

**SCHOOL DISTRICT OF LODI
LODI, WISCONSIN**

SINGLE AUDIT

YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

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

Board of Education
School District of Lodi
Lodi, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District of Lodi, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Lodi's basic financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control Over Financial Reporting

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

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

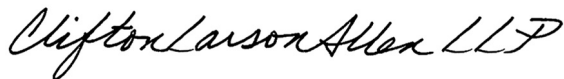
As part of obtaining reasonable assurance about whether School District of Lodi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

School District of Lodi's Response to Finding

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

Purpose of This Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 11, 2025



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

Board of Education
School District of Lodi
Port Washington, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited School District of Lodi's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of School District of Lodi's major federal and major state programs for the year ended June 30, 2025. School District of Lodi's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, School District of Lodi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and *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 School District of Lodi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District of Lodi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of School District of Lodi's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

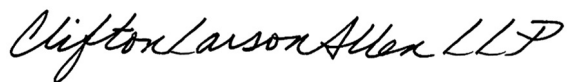
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Education
School District of Lodi
Port Washington, Wisconsin

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District of Lodi as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise School District of Lodi's basic financial statements. We have issued our report thereon, dated December 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
February 2, 2026

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

Grantor Agency / Federal Program Title	Assistance Listing Number (ALN)	Pass Through Agency	Pass-through Entity Identifying Number	(Accrued) Unearned Revenue 7/1/2024	Cash Received (Refunded)	(Accrued) Unearned Revenue 6/30/2025	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE								
<i>Child Nutrition Cluster</i>								
School Breakfast Program	10.553	Wisconsin DPI	2025-113150-SB-546	\$ -	\$ 37,943	\$ -	\$ 37,943	\$ -
National School Lunch Program - Donated Commodities	10.555	Wisconsin DPI	2025-113150-NSL-547	-	59,941	-	59,941	-
National School Lunch Program	10.555	Wisconsin DPI	2025-113150-NSL-547	-	146,742	-	146,742	-
Total Child Nutrition Cluster				-	244,626	-	244,626	-
Total U.S. Department of Agriculture				-	244,626	-	244,626	-
U.S. DEPARTMENT OF EDUCATION								
Title I Grants to Local Educational Agencies - Public	84.010	Wisconsin DPI	2024-113150-DPI-TIA-141	(48,167)	48,167	-	-	-
Title I Grants to Local Educational Agencies - Public	84.010	Wisconsin DPI	2025-113150-DPI-TIA-141	-	49,893	-	49,893	-
Total ALN 84.010				(48,167)	98,060	-	49,893	-
<i>Special Education Cluster (IDEA)</i>								
Special Education Grants to States	84.027	Wisconsin DPI	2024-113150-IDEA-341	(218,335)	218,335	-	-	-
Special Education Grants to States	84.027	Wisconsin DPI	2025-113150-IDEA-341	-	313,419	12,522	325,941	-
Special Education Preschool Grants	84.173	Wisconsin DPI	2024-113150-Pre-S-347	(10,171)	10,171	-	-	-
Special Education Preschool Grants	84.173	Wisconsin DPI	2025-113150-Pre-S-347	-	12,807	-	12,807	-
Total Special Education Cluster (IDEA)				(228,506)	554,732	12,522	338,748	-
Improving Teacher Quality State Grants	84.367	Wisconsin DPI	2024-113150-DPI-TIA-365	(14,347)	14,347	-	-	-
Improving Teacher Quality State Grants	84.367	Wisconsin DPI	2025-113150-DPI-TIA-365	-	25,708	-	25,708	-
Total ALN 84.367				(14,347)	40,055	-	25,708	-
Title IV - Student Support and Acad Enrich Grants	84.424	Wisconsin DPI	2024-113150-DPI-TIVA-381	(12,258)	12,258	-	-	-
Title IV - Student Support and Acad Enrich Grants	84.424	Wisconsin DPI	2025-113150-DPI-TIVA-381	-	7,480	5,070	12,550	-
Total ALN 84.424				(12,258)	19,738	5,070	12,550	-

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

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

Grantor Agency / Federal Program Title	Assistance Listing Number (ALN)	Pass Through Agency	Pass-through Entity Identifying Number	(Accrued) Unearned Revenue 7/1/2024	Cash Received (Refunded)	(Accrued) Unearned Revenue 6/30/2025	Total Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
(COVID-19) Elementary and Secondary School Emergency Relief II	84.425U	Wisconsin DPI	2023-113150-DPI-ESSERFIII-165	\$ -	\$ 45,000	\$ -	\$ 45,000	\$ -
Title III	84.365	CESA 5	Not Assigned	-	4,622	-	4,622	-
Carl D. Perkins Grant	84.048	CESA 5	Not Assigned	-	6,720	-	6,720	-
Total U.S. Department of Education				(303,278)	768,927	17,592	483,241	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<i>Medicaid Cluster</i>								
Medical Assistance Program	93.778	Wisconsin DHS	44229500	-	130,647	27,720	158,367	-
Total Medical Assistance Cluster				-	130,647	27,720	158,367	-
Total U.S.Department of Health and Human Services				-	130,647	27,720	158,367	-
Total Federal Programs				\$ (303,278)	\$ 1,144,200	\$ 45,312	\$ 886,234	\$ -
Reconciliation to the Basic Financial Statements:								
Federal Sources							\$ 882,176	
Federal Grants Reported in Other Sources							6,720	
Other Grants Not Subject to Single Audit							(2,662)	
Total Federal Expenditures							\$ 886,234	

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

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

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 7/1/24	Cash Received (Refunded)	Accrued (Deferred) Revenue 6/30/25	Total Expenditures	Subrecipient Payment
DEPARTMENT OF PUBLIC INSTRUCTION								
Special Education and School Age Parents:								
Internal District Programs	255.101	Direct Awards	454515-100	\$ -	\$ 1,152,873	\$ -	\$ 1,152,873	\$ -
Cooperative Education Services Agency #1	255.101	CESA #1	749901-100	-	4,915	-	4,915	-
State School Lunch Aid	255.102	Direct Awards	Not Applicable	-	5,835	-	5,835	-
Common School Fund Library Aid	255.103	Direct Awards	Not Applicable	-	122,270	-	122,270	-
General Transportation Aid	255.107	Direct Awards	Not Applicable	-	73,613	-	73,613	-
Equalization Aids	255.201	Direct Awards	Not Applicable	-	7,166,253	-	7,166,253	-
High Cost Special Education	255.10	Direct Awards	Not Applicable	-	41,144	-	41,144	-
Aid for School Mental Health Programs	255.227	Direct Awards	Not Applicable	-	9,998	-	9,998	-
Transition Readiness Grant	255.257	Direct Awards	Not Applicable	(33,266)	33,266	-	-	-
School Based Mental Health Services Grant	255.297	Direct Awards	Not Applicable	-	45,270	-	45,270	-
Peer Review and Mentoring Grants	255.301	School District of Mauston	None Noted	(11,588)	11,588	-	-	-
Alcohol and Other Drug Abuse (AODA) Program	255.306	Direct Awards	Not Applicable	(12,111)	27,111	-	15,000	-
State School Breakfast Aid	255.344	Direct Awards	Not Applicable	-	3,004	-	3,004	-
Educator Effective Evaluation System	255.940	Direct Awards	Not Applicable	-	11,088	-	11,088	-
Per Pupil Aid	255.945	Direct Awards	Not Applicable	-	1,078,126	-	1,078,126	-
Career and Technical Education Incentive Grants	255.950	Direct Awards	Not Applicable	-	9,368	-	9,368	-
Assessment of Reading Readiness	255.956	Direct Awards	Not Applicable	-	355	-	355	-
Special Education Transition Incentive Grants	255.960	Direct Awards	Not Applicable	-	4,738	-	4,738	-
Opioid Prevention Grant	435.833	Direct Awards	Not Applicable	(11,911)	36,911	-	25,000	-
Total Department of Public Instruction				(68,876)	9,837,726	-	9,768,850	-
DEPARTMENT OF WORKFORCE DEVELOPMENT								
Youth Apprenticeship Grant	445.107	Direct Awards	Not Applicable	-	2,700	-	2,700	-
Total State Awards				<u>\$ (68,876)</u>	<u>\$ 9,840,426</u>	<u>\$ -</u>	<u>\$ 9,771,550</u>	<u>\$ -</u>

Reconciliation to the Basic Financial Statements

State Sources	\$ 9,861,368
State Grants Reported in Other Sources	7,615
Less: State Sources Not Considered State Financial Assistance	
State Computer Aid	(2,909)
Other State Aids	(94,524)
Total State Expenditures	<u>\$ 9,771,550</u>

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

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

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (schedules) for the School District of Lodi is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the District's 2025 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded District expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

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

NOTE 3 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2024-2025 eligible costs under the State Special Education Program as reported by the District are \$3,898,408. Compiled information required by compliance requirement 2.2.2.1.2 of the Special Education Audit Program was reported to the Wisconsin Department of Public Instruction.

NOTE 4 FOOD DISTRIBUTION

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

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

NOTE 5 OVERSIGHT AGENCIES

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

Federal – U.S. Department of Education
State – Wisconsin Department of Public Instruction

NOTE 6 PASS THROUGH ENTITIES

Federal and state awards have been passed through the following entities:

WI DHS – Wisconsin Department of Health Services
WI DPI – Wisconsin Department of Public Instruction
CESA #1 – Cooperative Educational Service Agency #1

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

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal and State Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
Child Nutrition Cluster 10.553 10.555	School Breakfast Program National School Lunch Program
Special Education Cluster 84.027 84.173	Special Education Grants to States Special Education Preschool Grants

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

Section II – Financial Statement Findings

2025 – 001 Preparation of the Annual Financial Report

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The District does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual basic financial statements and related footnote disclosures, which are complete, and presented in accordance with accounting principles generally accepted in the United States of America (GAAP). In addition, the auditors proposed and the District accepted material audit adjustments, including restatement of beginning fiduciary net position balance.

Criteria or specific requirement: District management is responsible for establishing and maintaining internal controls over the fair presentation of the basic financial statements including disclosures in accordance with GAAP as set by the Government Accounting Standards Board (GASB).

Effect: The potential exists that a material misstatement of the annual basic financial statements could occur and not be prevented or detected by the District's internal controls in the normal course of business.

Cause: The District relies on the audit firm to prepare the annual basic financial statements and related footnote disclosures. However, they have reviewed and approved the annual basic financial statements and the related footnote disclosures.

Repeat Finding: Yes, 2024-001

Recommendation: We recommend that sufficient financial statement and disclosure review procedure be performed by an individual possessing a thorough understanding of applicable GAAP and knowledge of the District's activities and operations.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding. Corrective action has been included in the District's corrective action plan.

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

Section II – Financial Statement Findings (Continued)

2025 – 002: Segregation of Duties

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The District business manager has full access to modify the financial accounting records with minimal review and oversight from other individuals. Examples of this include the ability to prepare, review, approve, and post journal entries without review by a second person; and the individual with access and control of bank accounts is reconciling the activity. While it is not always possible to restrict access rights as a preventative control, given the available resources for the business office, detective controls should be in-place to ensure that the activity recorded is subject to oversight as a means of mitigating the risk of material misstatement. In addition, the completion of the financial close and reporting process lies with the business manager, and there is not another individual that poses the skills, knowledge, or expertise to perform these functions on a timely basis.

Criteria or specific requirement: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Effect: Lack of segregation of duties creates an inherent risk that may allow for errors or irregularities to go undetected and uncorrected.

Cause: The District did not have a sufficient number of individuals engaged in the performance of accounting related activities with the skills, knowledge, or expertise to appropriately segregate duties.

Repeat Finding: Yes, 2024-003

Recommendation: We recommend that the District implement detective controls that will provide reasonable assurance that the activity that is occurring within the general ledger and related sub-ledgers are subject to routine review by an individual with the skills, knowledge, and expertise to determine the appropriateness of the information. This should include a report of the activity with the appropriate documentation of who performed the review and when it occurred. This should be performed on a routine basis as determined by a documented control process.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding. Corrective action has been included in the District's corrective action plan.

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

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

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a) or *State Single Audit Guidelines*.

Section IV – Other Issues

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

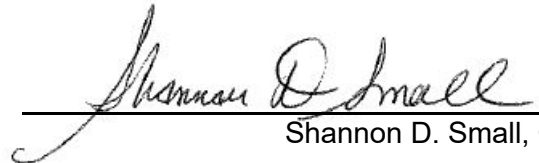
2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in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

Department of Workforce Development No

Department of Public Instruction No

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

4. Name and signature of partner


Shannon D. Small, CPA

5. Date of report February 2, 2026

