Package-Cooperative Fund	\$ 1,804
Debt Service Fund	\$277,615
Capital Expansion Fund	\$535,016
General Fund	\$350,526

NOTE 14 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the School Board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

NOTE 15 SELF-FUNDED INSURANCE PROGRAM

On July 1, 2022, the District established a self-funded dental benefit plan for its employees. The Plan administrator and named fiduciary, Lodi School District, and the claims administrator, Delta Dental of Wisconsin, are 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 ending 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.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 15 SELF-FUNDED INSURANCE PROGRAM (CONTINUED)

The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2023, the District has reported a liability of \$17,430, 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. This amount consists of claims reported to the District by the Plan administrator of (\$207,927). The amounts not reported to the District were determined by the Plan administrator. Changes in the claims liability for the years ended June 30, 2023 are as follows:

	Year Ended <u>June 30, 2023</u>
Estimated Claims Outstanding July 1	\$13,192
Current Year Claims and Changes in Estimates	212,165
Claim Payments	<u>(207,927)</u>
Estimated Claims Outstanding June 30	<u>\$ 17,430</u>

NOTE 16 SUBSEQUENT EVENTS

Subsequent events are evaluated through December 12, 2023 which is the date the financial statements were available to be issued. As of that date no material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts			Final Budgeted Amounts			Actual Amounts			Variance With Final Budget Favorable/ (Unfavorable)
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	
REVENUES										
Property taxes	\$ 0	\$ 12,599,991	\$ 12,599,991	\$ 0	\$ 13,036,328	\$ 13,036,328	\$ 0	\$ 13,058,857	\$ 13,058,857	\$ 22,529
Other local sources	890	405,087	405,977	890	325,087	325,977	3,294	546,446	549,740	223,763
Interdistrict sources		773,336	773,336		772,419	772,419	7,207	884,805	892,012	119,593
Intermediate sources	22,576	5,698	28,274	22,576	5,698	28,274	6,750	5,772	12,522	(15,752)
State sources	816,486	7,078,738	7,895,224	816,486	6,760,156	7,576,642	1,008,547	6,934,171	7,942,718	366,076
Federal sources	512,701	669,086	1,181,787	512,701	643,330	1,156,031	512,555	453,088	965,643	(190,388)
Other sources		85,978	85,978		85,978	85,978	3	102,571	102,574	16,596
Total Revenues	1,352,653	21,617,914	22,970,567	1,352,653	21,628,996	22,981,649	1,538,356	21,985,710	23,524,066	542,417
EXPENDITURES										
Instruction										
Regular instruction		8,574,829	8,574,829		8,578,648	8,578,648		8,676,712	8,676,712	(98,064)
Vocational instruction		489,707	489,707		492,107	492,107		468,491	468,491	23,616
Special instruction	2,933,979	100	2,934,079	2,892,074	100	2,892,174	3,047,301	1,035,621	3,047,301	(155,127)
Other instruction		1,123,913	1,123,913		1,139,461	1,139,461		1,035,621	1,035,621	103,840
Total Instruction	2,933,979	10,188,549	13,122,528	2,892,074	10,210,316	13,102,390	3,047,301	10,180,824	13,228,125	(125,735)
Support Services										
Pupil services	404,060	558,542	962,602	397,912	558,542	956,454	551,895	475,329	1,027,224	(70,770)
Instructional staff services	162,922	1,087,230	1,250,152	162,843	1,140,043	1,302,886	201,428	778,459	979,887	322,999
General administration services		390,144	390,144		390,144	390,144		470,654	470,654	(80,510)
Building administration services		1,225,933	1,225,933		1,225,433	1,225,433		1,136,561	1,136,561	88,872
Business services		497,124	497,124		497,124	497,124		420,111	420,111	77,013
Operations and maintenance		2,606,703	2,606,703		2,690,704	2,690,704		2,736,002	2,736,002	(45,298)
Pupil transportation	450,500	893,300	1,343,800	450,000	893,300	1,343,300	291,252	922,296	1,213,548	129,752
Central services		57,695	57,695		57,695	57,695		42,232	42,232	15,463
Insurance		170,429	170,429	16,500	170,429	186,929	5,000	201,137	206,137	(19,208)
Other support services	404	673,642	674,046	404	698,317	698,721		1,219,813	1,219,813	(521,092)
Community services		256	256		256	256				256
Principal and interest								122,268	122,268	(122,268)
Total Support Services	1,017,886	8,160,998	9,178,884	1,027,659	8,321,987	9,349,646	1,049,575	8,524,862	9,574,437	(224,791)
Total Expenditures	3,951,865	18,349,547	22,301,412	3,919,733	18,532,303	22,452,036	4,096,876	16,705,686	22,802,562	(350,526)
Excess of Revenues Over Expenditures	(2,599,212)	3,268,367	669,155	(2,567,080)	3,096,693	529,613	(2,558,520)	3,280,024	721,504	191,891
OTHER FINANCING SOURCES (USES)										
Transfer from (to) other funds	2,617,496	(2,617,496)		2,617,496	(2,617,496)		2,558,520	(2,558,349)	171	171
Long-term debt proceeds								139,755	139,755	139,755
Net Other Financing Sources (Uses)	2,617,496	(2,617,496)	0	2,617,496	(2,617,496)	0	2,558,520	(2,418,594)	139,926	139,926
Net Change in Fund Balances	18,284	650,871	669,155	50,416	479,197	529,613	0	861,430	861,430	331,817
FUND BALANCES - Beginning of Year	0	6,317,525	6,317,525	0	6,317,525	6,317,525	0	6,317,525	6,317,525	0
FUND BALANCES - END OF YEAR	\$ 18,284	\$ 6,968,396	\$ 6,986,680	\$ 50,416	\$ 6,796,722	\$ 6,847,138	\$ 0	\$ 7,178,955	\$ 7,178,955	\$ 331,817

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

BUDGETARY COMPARISON SCHEDULE FOR THE CAPITAL EXPANSION FUND
BUDGET AND ACTUAL
CAPITAL EXPANSION FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 50,250	\$ 50,250	\$ 2,180,000	\$ 2,129,750
Other local sources			500	500
Total Revenues	<u>50,250</u>	<u>50,250</u>	<u>2,180,500</u>	<u>2,130,250</u>
EXPENDITURES				
Support Services				
Operations and maintenance			535,016	(535,016)
Total Expenditures	<u>0</u>	<u>0</u>	<u>535,016</u>	<u>(535,016)</u>
Net Change in Fund Balance	50,250	50,250	1,645,484	1,595,234
FUND BALANCE - Beginning of Year	<u>360,968</u>	<u>360,968</u>	<u>360,968</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 411,218</u>	<u>\$ 411,218</u>	<u>\$ 2,006,452</u>	<u>\$ 1,595,234</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2023**

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction, which is in accordance with generally accepted accounting principles. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub-function level in the general fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by the School Board resolution.

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

- Based upon requests from district staff, district administration recommends budget proposals to the School Board.
- The School Board 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 School Board may alter the proposed budget.
- After the School Board (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 School Board.
- Appropriations lapse at year end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserve of fund balance.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS
FOR THE YEARS ENDED JUNE 30, 2023

SCHEDULE OF LODI SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Lodi School District's proportion of the Net Pension Liability (Asset)	0.06205853%	0.06351198%	0.06460374%	0.06560983%	0.06625526%	0.06637848%	0.06548712%	0.06435416%	0.06507658%
Lodi School District's proportionate share of the Net Pension Liability (Asset)	\$3,287,677	(\$5,119,182)	(\$4,033,301)	(\$2,115,560)	\$2,357,154	(\$1,970,855)	\$539,770	\$1,045,743	(\$1,598,459)
Lodi School District's covered-employee payroll	\$11,039,067	\$10,659,557	\$10,612,299	\$10,468,472	\$9,985,258	\$9,877,897	\$9,741,552	\$9,268,257	\$8,292,532
Lodi School District's collective Net Pension Liability (Asset) as a percentage of the employee's covered-payroll	29.78%	(48.02)%	(38.01)%	(20.21)%	23.61%	(19.95)%	5.54%	11.28%	(19.28)%
Plan fiduciary net position as a percentage of the Total Pension Liability (Asset)	95.72%	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	98.20%	102.74%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE OF LODI SCHOOL DISTRICT'S CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$770,544	\$708,810	\$716,336	\$685,686	\$687,250	\$686,090	\$642,944	\$630,241	\$625,877
Contributions in relation to the contractually required contributions	(\$770,544)	(\$708,810)	(\$716,336)	(\$685,686)	(\$687,250)	(\$686,090)	(\$642,944)	(\$630,241)	(\$625,877)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lodi School District's covered-employee payroll	\$11,039,067	\$10,659,557	\$10,612,299	\$10,468,472	\$9,985,258	\$9,877,897	\$9,741,552	\$9,268,257	\$8,292,532
Contributions as a percentage of covered-employee payroll	6.98%	6.65%	6.75%	6.55%	6.70%	6.80%	6.60%	6.80%	7.01%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

**Notes to Required Supplementary Information
for the Year Ended June 30, 2023**

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

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.

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the 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.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2023**

Valuation Date:

December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
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Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period

participation in participation in participation in participation in participation in

[illegible]

Net Investment Rate of Return.

Post-employment Benefit Adjustment:

are specific to the

[illegible][illegible][illegible][illegible]

	(multiplied by 60%)	(multiplied by 60%)	(multiplied by 50%)	(multiplied by 50%)	mortality.	mortality.	2005 for Men.
Mortality:							
Mortality:							

discount rate.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF CHANGES IN TOTAL OPEB AND STIPEND LIABILITIES AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>CHANGES IN OPEB LIABILITY AND RELATED RATIOS</u>		
	<u>2023</u>	<u>2022</u>
<u>TOTAL OPEB LIABILITY</u>		
Service cost	\$ 10,133	\$ 9,910
Interest	4,911	4,665
Changes in benefit items		
Differences between expected and actual experience	(120,079)	
Changes of assumptions or other input	(15,707)	
Benefit payments		(7,440)
Net change in total OPEB liability	(120,742)	7,135
TOTAL OPEB LIABILITY - Beginning of Year	213,218	206,083
TOTAL OPEB LIABILITY - End of Year	<u>\$ 92,476</u>	<u>\$ 213,218</u>
Covered Payroll	<u>\$ 10,363,183</u>	<u>\$ 9,707,567</u>
Net OPEB liability as a percentage of covered payroll	<u>0.89%</u>	<u>2.20%</u>
 <u>CHANGES IN STIPEND LIABILITY AND RELATED RATIOS</u>		
	<u>2023</u>	<u>2022</u>
<u>TOTAL STIPEND LIABILITY</u>		
Service cost	\$ 62,619	\$ 61,241
Interest	27,015	28,749
Changes in benefit items	(17,411)	
Differences between expected and actual experience	(56,068)	
Changes of assumptions or other input	(59,832)	
Benefit payments	(191,997)	(143,487)
Net change in total stipend liability	(235,674)	(53,497)
TOTAL STIPEND LIABILITY - Beginning of Year	1,265,369	1,318,866
TOTAL STIPEND LIABILITY - End of Year	<u>\$ 1,029,695</u>	<u>\$ 1,265,369</u>
Covered Payroll	<u>\$ 5,619,366</u>	<u>\$ 7,173,325</u>
Net stipend liability as a percentage of covered payroll	<u>18.32%</u>	<u>17.64%</u>

OTHER SUPPLEMENTARY INFORMATION

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 2023 AND 2022

	2023			2022		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund
ASSETS						
Cash and investments	\$ (271,183)	\$ 4,089,947	\$ 3,818,764	\$ (280,452)	\$ 2,681,867	\$ 2,401,415
Receivables						
Accounts	5,848	42,354	48,202			
Taxes		4,180,415	4,180,415		4,023,068	4,023,068
Due from other governments	293,132	315,278	608,410	280,452	408,976	689,428
TOTAL ASSETS	\$ 27,797	\$ 8,627,994	\$ 8,655,791	\$ 0	\$ 7,113,911	\$ 7,113,911
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 19,699	\$ 203,081	\$ 222,780	\$ 0	\$ 47,766	\$ 47,766
Accrued payroll and related items	8,098	1,245,235	1,253,333		747,897	747,897
Due to other governments		723	723		723	723
Total Liabilities	27,797	1,449,039	1,476,836	0	796,386	796,386
Fund Balances						
Unassigned		7,178,955	7,178,955		6,317,525	6,317,525
Total Fund Balances	0	7,178,955	7,178,955	0	6,317,525	6,317,525
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,797	\$ 8,627,994	\$ 8,655,791	\$ 0	\$ 7,113,911	\$ 7,113,911

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023							2022						
	Final Budget			Actual			Variance Favorable (Unfavorable)	Final Budget			Actual			Variance Favorable (Unfavorable)
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund		Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	
REVENUES														
Property taxes	\$ 0	\$ 13,036,328	\$ 13,036,328	\$ 0	\$ 13,058,857	\$ 13,058,857	\$ 22,529	\$ 0	\$ 10,315,327	\$ 10,315,327	\$ 0	\$ 10,314,573	\$ 10,314,573	\$ (754)
Other local sources	890	325,087	325,977	3,294	546,446	549,740	223,763		393,874	393,874	1,779	294,368	295,147	(97,727)
Interdistrict sources		772,419	772,419	7,207	884,805	892,012	119,593		769,590	769,590		915,002	915,002	145,412
Intermediate sources	22,576	5,698	28,274	6,750	5,772	12,522	(15,752)	21,813	5,669	27,482	4,969	11,168	16,137	(11,345)
State sources	816,486	6,760,156	7,576,642	1,008,547	6,934,171	7,942,718	366,076	788,875	7,247,997	8,036,872	916,361	7,188,795	8,105,156	68,284
Federal sources	512,701	643,330	1,156,031	512,555	453,088	965,643	(190,388)	495,363	665,757	1,161,120	504,525	709,781	1,214,306	53,186
Other sources		85,978	85,978		102,571	102,574	16,596		92,076	92,076	1,000	107,040	108,040	15,964
Total Revenues	1,352,653	21,628,996	22,981,649	1,538,356	21,985,710	23,524,066	542,417	1,306,051	19,490,290	20,796,341	1,428,634	19,540,727	20,969,361	173,020
EXPENDITURES														
Instruction														
Regular instruction		8,578,648	8,578,648		8,676,712	8,676,712	(98,064)		8,389,209	8,389,209		8,048,322	8,048,322	340,887
Vocational instruction		492,107	492,107		468,491	468,491	23,616		470,011	470,011		410,695	410,695	59,316
Special instruction	2,892,074	100	2,892,174	3,047,301		3,047,301	(155,127)	2,814,236	100	2,814,336	2,711,914		2,711,914	102,422
Other instruction		1,139,461	1,139,461		1,035,621	1,035,621	103,840		1,036,699	1,036,699		993,393	993,393	43,306
Total Instruction	2,892,074	10,210,316	13,102,390	3,047,301	10,180,824	13,228,125	(125,735)	2,814,236	9,896,019	12,710,255	2,711,914	9,452,410	12,164,324	545,931
Support Services														
Pupil services	397,912	558,542	956,454	551,895	475,329	1,027,224	(70,770)	387,423	524,334	911,757	478,786	493,565	972,351	(60,594)
Instructional staff services	162,843	1,140,043	1,302,886	201,428	778,459	979,887	322,999	157,468	1,195,157	1,352,625	172,525	690,226	862,751	489,874
General administration services		390,144	390,144		470,654	470,654	(80,510)		372,503	372,503		430,644	430,644	(58,141)
Building administration services		1,225,433	1,225,433		1,136,561	1,136,561	88,872		1,156,614	1,156,614		1,107,603	1,107,603	49,011
Business services		497,124	497,124		420,111	420,111	77,013		471,211	471,211		455,728	455,728	15,483
Operations and maintenance		2,690,704	2,690,704		2,736,002	2,736,002	(45,298)		2,421,546	2,421,546		2,457,247	2,457,247	(35,701)
Pupil transportation	450,000	893,300	1,343,300	291,252	922,296	1,213,548	129,752	428,400	968,058	1,396,458	296,505	914,555	1,211,060	185,398
Central services		57,695	57,695		42,232	42,232	15,463		67,951	67,951		59,269	59,269	8,682
Insurance	16,500	170,429	186,929	5,000	201,137	206,137	(19,208)		178,500	178,500	17,186	155,801	172,987	5,513
Other support services	404	696,317	698,721		1,219,813	1,219,813	(521,092)	423	673,665	674,088	800	808,871	809,671	(135,583)
Community services		256	256				256		244	244		4,536	4,536	(4,292)
Principal and interest					122,268	122,268	(122,268)					82,452	82,452	(82,452)
Total Support Services	1,027,659	8,321,987	9,349,646	1,049,575	8,524,862	9,574,437	(224,791)	973,714	8,029,783	9,003,497	965,802	7,660,497	8,626,299	377,198
Total Expenditures	3,919,733	18,532,303	22,452,036	4,096,876	18,705,686	22,802,562	(350,526)	3,787,950	17,925,802	21,713,752	3,677,716	17,112,907	20,790,623	923,129
Excess (Deficiency) of Revenues Over Expenditures	(2,567,080)	3,096,693	529,613	(2,558,520)	3,260,024	721,504	191,891	(2,481,699)	1,564,488	(917,411)	(2,249,082)	2,427,820	178,738	1,096,149
OTHER FINANCING SOURCES (USES)														
Transfer from (to) other funds	2,617,496	(2,617,496)		2,558,520	(2,558,349)	171	171	2,481,899	(2,368,303)	113,596	2,249,082	(2,248,103)	979	(112,617)
Long-term debt proceeds					139,755	139,755	139,755							
Net Other Financing Sources (Uses)	2,617,496	(2,617,496)	0	2,558,520	(2,418,594)	139,926	139,926	2,481,899	(2,368,303)	113,596	2,249,082	(2,248,103)	979	(112,617)
Net Change in Fund Balance	50,416	479,197	529,613	0	861,430	861,430	331,817	0	(803,815)	(803,815)	0	179,717	179,717	983,532
FUND BALANCE - Beginning of Year	0	6,317,525	6,317,525	0	6,317,525	6,317,525	0	0	6,137,808	6,137,808	0	6,137,808	6,137,808	0
FUND BALANCE - END OF YEAR	\$ 50,416	\$ 6,796,722	\$ 6,847,138	\$ 0	\$ 7,178,955	\$ 7,178,955	\$ 331,817	\$ 0	\$ 5,333,993	\$ 5,333,993	\$ 0	\$ 6,317,525	\$ 6,317,525	\$ 983,532

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE BALANCE SHEETS
CAPITAL EXPANSION FUND
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 2,373,382	\$ 360,968
TOTAL ASSETS	<u>\$ 2,373,382</u>	<u>\$ 360,968</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 366,930	\$ 0
Total liabilities	<u>366,930</u>	<u>0</u>
Fund Balances		
Restricted	\$ 2,006,452	\$ 360,968
TOTAL FUND BALANCES	<u>\$ 2,373,382</u>	<u>\$ 360,968</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL EXPANSION FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES						
Property taxes	\$ 50,250	\$ 2,180,000	\$ 2,129,750	\$ 50,000	\$ 50,000	\$ 0
Other local sources		500	500		10	10
Total Revenues	<u>50,250</u>	<u>2,180,500</u>	<u>2,130,250</u>	<u>50,000</u>	<u>50,010</u>	<u>10</u>
EXPENDITURES						
Support Services						
Operations and maintenance		535,016	(535,016)			
Total Support Services	<u>0</u>	<u>535,016</u>	<u>(535,016)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	50,250	1,645,484	1,595,234	50,000	50,010	10
FUND BALANCE - Beginning of Year	<u>360,968</u>	<u>360,968</u>	<u>0</u>	<u>310,958</u>	<u>310,958</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 411,218</u>	<u>\$ 2,006,452</u>	<u>\$ 1,595,234</u>	<u>\$ 360,958</u>	<u>\$ 360,968</u>	<u>\$ 10</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Trust Fund	Debt Service Fund	Long-Term Capital Improvement Trust Fund	Package- Cooperative Fund	Community Service Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	\$ 325,314	\$ 206,202	\$ 1,091	\$ 0	\$ 568,683	\$ 1,101,290
Accounts receivable					350	350
TOTAL ASSETS	<u>\$ 325,314</u>	<u>\$ 206,202</u>	<u>\$ 1,091</u>	<u>\$ 0</u>	<u>\$ 569,033</u>	<u>\$ 1,101,640</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 3,780	\$ 0	\$ 0	\$ 0	\$ 2,584	6,364
Payroll and related liabilities					17,418	17,418
Total liabilities	<u>3,780</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,002</u>	<u>23,782</u>
Fund Balances						
Restricted	<u>321,534</u>	<u>206,202</u>	<u>1,091</u>	<u>0</u>	<u>549,031</u>	<u>1,077,858</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 325,314</u>	<u>\$ 206,202</u>	<u>\$ 1,091</u>	<u>\$ 0</u>	<u>\$ 569,033</u>	<u>\$ 1,101,640</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Trust Fund	Debt Service Fund	Long-Term Capital Improvement Trust Fund	Package- Cooperative Fund	Community Service Fund	Total Nonmajor Governmental Funds
Revenues						
Property taxes	\$ 0	\$ 1,131,272	\$ 0	\$ 0	\$ 400,000	\$ 1,531,272
Other local sources	151,570	2,665	24	1,975	337,846	494,080
Total Revenues	<u>151,570</u>	<u>1,133,937</u>	<u>24</u>	<u>1,975</u>	<u>737,846</u>	<u>2,025,352</u>
Expenditures						
Instruction						
Regular instruction	8,465				262	8,727
Vocational instruction	1,745					1,745
Other Instruction	89,653			1,804		91,457
Total Instruction	<u>99,863</u>	<u>0</u>	<u>0</u>	<u>1,804</u>	<u>262</u>	<u>101,929</u>
Support Services						
Pupil services						
Instructional staff services	12,336				401	12,737
Building administration services	17,336					17,336
Operations and maintenance	1,198				18,026	19,224
Community services					516,318	516,318
Debt service						
Principal		808,160				808,160
Interest and other charges		401,080				401,080
Total Support Services	<u>30,870</u>	<u>1,209,240</u>	<u>0</u>	<u>0</u>	<u>534,745</u>	<u>1,774,855</u>
Total Expenditures	<u>130,733</u>	<u>1,209,240</u>	<u>0</u>	<u>1,804</u>	<u>535,007</u>	<u>1,876,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,837</u>	<u>(75,303)</u>	<u>24</u>	<u>171</u>	<u>202,839</u>	<u>148,568</u>
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds				(171)		(171)
Net Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171)</u>	<u>0</u>	<u>(171)</u>
Net Change in Fund Balances	<u>20,837</u>	<u>(75,303)</u>	<u>24</u>	<u>0</u>	<u>202,839</u>	<u>148,397</u>
FUND BALANCES - Beginning of Year	<u>300,697</u>	<u>281,505</u>	<u>1,067</u>	<u>0</u>	<u>346,192</u>	<u>929,461</u>
FUND BALANCES - END OF YEAR	<u>\$ 321,534</u>	<u>\$ 206,202</u>	<u>\$ 1,091</u>	<u>\$ 0</u>	<u>\$ 549,031</u>	<u>\$ 1,077,858</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 0	\$ 0
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 0</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>
Fund Balances		
Restricted for capital projects		
Total Fund Balances	<u>0</u>	<u>0</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 0</u>	 <u>\$ 0</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0	0	0
EXPENDITURES						
Instruction						
Vocational instruction						
Total Instruction	0	0	0	0	0	0
Support Services						
Operations and maintenance						
Total Expenditures	0	0	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds					(42,506)	(42,506)
Net Other Financing Sources	0	0	0	0	(42,506)	(42,506)
Net Change in Fund Balance	0	0	0	0	(42,506)	(42,506)
FUND BALANCE - Beginning of Year	0	0	0	42,506	42,506	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 42,506	\$ 0	\$ (42,506)

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE TRUST FUND
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 325,314	\$ 305,207
TOTAL ASSETS	<u>\$ 325,314</u>	<u>\$ 305,207</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 3,780	\$ 4,510
Total liabilities	<u>3,780</u>	<u>4,510</u>
Fund Balances		
Restricted	<u>321,534</u>	<u>300,697</u>
TOTAL FUND BALANCES	<u>\$ 325,314</u>	<u>\$ 305,207</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - SPECIAL REVENUE TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 43,860	\$ 151,570	\$ 107,710	\$ 43,360	\$ 143,232	\$ 99,872
Total Revenues	<u>43,860</u>	<u>151,570</u>	<u>107,710</u>	<u>43,360</u>	<u>143,232</u>	<u>99,872</u>
Expenditures						
Instruction						
Regular instruction	40,109	8,465	31,644	34,023	2,285	31,738
Vocational instruction	2,791	1,745	1,046	2,547	1,765	782
Other instruction	<u>74,241</u>	<u>89,653</u>	<u>(15,412)</u>	<u>78,007</u>	<u>91,214</u>	<u>(13,207)</u>
Total Instruction	<u>117,141</u>	<u>99,863</u>	<u>17,278</u>	<u>114,577</u>	<u>95,264</u>	<u>19,313</u>
Support Services						
Pupil services	149		149	149		149
Instructional staff services	22,509	12,336	10,173	22,002	15,636	6,366
Building administration services	76,588	17,336	59,252	74,164	24,311	49,853
Business services	2,890		2,890	2,890		2,890
Operations and maintenance	76,033	1,198	74,835	80,374	5,278	75,096
Other support services	<u>10,537</u>		<u>10,537</u>	<u>9,563</u>	<u>326</u>	<u>9,237</u>
Total Support Services	<u>188,706</u>	<u>30,870</u>	<u>157,836</u>	<u>189,142</u>	<u>45,551</u>	<u>143,591</u>
Total Expenditures	<u>305,847</u>	<u>130,733</u>	<u>175,114</u>	<u>303,719</u>	<u>140,815</u>	<u>162,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(261,987)</u>	<u>20,837</u>	<u>282,824</u>	<u>(260,359)</u>	<u>2,417</u>	<u>262,776</u>
Net Change in Fund Balance	<u>(261,987)</u>	<u>20,837</u>	<u>282,824</u>	<u>(260,359)</u>	<u>2,417</u>	<u>262,776</u>
FUND BALANCE - Beginning of Year	<u>300,697</u>	<u>300,697</u>	<u>0</u>	<u>298,280</u>	<u>298,280</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 38,710</u>	<u>\$ 321,534</u>	<u>\$ 282,824</u>	<u>\$ 37,921</u>	<u>\$ 300,697</u>	<u>\$ 262,776</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 206,202	\$ 281,505
TOTAL ASSETS	<u>\$ 206,202</u>	<u>\$ 281,505</u>
 FUND BALANCES		
Fund Balances		
Restricted for debt service	\$ 206,202	\$ 281,505
TOTAL FUND BALANCES	<u>\$ 206,202</u>	<u>\$ 281,505</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 1,270,016	\$ 1,131,272	\$ (138,744)	\$ 5,534,070	\$ 5,534,070	\$ 0
Other local sources		2,665	2,665		121	121
Total Revenues	<u>1,270,016</u>	<u>1,133,937</u>	<u>(136,079)</u>	<u>5,534,070</u>	<u>5,534,191</u>	<u>121</u>
EXPENDITURES						
Support Services						
Debt service						
Principal	854,000	808,160	45,840	813,483	5,003,812	(4,190,329)
Interest and other charges	<u>77,625</u>	<u>401,080</u>	<u>(323,455)</u>	<u>520,283</u>	<u>573,140</u>	<u>(52,857)</u>
Total Expenditures	<u>931,625</u>	<u>1,209,240</u>	<u>(277,615)</u>	<u>1,333,766</u>	<u>5,576,952</u>	<u>(4,243,186)</u>
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds					42,506	42,506
Net Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,506</u>	<u>42,506</u>
Net Change in Fund Balance	338,391	(75,303)	(413,694)	4,200,304	(255)	(4,200,559)
FUND BALANCE - Beginning of Year	<u>281,505</u>	<u>281,505</u>	<u>0</u>	<u>281,760</u>	<u>281,760</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 619,896</u>	<u>\$ 206,202</u>	<u>\$ (413,694)</u>	<u>\$ 4,482,064</u>	<u>\$ 281,505</u>	<u>\$ (4,200,559)</u>

COMPARATIVE BALANCE SHEETS
LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
JUNE 30, 2023 AND 2022

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**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - LONG-TERM CAPITAL IMPROVEMENT TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 24	\$ 24	\$ 0	\$ 2	\$ 2
Total Revenues	0	24	24	0	2	2
EXPENDITURES						
Total Expenditures	0	0	0	0	0	0
Net Change in Fund Balance	0	24	24	0	2	2
FUND BALANCE - Beginning of Year	1,067	1,067	0	1,065	1,065	0
FUND BALANCE - END OF YEAR	<u>\$ 1,067</u>	<u>\$ 1,091</u>	<u>\$ 24</u>	<u>\$ 1,065</u>	<u>\$ 1,067</u>	<u>\$ 2</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEETS
PACKAGE-COOPERATIVE FUND
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 0	\$ 0
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Payroll and related liabilities	\$ 0	\$ 0
Total liabilities		
Fund Balances		
Restricted	0	0
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - PACKAGE-COOPERATIVE FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 1,975	\$ 1,975	\$ 0	\$ 979	\$ 979
Total Revenues	0	1,975	1,975	0	979	979
EXPENDITURES						
Regular instruction		1,804	(1,804)			
Excess (deficiency) of revenues over (under) expenditures	0	171	171	0	979	979
OTHER FINANCING SOURCES (USES)						
Transfer from (to) other funds	0	(171)	(171)	0	(979)	(979)
Net Change in Fund Balance	0	0	0	0	0	0
FUND BALANCE - Beginning of Year	0	0	0	0	0	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

COMPARATIVE BALANCE SHEET
COMMUNITY SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 568,683	\$ 233,825
Accounts receivable	350	
Due from other governments		<u>115,000</u>
 TOTAL ASSETS	 <u>\$ 569,033</u>	 <u>\$ 348,825</u>
 Liabilities		
Accounts payable	\$ 2,584	\$ 2,633
Payroll and related liabilities	<u>17,418</u>	
Total liabilities	<u>20,002</u>	<u>2,633</u>
 Fund Balances		
Restricted	<u>549,031</u>	<u>346,192</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 569,033</u>	 <u>\$ 348,825</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 232,518	\$ 400,000	\$ 167,482	\$ 325,000	\$ 325,000	\$ 0
Other local sources	227,667	337,846	110,179	215,798	174,261	(41,537)
Federal sources	64,889		(64,889)	61,506	165,000	103,494
Total Revenues	<u>525,074</u>	<u>737,846</u>	<u>212,772</u>	<u>602,304</u>	<u>664,261</u>	<u>61,957</u>
EXPENDITURES						
Instruction						
Regular instruction	53,805	262	53,543			
Total Instruction	<u>53,805</u>	<u>262</u>	<u>53,543</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services						
Instructional staff services		401	(401)			
Operations and maintenance	22,529	18,026	4,503	21,354	14,636	6,718
Community services	425,309	516,318	(91,009)	454,137	513,771	(59,634)
Total Support Services	<u>447,838</u>	<u>534,745</u>	<u>(86,907)</u>	<u>475,491</u>	<u>528,407</u>	<u>(52,916)</u>
Total Expenditures	<u>501,643</u>	<u>535,007</u>	<u>(33,364)</u>	<u>475,491</u>	<u>528,407</u>	<u>(52,916)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,431</u>	<u>202,839</u>	<u>179,408</u>	<u>126,813</u>	<u>135,854</u>	<u>9,041</u>
Net Change in Fund Balance	<u>23,431</u>	<u>202,839</u>	<u>179,408</u>	<u>126,813</u>	<u>135,854</u>	<u>9,041</u>
FUND BALANCE - Beginning of Year	<u>346,192</u>	<u>346,192</u>	<u>0</u>	<u>210,338</u>	<u>210,338</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 369,623</u>	<u>\$ 549,031</u>	<u>\$ 179,408</u>	<u>\$ 337,151</u>	<u>\$ 346,192</u>	<u>\$ 9,041</u>

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF CHARTER SCHOOL AUTHORIZER OPERATING COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Authorizing Entity:	Lodi School District (Board of Education)
Charter School Name:	Ouisconsing School of Collaboration (OSC)

OPERATING ACTIVITY	WUFAR OBJECT CODE	COST
Purchased services	300	\$ 2,500
Non-capital objects	400	<u>25,000</u>
TOTAL		<u>\$ 27,500</u>

**FEDERAL AND STATE SINGLE AUDIT AND
GOVERNMENT AUDITING STANDARDS REPORTS AND SCHEDULES**

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Federal Pass-through ID Number	Program or Award Amount	Accrued Receivable July 1, 2022	Revenues		Expenditures	Accrued Receivable June 30, 2023
					Grantor Reimbursements	Local Share		
<u>U.S. DEPARTMENT OF AGRICULTURE</u>								
Wisconsin Department of Public Instruction:								
Child Nutrition Cluster								
National School Lunch Program								
Food Commodity Distribution	10.555	2023-113150-DPI-NSL-547						
July 1, 2022 - June 30, 2023				\$ 0	\$ 50,737	\$ 0	\$ 50,737	\$ 0
National School Lunch Program	10.555	2023-113150-DPI-NSL-547						
July 1, 2021 - June 30, 2022								
July 1, 2022 - June 30, 2023					231,559		231,559	
Total National School Lunch Program					282,296	0	282,296	0
School Breakfast Program	10.553	2023-113150-DPI-SB-546						
July 1, 2021 - June 30, 2022								
July 1, 2022 - June 30, 2023					36,136		36,136	
Total Child Nutrition Cluster				0	318,432	0	318,432	0
Local Food for Schools								
July 1, 2022 - June 30, 2023	10.185	2023-113150 DPI-WI LFS					2,627	2,627
Total U.S. Department of Agriculture				0	318,432	0	321,059	2,627
<u>U.S. DEPARTMENT OF EDUCATION</u>								
Wisconsin Department of Public Instruction:								
ESEA Title I-A	84.010	2023-113150-DPI-TIA-141						
July 1, 2021 - June 30, 2022			61,156	22,156	22,156			
July 1, 2022 - June 30, 2023			50,174		12,000		49,675	37,675
Special Education Cluster								
IDEA Flow Through	84.027A	2023-113150-DPI-FLOW-341						
July 1, 2021 - June 30, 2022			427,061	257,874	257,874			
July 1, 2022 - June 30, 2023			403,270		73,000		355,804	282,804
IDEA Preschool	84.173A	2023-113150-DPI-PRESCH-347						
July 1, 2021 - June 30, 2022			19,539	15,040	15,040			
July 1, 2022 - June 30, 2023			14,403		2,999		13,328	10,329
Total Special Education Cluster				272,914	348,913	0	369,132	293,133
Title IIA	84.367A	2023-113150-DPI-TIIA-365						
July 1, 2021 - June 30, 2022			23,087	23,087	23,087			
July 1, 2022 - June 30, 2023			22,409		3,500		22,018	18,518

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Federal Pass-through ID Number	Program or Award Amount	Accrued Receivable July 1, 2022	Revenues		Expenditures	Accrued Receivable June 30, 2023
					Grantor Reimbursements	Local Share		
U.S. DEPARTMENT OF EDUCATION								
Wisconsin Department of Public Instruction:								
ESEA - Title IV - A Public	84.424A	2023-113150-DPI-TIVA-381						
July 1, 2021 - June 30, 2022			16,200	\$ 15,816	\$ 15,816	\$ 0	\$ 0	\$ 0
July 1, 2022 - June 30, 2023			10,661		975		5,565	4,590
Elementary & Secondary School Emergency Relief								
Elementary & Secondary School Emergency Relief II								
March 13, 2020 - September, 2023	84.425D*	2023-113150-DPI-ESSERFII-163	383,756	321,056	445,300		124,244	
Elementary & Secondary School Emergency Relief III								
March 13, 2020 - September, 2024	84.425U*	2023-113150-DPI-ESSERFIII-165	863,406				251,587	251,587
Total Elementary & Secondary School Emergency Relief	(COVID-19)			321,056	445,300	0	375,831	251,587
Pass-through CESA 5								
Title III - ELL	84.365	2023-113150-DPI-TIIIA-391						
July 1, 2021 - June 30, 2022			3,907	3,907	3,907			
July 1, 2022 - June 30, 2023			2,792		2,792		2,792	
Pass-through CESA 5								
Carl Perkins	84.048	2023-113150-DPI-CTE-400						
July 1, 2022 - June 30, 2023			5,772		5,772		5,772	
Total U. S. Department of Education				658,936	884,218	0	830,785	605,503
U.S. DEPARTMENT OF TREASURY								
Dane County Department of Health Services								
Coronavirus State and Local Fiscal Recovery Funds	21.027							
June 16, 2021 - December 31, 2022	(COVID-19)	N/A	N/A	0	14,334	0	14,334	0
FEDERAL COMMUNICATIONS COMMISSION								
Emergency Connectivity Funds								
July 1, 2022 - June 30, 2023	32.009	N/A	N/A	0	2,250	0	44,604	42,354
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Wisconsin Department of Health Services								
Medicaid Cluster								
Medical Assistance Program	93.778	44229500						
July 1, 2021 - June 30, 2022			N/A	7,539	7,539		113,984	
July 1, 2022 - June 30, 2023					113,984		113,984	
Total Medicaid Cluster				7,539	121,523	0	113,984	0
Drug Free Communities Grant	93.276	N/A						
September 30, 2021 - September 29, 2022			N/A	115,000	115,000			
Total U.S. Department of Health and Human Services				122,539	236,523	0	113,984	0
TOTAL FEDERAL ASSISTANCE				\$ 781,475	\$ 1,455,757	\$ 0	\$ 1,324,766	\$ 650,484

* Major Program

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Administering Agency Pass-Through Agency Award Description	State I.D. Number	State Pass-through ID Number	Accrued Receivable July 1, 2022	Revenues Grantor Reimbursements	Expenditures	Accrued Receivable June 30, 2023
<u>WISCONSIN DEPT. OF PUBLIC INSTRUCTION</u>						
Entitlement Programs						
Major State Programs						
General Equalization	255.201	113150-116	\$ 0	\$ 5,446,419	\$ 5,446,419	\$ 0
Total Major State Programs			0	5,446,419	5,446,419	0
<u>WISCONSIN DEPT. OF PUBLIC INSTRUCTION</u>						
Nonmajor State Programs						
Special Education and School Age Parents	255.101	113150-100				
Internal District Programs				1,005,681	1,005,681	
Transit of Aid from CESA 5				1,645	1,645	
Pupil Transportation	255.107	113150-102		46,602	46,602	
Per Pupil Aid	255.945	113150-113		1,075,900	1,075,900	
Common School Fund Library Aid	255.103	113150-104		88,255	88,255	
Aid for School Mental Health Programs	255.227	113150-176		15,766	15,766	
State School Lunch Aid	255.102	113150-107		7,707	7,707	
Alcohol and Other Drug Abuse	255.306	113150-143				
State School Breakfast Aid	255.344	113150-108		7,506	7,506	
Educator Effectiveness	255.940	113150-154		10,320	10,320	
Career and Technical Educ Incentive Grants	255.950	113150-171	7,595	15,355	7,760	
Assessments of Reading Readiness	255.956	113150-166		2,281	2,281	
Transition Readiness Grant	255.257	113150-174				
Transit of Aid from Mauston School District			12,450	24,950	12,500	
Special Education Transition Incentive Grants	255.960	113150-168		2,866	2,866	
<u>WISCONSIN DEPT. OF REVENUE</u>						
Youth Apprenticeship - Pass through CESA 5	N/A	N/A		2,400	2,400	
Personal Property Aid	N/A	N/A		23,260	23,260	
Payment in Lieu of Taxes	N/A	N/A		34,437	34,437	
Computer Aid	N/A	N/A	2,909	2,909	2,909	2,909
<u>DEPARTMENT OF WORKFORCE DEVELOPMENT</u>						
Expanded Wisconsin Fast Forward Grant	N/A	N/A		10,766	10,766	
<u>WISCONSIN DEPT. OF JUSTICE</u>						
Digital Mapping of School Buildings	N/A	2018-SSI-10 17487		19,502	19,502	
Total Nonmajor State Programs			22,954	2,398,108	2,378,063	2,909
TOTAL STATE ASSISTANCE			\$ 22,954	\$ 7,844,527	\$ 7,824,482	\$ 2,909

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of the Lodi School District and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements as prescribed by the Wisconsin Department of Public Instruction. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

2022-2023 eligible costs under the State Special Education Program are \$3,612,679.

NOTE 3 DE MINIMIS COST RATE

The District has elected not to use the 10% de minimis cost rate.

NOTE 4 SUBRECIPIENTS

There were no awards passed through to subrecipients.

**INDEPENDENT AUDITOR'S 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
Lodi School District
Lodi, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lodi School District (the "District"), Wisconsin, 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, which collectively comprise the Lodi School District, Wisconsin's basic financial statements and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lodi School District, Wisconsin'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 Lodi School District, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Lodi School District, Wisconsin's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lodi School District, Wisconsin'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lodi School District's Response to Findings

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

Purpose of this Report

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

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 12, 2023

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

Board of Education
Lodi School District
Lodi, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Lodi School District's (the "District") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State Single Audit Guidelines 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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lodi School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and 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; 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 of Federal Awards (Uniform Guidance); Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Guidelines. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lodi School 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 Lodi School District's compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 Lodi School 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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 judgement made by a reasonable user of the report on compliance about Lodi School District's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lodi School District's compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Lodi School 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, 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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 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. We considered the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Governmental Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of fundings and questioned costs. The District's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
December 12, 2023

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued with
generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes

☒ No

Significant deficiency(ies) identified?

☒ Yes

☐ None reported

Noncompliance material to the financial statements?

☐ Yes

☒ No

Federal Awards

Internal control over major federal program(s):

Material weakness(es) identified?

☐ Yes

☒ No

Significant deficiency(ies) identified?

☒ Yes

☐ None reported

Type of auditor's report issued on compliance
for major federal programs:

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the 2CFR 200.516(a)?

☐ Yes

☒ No

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

84.425D

Elementary & Secondary School Emergency Relief II

84.425U

Elementary & Secondary School Emergency Relief III

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as a low-risk auditee?

☒ Yes

☐ No

State Awards

Internal control over major state program(s):

Material weakness(es) identified?

☐ Yes

☒ No

Significant deficiency(ies) identified?

☒ Yes

☐ None reported

Type of auditor's report issued on compliance
for major state programs:

Unmodified

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditor's Results (Continued)

State Awards (Continued)

Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines* or *Wisconsin Public School Audit Manual*? Yes X No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.201	General Equalization Aid

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

Section II – Financial Statement Findings

Financial Statement Significant Deficiencies

2023-001 Preparation of the District's Financial Statements

Condition:	The District does not have management personnel with necessary expertise to prepare the financial statements, related notes and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with the preparation of the District's financial statements.
Criteria:	Internal controls over preparation of the financial statements, including footnote disclosures, should be in place to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected.
Cause:	The additional cost associated with hiring staff experienced in preparation of the District's financial statements, including additional training, outweighs the derived benefits.
Effect:	Because management relies on the auditor to assist with preparation of the financial statements, the District's system of internal control may not prevent, detect or correct misstatements in the financial statements.
Recommendation:	We recommend District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District, providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.

Management Views and Corrective Action Plan: See corrective action plan 2023-001.

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section III – State Award Findings and Questioned Costs

Federal and State Awards Significant Deficiencies

2023-002 Financial Reporting for Federal and State Assistance

Conditions:	The Uniform Guidance and the State Single Audit Guidelines requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal awards. While the current staff of the District maintains financial records supporting amounts reported in the schedules of expenditures of federal awards, the District contracts with its auditor to compile the data from these records and prepare the single audit report for the District.
Criteria:	Having staff with expertise in federal reporting to prepare the District's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal awards, or accompanying notes to the schedule.
Cause:	The additional cost associated with hiring staff sufficiently experienced to prepare the District's single audit report, including the additional training time, outweigh the derived benefits.
Effect:	Because management relies on its auditor to assist with the preparation of the financial statements, including single audit reports, the District's system of internal control may not prevent, detect or correct misstatements in these financial statements.
Recommendation:	We recommend District personnel continue reviewing the District's single audit report prepared by its auditor. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all federal programs are properly reported in the District's single audit report.

Management Views and Corrective Action Plan: See corrective action plan 2023-002.

Section IV – Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines?

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section IV – Other Issues (continued)

Department of Public Instruction	No
Was a management letter or other document conveying audit comments issued as a result of this audit?	Yes

Miller, Brussell, Ebben and Glaeske LLC

Craig Corning
Portage, Wisconsin
December 12, 2023



District Office
115 School Street
Phone: 608.592.3851
Fax: 608.592.3852

High School (9-12)
1100 Sauk Street
Phone: 608.592.3853
Fax: 608.592.1045

Middle School (6-8)
900 Sauk Street
Phone: 608.592.3854
Fax: 608.592.1035

Elementary/OSC (1-5)
101 School Street
Phone: 608.592.3842
Fax: 608.592.1025

Primary School (Pre-K/K-2)
1307 Sauk Street
Phone: 608.592.3855
Fax: 608.592.1015

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023**

Wisconsin Department of Public Instruction

The Lodi School District respectfully submits the following corrective action plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

Miller, Brussell, Ebben and Glaeske, LLC.
611 East Wisconsin Street
Portage, WI 53901

Audit period - June 30, 2023

The findings from the June 30, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings-Financial Statement Audit

Significant Deficiency 2023-001 Preparation of the District's Financial Statements

Management Views – Management agrees with the finding and the recommendation.

Corrective Action Planned – Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

Anticipated Completion Date – This action will be ongoing.

Findings-State Awards Program Audits

Significant Deficiency 2023-002 Financial Reporting for Federal and State Assistance

Management Views – Management agrees with the finding and the recommendation.

Corrective Action Planned - Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

Anticipated Completion Date – This action will be ongoing.

If the Wisconsin Department of Public Instruction has questions regarding the plan, please contact Brent Richter at 608-592-3851 or e-mail richtbr@lodischoolswi.org.

Sincerely yours,

Business Manager

**LODI SCHOOL DISTRICT
LODI, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

2022-001 Preparation of the District's Financial Statements

Condition: The District does not have management personnel with necessary expertise to prepare the financial statements, related notes and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with preparation of the District's financial statements.

Recommendations: We recommended District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.

Current Status: Management and the Board continue to believe that cost to hire additional staff to eliminate the control deficiency outweighs the benefits to be received. Competent staff will continue to be designated to oversee and review the financial reports and approve them before issuance.

2022-002 Financial Reporting for Federal and State Assistance

Condition: The Wisconsin Public School District Audit Manual requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the District maintains financial records supporting amounts reported in the schedules of expenditures of federal and state awards, the District contracts with its auditor to compile the data from these records and prepare the state program audit report for the District.

Recommendation: We recommend District personnel continue reviewing the District's state program audit report prepared by its auditor. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all state programs are properly reported in the District's state program audit report.

Current Status: Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, they continue to believe it is not feasible or cost effective to add staff to achieve the competence to prepare these reports.