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December 15, 2025

School District of Webster  
Board of Education  
Webster, Wisconsin

Dear Board of Education,

We have audited the financial statements of the School District of Webster as of and for the year ended June 30, 2025, and have issued our report thereon dated December 15, 2025. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated July 21, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the School District of Webster solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting, material weaknesses, material noncompliance, and other matters noted during our audit in a separate letter to you dated December 15, 2025.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm (as appropriate), our firm, and our network firms have complied with all relevant ethical requirements regarding independence. Two Rivers Accounting, LLC has contracted with a third-party accounting firm to complete a quality review of its engagement as a safeguard to independence threats.

### **Significant Risks Identified**

We have identified the following significant risks:

- Improper revenue recognition is considered an inherent risk according to GAAS
- Management override of controls is considered an inherent risk according to GAAS
- Revenue Recognition
- Improper Use of Funds
- Capital Asset Depreciation Calculations
- OPEB and Pension Liability Calculations

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the School District of Webster is included in Note 1 to the financial statements. The District implemented GASB 101, Compensated Absences which resulted in change in accounting principles application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the depreciation expense is based on straight-line estimates.
- Management's estimates of the Wisconsin Retirement System pension plan benefit liability, deferred outflows of resources, and deferred inflows of resources are based on actuarial assumptions as outlined in the notes to the financial statements.
- Management's estimates of the Other Postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources are based on actuarial assumptions as outlined in the notes to the financial statements.

- Management's estimates of the Supplemental Pension benefit liability, deferred outflows of resources, and deferred inflows of resources are based on actuarial assumptions as outlined in the notes to the financial statements.

We evaluated the factors and assumptions used to develop the estimates described above and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the School District of Webster's financial statements.

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

#### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements or matters identified.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: accruing grant claims, and reclassification of revenues and expenses.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the School District of Webster's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no communications to note.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 15, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the School District of Webster, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the School District of Webster's auditors.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in School District of Webster's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to obtain assurance about such other information. However, in accordance with such standards, we have:

- 1) Read and made certain inquiries of management regarding the required supplementary information (RSI) accompanying the financial statements as it relates to methods of preparation, 2) considered whether the RSI has been measured in accordance with prescribed guidelines, and whether the methods of measurement and preparation have changed from the prior year (and the reason for any changes), and 3) considered if there were any significant changes in assumptions used in the preparation of the RSI. We have compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we do not express an opinion or provide any assurance on the RSI.

With respect to the combining schedules of internal general and special education funds statements, the schedule of expenditures of federal awards, and the schedule of state financial assistance accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we have read and made certain inquiries of management regarding the supplementary information (SI) accompanying the financial statements to determine that the

information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from prior period or the reasons for such changes, and the information was appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves. We have issued our report thereon dated December 15, 2025.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Education, and management of the School District of Webster and is not intended to be and should not be used by anyone other than these specified parties.

*Two Rivers Accounting, LLC*

**Two Rivers Accounting, LLC**

Rice Lake, Wisconsin

December 15, 2025