



2023 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



HOT TOPICS IN SCHOOL DISTRICT LEGAL OBLIGATIONS

Gain insights on the latest legal issues impacting Wisconsin public school districts and ask questions about current and often controversial matters



GASB UPDATE

Receive an overview of the upcoming GASB standards and how they will impact the financial statements



DPI UPDATE

Get updates on DPI reporting, auditor compliance with DPI regulatory requirements and other information affecting 2022-2023 audits

THURSDAY, MAY 25 | WICPA OFFICE & WICPA CPE LIVESTREAM

2023 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

CONFERENCE AT A GLANCE

THURSDAY, MAY 25 | WICPA OFFICE & WICPA CPE LIVESTREAM

7 – 8 a.m.

Registration & Networking

8 – 8:10 a.m.

Welcome & Opening Remarks
Lower Level Conference Room

8:10 – 9:35 a.m.

GENERAL SESSION
DPI Update Part I
Lower Level Conference Room

9:35 – 9:50 a.m.

Networking Break
Lower Level Foyer

9:50 – 11:30 a.m.

GENERAL SESSION
DPI Update Part II
Lower Level Conference Room

11:30 a.m. – 12:15 p.m.

Networking Lunch
Lower Level Foyer

12:15 – 1:55 p.m.

BREAKOUT SESSIONS
ESF Updates, Auditing
Overview & WISEgrants Tips
Lower Level Conference Room

Beginner Single Audit Basics
WICPA Training Center

1:55 – 2:05 p.m.

Networking Break
Lower Level Foyer

2:05 – 3:05 p.m.

GENERAL SESSION
Hot Topics in School District
Legal Obligations
Lower Level Conference Room

3:05 – 3:15 p.m.

Networking Break
Lower Level Foyer

3:15 – 4:15 p.m.

GENERAL SESSION
GASB Update
Lower Level Conference Room

4:15 p.m.

Closing Remarks & Prize
Drawings
Lower Level Conference Room

UPCOMING WICPA CONFERENCES

YOUR SOURCE FOR KEY UPDATES
& INSIGHTS ON TIMELY ISSUES



NETWORK



LEARN



IMPLEMENT



SUCCEED

SAVE THE DATE!

Not-for-Profit Accounting Conference

Tuesday, Sept. 12

WICPA Office & WICPA CPE Livestream

Business & Industry Fall Conference

Monday, Sept. 18

Brookfield Conference Center & WICPA CPE Livestream

Tax Conference

Thursday, Nov. 2 - Friday, Nov. 3

Brookfield Conference Center & WICPA CPE Livestream

Accounting & Auditing Conference

Thursday, Nov. 9

WICPA Office & WICPA CPE Livestream

Accounting Technology Conference

Thursday, Dec. 7

WICPA Office & WICPA CPE Livestream



WICPA members save up to \$150 on registration!

Registration opens approximately eight weeks prior to a conference. View conferences currently open for registration at wicpa.org/conferences.



2023 WICPA GOLF OUTING

FRIDAY, SEPT. 22 – Ironwood Golf Course, Sussex



SCHEDULE

8:30 a.m.
Check-in & Breakfast

9:00 a.m.
Practice Greens
& Driving Range

10:00 a.m.
Shotgun Start

216 PERSON LIMIT

4-Person Scramble
\$95 per Golfer
\$380 for Foursome

HOLE & EVENT PRIZES

\$1,700+ in Individual Prizes
\$500+ in Team Prizes
\$500 Inside the Circle Contest

REGISTRATION INCLUDES

18 Holes of Golf With Cart
Practice Greens & Driving Range
Breakfast & Lunch
Beverage Vouchers
Hole & Event Prizes
Entry in Prize Drawings
Reception & Appetizers

DON'T MISS OUT! Register now at wicpa.org/GolfOuting



REGISTER NOW

CONNECT



A GREAT WAY FOR WICPA MEMBERS TO COLLABORATE

WICPA Connect is your exclusive members-only networking and knowledge base designed to connect you with WICPA members and resources.

- **Network with peers** and grow your contact list using the member directory of more than 7,000 members.
- **Post questions** to find out from fellow members who have the expertise or may have been in the same situation.
- **Personalize your profile** by adding your interests, education, experience, honors and even your photo.
- **Contribute and download resources** such as documents, whitepapers, articles, reports, guides and more.
- **Share your knowledge and expertise** by answering questions and offering your insights and ideas to fellow members.
- **Customize your experience** with controls for profile visibility, discussion signatures, notifications and more.

As a WICPA member, you already have a profile on WICPA Connect.

Simply go to wicpa.org/connect and sign in using your existing website login information.

WICPA Career Center



Post Job Openings | Upload Your Resume | Apply For Jobs

Whether you're looking for a new career or a new employee, the WICPA's Career Center can help you make the most of your search.

Find or post a job today at wicpa.org/CareerCenter.



8:10 – 9:35 a.m.

DPI Update Part I

9:50 - 11:30 a.m.

DPI Update Part II

Olivia Bernitt, *School Finance Auditor, Wisconsin Department of Public Instruction*

Matt Baier, *Fiscal Data Coordinator, Wisconsin Department of Public Instruction*

DPI Update

School District Auditor Conference

Olivia Bernitt
School Finance Auditor
May 25, 2023



DPI Update Agenda


- **Audit Manual & Program Updates**
- **GAAP to Regulatory Departures**
- **Community Programs and Services**
- **Annual Report Review Process**
- **GASB 87/GASB 96**
- **WISEdata Finance/WiSFiP**
- **Common Audit Findings**
- **Due Dates**

AUDIT MANUAL & PROGRAM UPDATES


Audit Manual

- Previously was multiple webpages. Updated in FY21 to be one webpage with all programs compiled into one document
- DOA is updating SSAG for FY24 so there may be more significant changes coming in future years
- <https://dpi.wi.gov/sfs/finances/auditors/overview>

Audit Manual Overview

- **Dual-purpose document**
 - DPI appendix to the State Single Audit Guidelines
 - Establishes auditing and program-specific compliance requirements for WI Public School Districts, CESAs, CCDEBs, and independently authorized charter schools that receive funding from the DPI but do not meet the single audit federal expenditure threshold.
- 

Updates – State Major Program Determination

- **Audits in accordance with SSAG**
 - Risk-based approach outlined in SSAG Section 3.4 applied to all state funding to identify state major programs.
 - **Audits in accordance with WI School District Audit Manual**
 - Risk-based approach outlined in SSAG Section 3.4 should be applied to the DPI funding to identify state major programs.
- 

State Special Education Program Updates

- **Changed from Designated Type A to Designated Major**
- **Still has 2 Parts**
 - Part 1: No Valid License Testing portion. Same as previous year.
 - Part 2: Additional Compliance Requirements and Audit procedures.

State Special Education Program Updates

- **Part 1: Required every year State Special Education is determined to be Major.**
 - Every year, as DPI has designated the program major.
- **Part 2: Required at least once every three years and/or when the program is not considered low-risk.**
 - A risk assessment of the program must be completed every year to determine if Part 2 Compliance requirements are required.

NVL Testing Changes

- **Add information**

FS Due Date and Reporting Package

- **Audited Financial Statement Due Date**
 - December 15th of each year.
- **Reporting Package**
 - All documents should be unencrypted, unlocked and in a text-searchable PDF format.
 - All documents in Section 1.7 should be included.

GAAP TO REGULATORY DEPARTURES

GAAP to Regulatory Departures

- Auditor submits reports no later than the last Friday before September 15th.
- District submits the reports no later than the following Friday.
- These three reports must match.

GAAP to Regulatory Departures

- The DPI reports should be in accordance with modified accrual GAAP except for DPI specified regulatory departures.
- Expect the Fund Balance report to show GAAP to regulatory departure.

Review Answers

Account	Description	2018 Annual Report	Fund Statements Fund Balance (GAAP)	Regulatory Fund Balance (DPI)	Variance
10B-900000-002	Total Fund Balance	22,486,735.42	22,486,735.42	22,486,735.42	0.00
21B-900000-002	Total Fund Balance	152,472.95	152,472.95	152,472.95	0.00
39B-900000-002	Total Fund Balance	67,191.87	1,964,484.87	67,191.87	0.00

- Aid Certification also reports the regulatory balances as it must tie to the District's books

GAAP to Regulatory Departures

Current DPI approved GAAP to regulatory departures:

- For regulatory purposes, districts are allowed to record bid premiums in excess of the current year debt service payments for the issue generating the bid premium as a liability in account 816900 in the year of receipt. The bid premium must be recognized in Source 968 in the subsequent year.
- For regulatory purposes, Districts may consider cash transfers to sinking funds as debt expenditures in the year of the transfer only for Q-Bonds issued from 2008 to 2011.

GAAP to Regulatory Departures

Current DPI approved GAAP to regulatory departures:

- For regulatory purposes, grant revenue from the DPI received after the period of availability must be recorded as revenue in the fiscal year of the audit rather than a deferred inflow of resources.
- Unique accounting circumstances discussed and approved by the DPI. Please contact a School Financial Services Team Auditor prior to reporting GAAP to Regulatory Departures not included on the list.

GAAP to Regulatory Departures

Previous DPI approved GAAP to regulatory departures:

- Unrealized gains and losses were not allowable account combinations in the governmental funds in the WUFAR. For regulatory purposes, the districts would record a departure for not recording governmental funds unrealized gains and losses.
- **The account combinations have been added for FY22. Therefore, this will no longer be an approved difference.**

COMMUNITY PROGRAMS AND SERVICES

Community Programs and Services

- Each function, program or service operated by a school district is a part of the district's general school operations (normally Fund 10 costs)
 - Unless documented to be part of the school board's established community programs or services offered under Wis. Stat. 120.13(19)



<https://dpi.wi.gov/sfs/finances/fund-info/community-service/overview>

Fund 80 Program or Service Cost

- State law defines eligible community programs and services and WUFAR establishes the Community Service Fund 80. In addition, PI 80 has been created to define ineligible Fund 80 costs.
- State law specifies: *Costs associated with community programs and services shall not be included in the school district's shared cost under [s. 121.07 \(6\)](#).*

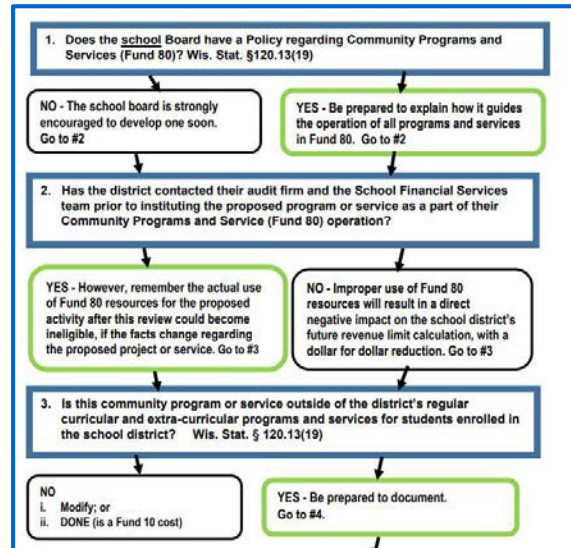
Fund 80 Program or Service Cost

- The program or service offered by the school board is either a school cost (Fund 10) or a community program or service cost (Fund 80)
 - Staff can be jointly funded, but job duties distinct and separate
- Costs must be the actual, additional cost to operate community programs and services



Decision Tree for Community Programs

- Tool to ask and answer 10 questions when reviewing community programs and services expenditures eligibility
- <https://dpi.wi.gov/sites/default/files/imce/sfs/pdf/Final-Decision-Tree-for-Potential-Fund-80-03-2019.pdf>



Reporting Ineligible F80 Costs

- Report ineligible expenditures identified by the auditor on the PI-1506-AC
- Do not report expenditures that have been reclassified prior to filing the PI-1506-AC
- Report ineligible expenditures identified on the PI-1506-AC in the Schedule of Findings and Questioned Costs in the Financial Statements

Community Program and Services		
	District Entry	Auditor Entry
Was the Community Programs and Services Audited?		Yes
Has the auditor identified findings, comments, or errors in testing related to community programs and services?		No
If the auditor has identified any ineligible expenditures, please enter the amount here.	0.00	0.00
-- If Yes --		
You are required to send an email with a description of the findings, comments, or errors in testing including the related amounts.		



ANNUAL REPORT & FINANCIAL STATEMENT REVIEW ITEMS



DPI Process of Review



- **Update with WDF**

Financial Statement Review

- During our review of the financial statements, we tie out the amounts in the Fund Statements Fund Balance column in the Fund Balance Report.
- The district and auditor will be contacted for variances. Changes may need to occur.

Financial Statement Review


- Common causes for differences between the audited financial statements and Fund Balance Report:
 - Entries made by district not reported to auditors,
 - Entries made by auditors not reported to districts, and
 - Immaterial changes found during our review of the annual report.

Reporting Late Changes

- All reports are closed for the October 15th Aid Certification from approximately October 1st to October 15th.
- The Annual Report and any unapproved reports reopen for necessary changes after October 15th.
- The Annual Report remains open until the DPI audit process is complete.


Reporting Late Changes

- District or auditor entries made after the original submissions are required to be made in the books and the data repushed to WDF.



GASB 87/96

Leases and SBITAs



GASB 87



- Effective for FY22
- Clarifies accounting and financial reporting for leases.
- Must be applied to existing leases as well as new leases.

GASB 87

- Districts should be aware of this implementation and should be compiling all contracts.
- Has been communicated by auditors

GASB 87 WUFAR

- New WUFAR codes were added related to GASB 87
- Summary and Sample transactions posted

<https://dpi.wi.gov/sfs/finances/wufar/overview>

GASB 87 Resources

- GASB Statement No. 87, Leases

<https://www.gasb.org/page/ShowDocument?path=GASBS87.pdf&acceptedDisclaimer=true&title=GASB+Statement+No.+87%2C+Leases&Submit=>

- GASB Implementation Guide No. 2019-3, Leases

<https://www.gasb.org/page/ShowDocument?path=Implementation%2520Guide%25202019-3%CE%93%C3%87%C3%B6Leases.pdf&acceptedDisclaimer=true&title=Implementation+Guide+No.+2019-3%2C+Leases&Submit=>

GASB 87

- Discuss what we saw

GASB 96

- **Districts should be aware of this implementation and should be compiling all contracts.**
- **Has been communicated by auditors**
- **Discuss plan going forward**

WISEdata Finance/WiSFiP

What is WISEdata Finance?

- New financial data reporting system
- Financial data is sent directly to DPI from District's financial system.
- SFS additional reporting in Wisconsin School Finance Portal (WiSFIP)

Why WISEdata Finance?

- Eliminate the manual part of financial reporting
- Better consistency with DPI and local accounts side by side
- Easier reporting compliance (CRDC, ESSA School Level, PI-1504/1505, etc.)

How Does WISEdata Finance Work?

1. Vendors pull the current WUFAR Chart of Accounts from DPI
2. District pushes a crosswalk between local COA and WUFAR to DPI
3. District pushes budgets & YTD actuals by account to DPI

What Does This Mean For Districts?

1. Coding must be correct
 - Vendors will pull the current WUFAR chart of accounts directly from the system
 - Incorrect accounts will be rejected


What Does This Mean For Districts?

2. “Fixing the report” means fixing accounting software


- No manual data entry as in current SAFR
- Books aren’t truly closed until the audit and DPI review process is complete (generally March)

COMMON AUDIT FINDINGS

2021-22 Federal Audit Findings

- 42 Child Nutrition Cluster
 - Procurement, Suspension and Debarment
 - 25 ESSER/GEER
 - Davis-Bacon
 - 6 IDEA
 - 2 Title I
- 

2021-22 State Audit Findings

- 39 Pupil Transportation Aid
 - 34 Special Education and School Age Parents
 - 2 High Cost Special Education Aid
 - 3 Achievement Gap Reduction
- 

2021-22 Financial Statement Findings

- **Financial Statement Preparation**
 - 285 Findings
- **Segregation of Duties**
 - 255 Findings
- **Material Audit Adjustments**
 - 113 Findings

2021-22 Financial Statement Findings

- **Cash Reconciliation**
 - 21 Findings
- **SEFA Preparation**
 - 21 Financial Statement Findings

DUE DATES

Report Due Dates – District Reports

<u>PI # / Report Title</u>	<u>Open Date</u>	<u>Due Date</u>
PI-1505 AC Aid Certification	<i>Early July</i>	8/26/2022
PI-1505 Annual Report	<i>Early July</i>	9/16/2022
PI-1505 SE Special Ed Annual	<i>Early July</i>	9/16/2022
School Level Annual Report	<i>Early July</i>	9/30/2022

Report Due Dates – Auditor Reports

<u>PI # / Report Title</u>	<u>Open Date</u>	<u>Due Date</u>
PI-1506 AC AUDITOR Aid Certification	<i>Early July</i>	9/9/2022
PI-1506 FB AUDITOR Ending Fund Balance	<i>Early July</i>	9/9/2022
No Valid License/Questioned Cost Reporting	<i>Early July</i>	9/16/2022
Financial Statements	7/1/2022	12/15/2022

Financial Statement Submission

- Submit by email to dpiauditreports@dpi.wi.gov
- Please include the following:
 - Audited Financial Statements
 - Single Audits Reports, if issued separately
 - Corrective Actions Plans, if applicable
 - Communication with Those Charged with Governance when “Other Matters” are included
 - Management Letters, if applicable
- DO NOT send Data Collection Forms to DPI

Timely Reporting to DPI Impacts Us All

- Late submission of SAFR reports
- Late submission of audited financial statements
- Late submission of Actuarial studies

Audit Requirements

Overview



The Department of Public Instruction has the statutory responsibility to prescribe financial and membership audit requirements ([s.120.14](#) ☒ Wisconsin Statutes) for Wisconsin school districts. In fulfilling this responsibility, DPI cooperates closely with school district officials and the independent auditors contracted by each school district.

Peer Review Letters

- Peer review letters
 - SFS team reviews firm peer review letters
 - Please send any updated peer review letters as soon as available
 - DPIauditreports@dpi.wi.gov

Federal Funds not through DPI

- **Emergency Connectivity Fund**
 - Through FCC, administered by USAC.
 - Part of ARPA Act of 2021
- **Department of Administration**
 - Governor's CRF Funds
 - Get Kids Ahead

Questions? Comments?



Subscribe to [Auditor Listserv](#)

Contact Information

Olivia Bernitt

SFS Auditor

olivia.bernitt@dpi.wi.gov

608-261-2137

General Contact Information

<https://dpi.wi.gov/sfs>

DPIfin@dpi.wi.gov

608-267-9114

12:15 – 1:55 p.m.

ESF Updates, Auditing Overview & WISEgrants Tips

Brianna Pero, *Grants Specialist - Advanced, Wisconsin Department of Public Instruction*

Josie Smith, *Federal Fiscal Monitoring Consultant, Wisconsin Department of Public Instruction*

ESF Updates, Auditing Overview, and WISEgrants Tips

Brianna Pero, Grants Specialist - Advanced

Josie Smith, ESSER Federal Fiscal Monitoring Consultant

May 25, 2023



Learning Outcomes

1. Education Stabilization Fund (ESF) Overview and Updates
 2. Single Audit Overview & Common Findings
 3. WISEgrants Tips & Tricks for Auditors
-

ESF Overview & Updates



Stimulus Funds Overview

CARES Act

ESSER I & GEER
3/13/2020 -
9/30/2022

Crisis
Response

CRRSA Act

ESSER II
3/13/2020 -
9/30/2023

Resume /
Sustain
In-person
Instruction

ARP Act

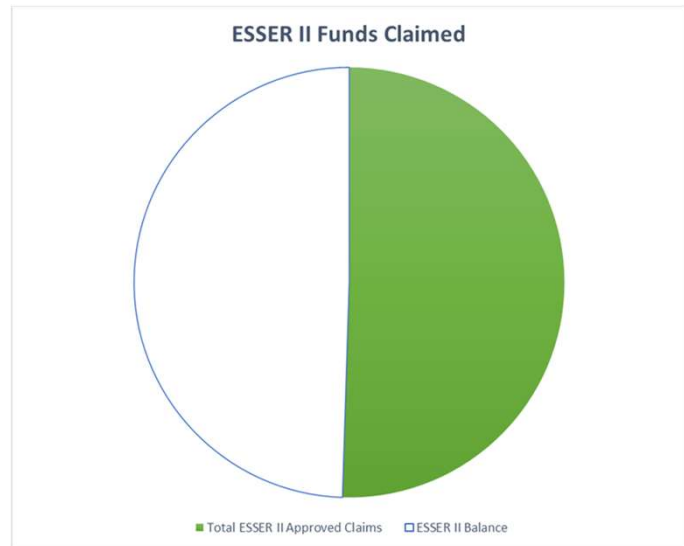
ESSER III, EBIS, Out of School Time, Summer
School, LETRS, and Reading Initiatives
3/13/2020 -
9/30/2024

Recovery
and Address
Unfinished
Learning

Activities must prevent, prepare for, and respond to COVID-19

ESSER II Statistics

- 450 subrecipients
- \$685 million awarded
 - \$345 million claimed (50%)
 - \$340 million balance (50%)
- Obligations through September 30, 2023
- Final Claims due by December 30, 2023



Claims data through February 8, 2023

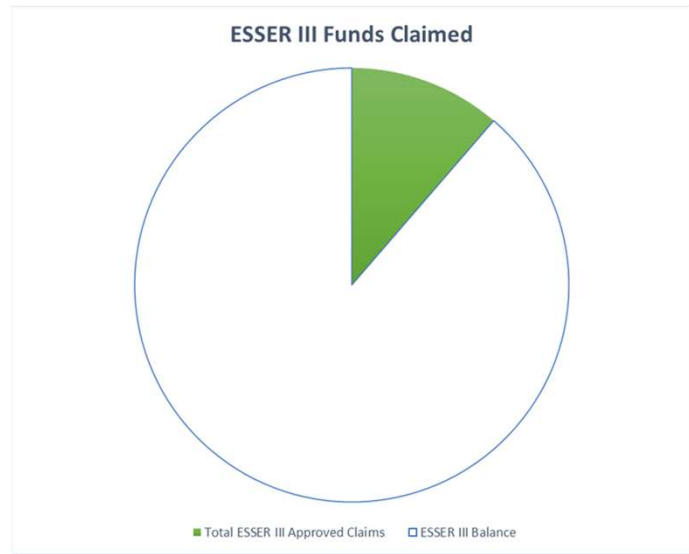
ARP Act



ESSER III Formula Grant *20% must be spent on EBIS	EBIS Grant *100% must be spent on EBIS	Supplemental funds based on in-person learning
Out of School Time Grant	Summer School Grant	Reading Grants (Including LETRS)
Grants to state schools	Grants to CCDEBs	Educator preparation programs

ESSER III + Supplemental Funds Statistics

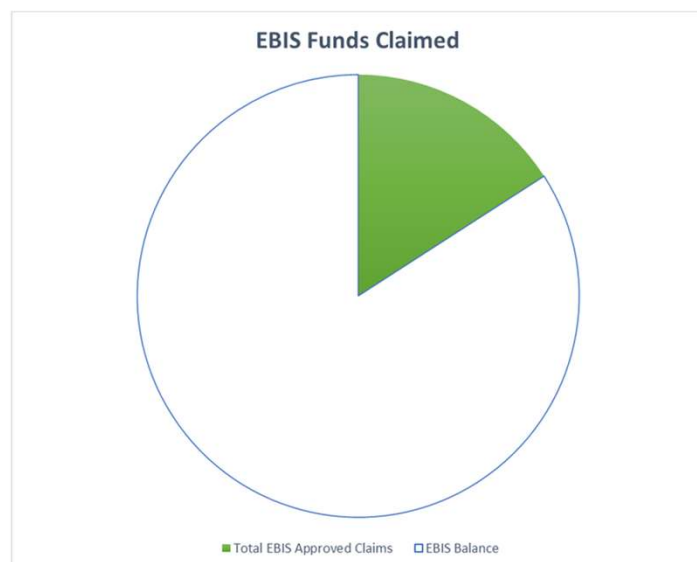
- 454 subrecipients
- \$1.427 billion awarded
 - \$161 million claimed (11%)
 - \$1.265 billion balance (89%)
- Available through September 30, 2024



Claims data through February 8, 2023

EBIS Statistics

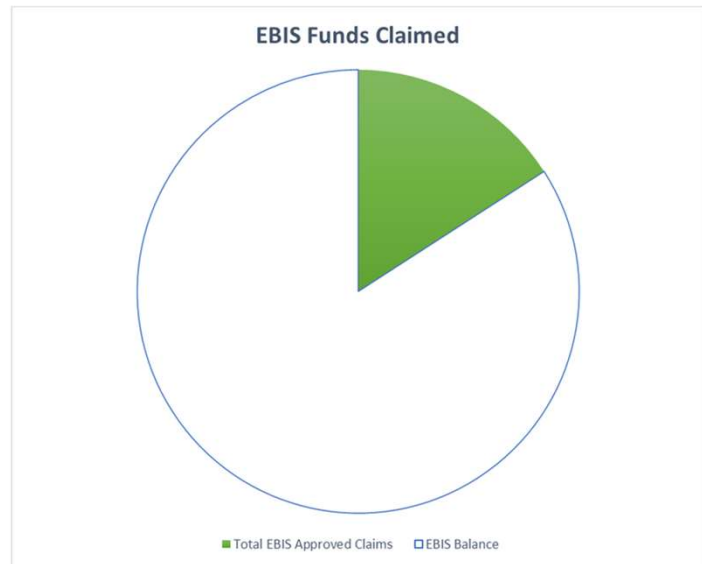
- 132 subrecipients
- \$67 million awarded
 - \$10.6 million claimed (16%)
 - \$56.4 million balance (84%)
- Available through September 30, 2024



Claims data through February 8, 2023

LETRS Statistics

- 132 subrecipients
- \$67 million awarded
 - \$10.6 million claimed (16%)
 - \$56.4 million balance (84%)
- Available through September 30, 2024



Claims data through February 8, 2023

LETRS Grant



- Funding for Language Essentials for Teachers of Reading and Spelling (LETRS) training or another program endorsed by the Center for Effective Reading Instruction as an Accredited Independent Teacher Training Program.
- First invitation for LEAs & CESAs - July 2022
- Potential opportunity for LEAs and CESAs in 2023

Out of School Time (OST) Grant



- Programs must address academic, social, emotional, and mental health needs of students most impacted by the COVID-19 pandemic
- LEAs and CBOs awarded funds through competitive grant process (Fall 2022)
- Examples: Mentoring, Tutoring, Programs for individuals with disabilities, Programs for English learners

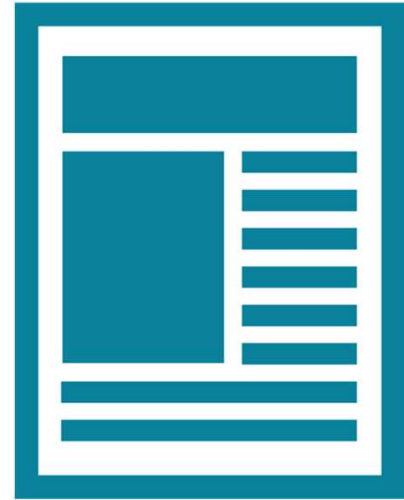
Summer School Grant



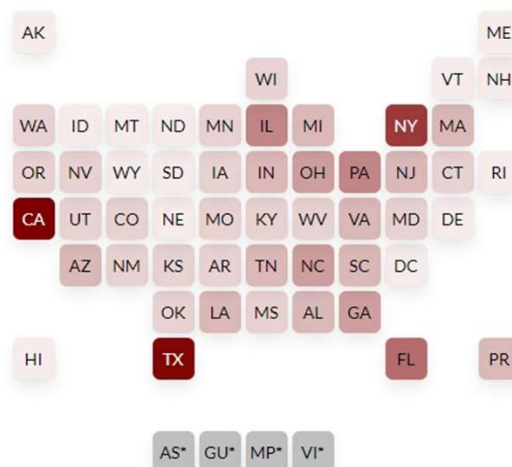
- Programs address the academic, social, emotional, and mental health needs of students most impacted by the COVID-19 pandemic through high quality and evidence-based summer learning programs
- LEAs will be awarded funds through a competitive grant process (February 2023)
- Examples of allowable activities: Programs that build STEM skills, Remedial education, Art & Music Programming

ESF Annual Reports

- ESSER and GEER reporting due March 31, 2023
- Data collection through WISEgrants
Programs > ESF Reporting >
ESSER or GEER Reporting
- Bulk of reporting data comes from ESSER and GEER budgets and claims
- Resources available:
FAQ, workbook, summary of changes



ESF Transparency Portal



\$0

<https://covid-relief-data.ed.gov/>

\$28.97 billion
Maximum awarded to the State & IHEs

ESSER and WISEgrants Fiscal Years

Grant	Available through	WISEgrants Fiscal Year
ESSER I	September 2022	2020-2021
GEER	September 2022	2020-2021
ESSER II	September 2023	2021-2022
ESSER III; EBIS	September 2024	2021-2022

Allowable Cost Update

US Department of Education updated their [ESSER and GEER FAQ Document](#) in December of 2023

Provides updated guidance on allowable costs



Allowable Cost Update

- In determining whether an activity is an allowable use of funds, a State of LEA must determine:
 1. If the use of funds is intended to prevent, prepare for, or respond to COVID-19, including its impact on the social, emotional, mental health, and academic needs of students
 2. If the funds fall under one of the authorized uses of ESSER or GEER funds
 3. If the use of funds is allowable under the Uniform Grant Guidance, 2 CFR Part 200 and if it is necessary and reasonable to the performance of the ESSER or GEER award

Allowable Cost Update

- An expense is an authorized use if it falls into one of the categories below:
 1. Preparedness and Response to COVID-19
 2. Addressing Long-term School Closure
 3. Educational Technology
 4. Outreach & Service Delivery to Special Populations
 5. Addressing Afterschool and Summer Learning
 6. Mental Health Services and Support

[For additional information, see ESSER Funds \(I, II, and III\) Guidance on Public Allowable Costs](#)

Allowable Cost Update

- **Additional [ARPA ESSER III](#) Requirements:**

1. Safe Return to In-Person Instruction and Continuity of Services Plan
2. Reservation to Address the Academic Impact of Lost Instruction Time
 - 20% Evidence Based Improvement Strategies (EBIS) Requirement
3. [Maintenance of Equity](#)
4. [LEA Plan for Use of ARP ESSER Funds](#)

[For additional information, see ESSER Funds \(I, II, and III\) Guidance on Public Allowable Costs](#)

Allowable Cost Update

- **[ESSER III 20% EBIS and EBIS Grant Requirements](#)**

1. 20% of the ESSER III Formula Grant allocation and all of the EBIS Grant allocation must go towards EBIS
2. The Updated FAQ outlines that costs associated with implementing the EBIS are also allowable towards this requirement
 - a. For example, travel to an evidence-based professional development is allowed



Allowable Cost Update

- **Construction**

- Construction is allowable and includes new construction, remodeling, renovations, and repairs
- While allowable, USDE discourages using funds for new construction due to the short timelines of ESSER and GEER grants and because the funds may limit an LEA's ability to support other needs or initiatives
- Extensive requirements around using ESSER funds for construction, including [Davis-Bacon](#), UGG, and all applicable regulations regarding construction at 34 CFR 76.600 and 75.600-618

Allowable Cost Update

- **Construction**

- Examples of allowable remodeling and construction include:
 - Improvements to a school facility to improve indoor air quality
 - Creating a learning environment that sustains social distancing
 - Renovations that allow an LEA to clean effectively
- **Not** allowable:
 - Swimming pools, playing fields, etc.
- Minor Remodeling VS Construction

Allowable Cost Update

- **Additional allowables:**

- Supporting costs for utilities or gasoline when it is necessary to maintain operation and continuity of services in the LEA
- Student fees for activities such as art, music, and theater classes to ensure equitable access or to support activities for all students
- Activities that stabilize and support the educator workforce
- Costs that provide students with safe, healthy, and supportive learning environments

Allowable Cost Update

- **Purchasing and installing a video system for security purposes is allowable if the following additional requirements and considerations are met:**

- Privacy Considerations
- Civil Rights Considerations
- Additional Policy Considerations

ESSER Update Summary

ESSER and GEER funds have a broad usages, but all funds must tie to preventing, preparing for, and responding to COVID-19

With the influx of ESSER and GEER funds, more LEAs than ever are exceeding the Single Audit threshold



Single Audit



Who needs to complete the single audit?

LEAs that expend more than \$750,000 in total federal awards are subject to the audit requirements of Uniform Guidance ([2 CFR 200.501\(b\)](#)).



Single Audit

Stimulus Funds brought LEAs to \$750,000 Single Audit threshold

- 275 LEAs completed Single Audit for 20-21
- 344 LEAs completed Single Audit for 21-22
 - Most of these LEAs have never been through the Single Audit Process

OMB Compliance Supplement

- [2022 Compliance Supplement](#)
(May 11, 2022)
- [Office of Federal Financial Management](#)



8 Parts of the Compliance Supplement

1: Background,
Purpose,
Applicability

2: Matrix of
Compliance
Requirements

3: Compliance
Requirements

4: Agency
Program
Requirements

5: Cluster of
Programs

6: Internal
Controls

7: Guidance for
Auditing
Programs

8: Appendices

Auditee Responsibilities



Section 200.508-512

- 200.508 – Audit responsibilities
- 200.509 – Auditor selection
- 200.510 – Financial statements
- 200.511 – Audit findings follow-up
- 200.512 – Report submission

Written Procedures

LEAs are required to have written procedures for:

- Allowable Costs
- Cash Management
- Purchasing and Conflict of Interest

The procedures are the district's internal steps for ensuring that only allowable costs will be charged to the grant.



[Uniform Grant Guidance Written Procedures](#)

Time and Effort Reporting

Time and Effort Reporting Documentation:

- LEAs that are charging salary and wage expenses to the federal stimulus funds will need to record Time and Effort.
- The level of documentation:
 - Depends on the job responsibilities of employee
 - Grant objectives
- Determine if the employee(s) are a single or multiple cost objective
- Written Procedures

Supplement, not Supplant

The philosophy that federal funds should be used for new or additional costs and not be used to reduce the amount the subrecipient was already spending locally on the program's objectives.

How this concept is tested varies among the Federal programs.

Cash Management

- LEAs must establish written procedures for cash management.
- Auditors will test to ensure that the procedures are followed ([2 CFR section 200.302\(b\)\(6\)](#)).
- Documentation must include procedure to request reimbursement for only allocable, allowable, and reasonable contract costs that have already been paid.



Equipment and Real Property

[Equipment and Real Property](#): non-federal entities must follow [2 CFR sections 200.313\(c\)-\(e\)](#)

Written procedures for:

- Inventory
- Property records
- System of control
- Disposal of equipment
- Property once the grant period ends

Construction

- [Technical Assistance Document and Presentation Resources](#)
- Construction vs Minor Remodeling
- [Davis-Bacon and Related Acts](#)
- Construction Services Budgeting
 - Assurances
 - Requirements
- Discuss construction projects with your LEA's legal counsel



Davis-Bacon and Related Acts

[Davis-Bacon and Related Acts](#)

- All contracts involving labor that exceed \$2,000
- locally prevailing wage and benefits
- pay covered workers weekly
- weekly certified payroll records
- Davis-Bacon wage determination posted on the job site
- Davis-Bacon labor standards clauses included in LEA contracts



Procedures for Procurement

The district must maintain sufficient records to detail the history of procurement. Records must include at a minimum: 200.318(i)

- [Rationale for the method of procurement](#)
- Selection of contract type
- Contractor selection or rejection
- The basis for contract price



Procurement Suspension & Debarment

- Follow procurement procedures
- Procurements made with federal funds were made in compliance with the federal regulations for procurement.
- LEAs verified that their vendors were not suspended, debarred, or otherwise excluded.
- WISEgrants assurances



Equitable Participation

Equitable Participation of Private School Children Cross-Cutting Audit Objectives:



- Documentation of timely consultation with the private school
- Review program expenditure and other records to verify that educational services that were planned were provided.



- Calculation of private school share
- Written contracts for third party providers should:
 - Describe the services to be provided
 - Provide that the agency, consortium, or entity retains ownership of materials, equipment, and property purchased with Federal funds

Auditors access to WISEgrants

WISEgrants for Auditors technical assistance document

- Subaward document
- Assurances
- Construction info
- Private school forms
- NVL audit report



ESSER and WISEgrants Fiscal Years

Grant	Available through	WISEgrants Fiscal Year
ESSER I	September 2022	2020-2021
GEER	September 2022	2020-2021
ESSER II	September 2023	2021-2022
ESSER III	September 2024	2021-2022



Identifying the Subaward in WISEgrants

WISEgrants Wisconsin Information System for Education Federal Grants Portal

ARRA

Home Admin Menu Programs Reports Message Board (2) 2021-2022

Grant Award Report for - 2021-2022

Act Name	IDEA	Grant Award Document
ARRA	Certification and Assurances	Grant Award
ARRA	Title I	Grant Award
ARRA	Title II	Grant Award
ARRA	Detailed Ledger Report	Grant Award
ARRA	Subrecipient Authorizers	Grant Award
ARRA	Subrecipient WISEgrants Administrators	Grant Award
ARRA	Grant Sub-Budget Summary	Grant Award
ARRA	Grant Award Report	Grant Award
ARRA	ESSER Tydings Report (2021-2022)	Grant Award
ARRA	IDEA Tydings Report (2021-2022)	Grant Award
ARRA	WJFAR Combinations by Grant	Grant Award
ARRA	ESSER III LEA Plan Report	Grant Award



Wisconsin Department of Public Instruction - Jill K. Underly PhD, State Superintendent
 125 South Webster Street - P.O. Box 7841 - Madison, WI 53707-7841
 (608) 266-3390 - (800) 441-4563 (Language assistance available)
 For telephone accessibility for those who are deaf, deafblind, or hard of hearing, visit www.wisconsinrelay.com
 Start a Help Ticket | About Us | Copyright | Privacy | Non-Discrimination | Accessibility | DPI Home | Agencies | Logout

Grant Assurances

Home ▾ Admin Menu ▾ Programs ▾ Authorizations ▾ Reports ▾ Message Board (4) 🔍 2021-2022 ▾

Documents To Be Authorized

Drag a column header and drop

Act ▾ Grant ▾ Document Name ▾ Parent Document ▾

2021-2022 Authorized Documents

Drag a column header and drop it here to group by that column

Act ▾	Grant ▾	Document Name ▾	Authorized By ▾	Date Authorized ▾	
ARPA	ARP Homeless Children and Youth II	ARP HCY II Certifications and Assurances		02/28/2022 13:59:13	View Authorization

Construction Assurances

Home ▾ Admin Menu ▾ Programs ▾ Application ▾ Authorizations ▾ Reports ▾ Message Board (9) 🔍 2021-2022 ▾

Documents To Be Authorized

2021-2022 Authorized Documents

Drag a column header and drop it here to group by that column

Act ▾	Grant ▾	Document Name ▾	Authorized By ▾	Date Authorized ▾	
ARPA	Elementary and Secondary School Emergency Relief Fund III	ARP Act Construction Assurances		03/10/2022 13:07:45	View Authorization ✕

Private School Affirmation Forms

Home Admin Menu Programs Authorizations Reports Message Board (4) 2020-2021

ARPA
CARES Private School Affirmation Forms
CARES Act
CARES Private School Affirmation Forms
CARES Private School Refusal of Partial Services Forms

ESSERF Private School Affirmation Forms

Drag a column header and drop it here to group by that column

Private School	Sch#	ESSERF Funds	Affirmation Status	Reason for Returned Affirmation	Affirmation Submitted By	Reviewed Date	Affirmation Reviewed By
	2215	Yes	Accepted			08/14/2020	Shomberg, Constance

ESSERF Private School Refusal of Partial Services Forms

Drag a column header and drop it here to group by that column

Private School	Sch#	Status	Reason Returned	Submitted By	Submitter's Phone
	2215				

Proportional Share Screens

Home Admin Menu Programs Application Authorizations Reports Message Board (4) 2020-2021

Grant Contacts
Select Fund Management
View / Edit Funding
ESSERF Proportional Share for Equitable Participation

Proportional Share for Equitable Participation

Date Overview and Instructions

Claims and the PI-1086 Fiscal Reports

The top screenshot shows a web application interface with a navigation bar at the top. The 'Application' dropdown menu is open, displaying a list of options: Grant Contacts, Select Fund Management, View / Edit Funding, ESSERF Proportional Share for Equitable Participation, Budget, Submission History, and Enter Claims. The 'Enter Claims' option is highlighted. The main content area shows a 'Maintain Claims - G' section with a 'Messages' box containing a message about edits to a claim and an 'Instructions' box.

The bottom screenshot shows the same web application interface, but the 'Reports' dropdown menu is open. The 'Reports' dropdown menu displays a list of options: Certification and Assurances, Grant Award Report, ESEA, Title I, Title II, and Fiscal Reports. The 'Fiscal Reports' option is highlighted. The main content area shows a 'Detailed Ledger Report' section with a 'Select Sub-Budget(s)...' dropdown menu.

Common Findings

- Davis-Bacon Act –
 - prevailing wage
 - certified payrolls
- Ledger inconsistencies with the approved budget
- Lack of written procedures
- Procurement Procedures
- Failure to consult with private schools and document accordingly
- Segregation of Duties

Common Questions From Auditors

- Are multi-year subscriptions allowable?
- What are the procurement procedures for micro purchases over \$10,000?
- Can ESSER funds be used to pay for CESA building construction fees?
- How should LEAs dispose of plexiglass they purchased with ESSER I but no longer need?
- Can LEAs use ESSER to pay for single audit fee?

DPI Resources

- [CARES Act ESSER I](#)
- [CARES Act GEER](#)
- [CRRSAA ESSER II](#)
- [ARPA ESSER III](#)
- [Guidance on Allowable Costs](#)
- [Construction Technical Assistance](#)
[Slides](#) | [Video](#) | [How to Budget](#)
- [WISEgrants podcast](#)
- [EBIS/ESSER III Helpline](#)
- [ESSER III Reading Initiatives](#)
- [Out-of-School Time Grant Opportunity](#)
- Submit questions to:
essergrants@dpi.wi.gov
- Submit EBIS questions to:
EBISsupport@dpi.wi.gov

DPI Resources

ESF WORKSHOPS

Today, February 27th
February 28th

Tomorrow,

Session 4: 1:30 - 2:30pm
- 1:45pm

Session 8: 12:45

Session 5: 2:45 - 3:45pm

Session 9: 2:00 - 3:00pm

ESF OFFICE HOURS

- Tuesdays from 9:00 a.m. - 9:50 a.m.
- Thursdays from 1:00 p.m. - 1:50 p.m.

Wendy Thompson, Coordinator 202-999-9999

Auditor Resources

- [WISEgrants for Auditors](#)
- [Preparing for the Single Audit](#)
- [Guidance on Allowable Costs](#)
- [Written Procedures](#)
- [WI School District Audit Manual](#)
- [Equipment Purchased with Federal Funds](#)
- [Federal Procurement Standards](#)
- [Conflict of Interest](#)
- [Allowable Costs Written Procedures](#)
- [NVL Audit Report Guidance](#)



**THANK
YOU!**

12:15 – 1:55 p.m.

Beginner Single Audit Basics

Matthew Drzewiecki, *Senior Accountant, Baker Tilly*

Michelle Walter, CPA, *Senior Manager, Baker Tilly*

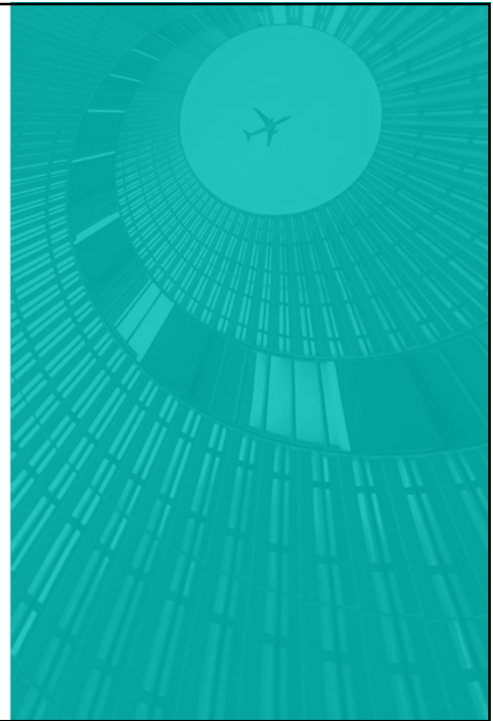


Beginner Auditor

Michelle Walter, CPA, Senior Manager

Michelle.Walter@bakertilly.com

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2022 Baker Tilly US, LLP.



Agenda

- What is required?
 - Wisconsin State Statutes
 - Wisconsin Administrative Code
- School Financial Services
 - Accounting, Auditing and Financial Management Resources
 - WUFAR
 - Fund Types
 - Account Structure
- Reporting Portal



Requirements

- Wisconsin Statute 120.14 (1)
 - At the close of each fiscal year, the school board of each school district shall employ a licensed accountant to audit the school district accounts and certify the audit
 - The audit shall include information about expenditures for community programs and services
 - If required by the state superintendent under statute 115.28(18), the audit shall include the number of pupils reported for membership purposes under statute 121.004(5)

3



Requirements

- Wisconsin Statute 120.14 (1)
 - Annually by September 15, the school district clerk shall file a financial audit statement with the state superintendent.
 - Auditors file a Financial Audit Statement PI-1506 form

4



Requirements

- Wisconsin Administrative Code, PI 14 Establishes Minimum Standards for School District Audits
 - Auditor shall conduct an examination of the basic financial statements including all funds of the school district for the fiscal year
 - Generally accepted audit standards
 - Uniform Grants Guidance (2 CFR Section 200)
 - Standards for financial and compliance audits contained in the standards for audits of governmental organizations, programs, activities, and functions issued by the comptroller general of the United States (Yellow Book).

5



Requirements

- Wisconsin Administrative Code, PI 14
 - Financial statements presented in the auditor's report shall comply with generally accepted accounting principals (GAAP)
 - The auditor shall express an opinion on the financial statements of all funds covered in the scope of the audit. If the auditor is unable to express an unqualified opinion, the auditor shall state fully the reasons for qualification or disclaimer of opinion. The school district shall correct any deficiency which results in a qualification or disclaimer of opinion

6

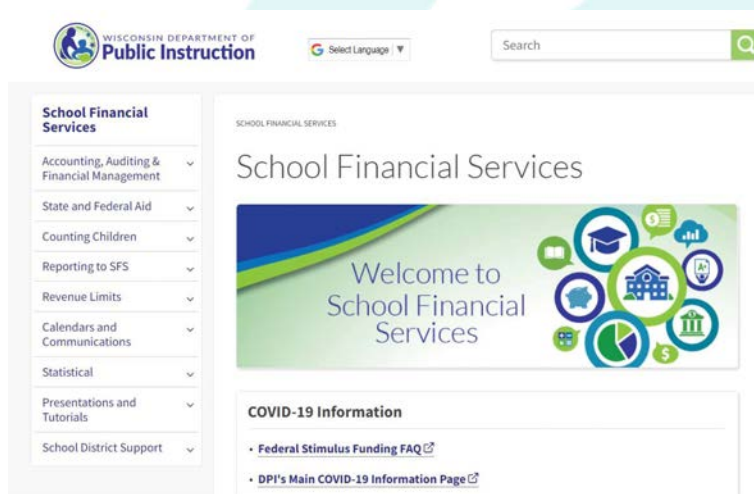


Requirements

- Wisconsin Administrative Code, PI 14
 - Management letter/Communication with those charged with governance
 - Federal program audit reports and schedules, as appropriate
 - State program audit reports and schedules, as appropriate
 - Membership audit report, if required by the department under statute 115.28 (18)

7

School Financial Services (SFS) Homepage



Save this page as a favorite: <https://dpi.wi.gov/sfs>

8

School Financial Services (SFS) Homepage

Two main sections of DPI website for Auditors

- School Finance Reporting Portal
 - <https://dpi.wi.gov/sfs/reporting/safr/overview>
 - Must select District and have login that is associated as being the auditor for the District
 - This is where all the required reports are located
- Accounting, Auditing and Financial Management
 - <https://dpi.wi.gov/sfs/finances/overview>
 - No password required

9

Accounting, Auditing and Financial Management

Key Items located here

- Aids register and Aid payments
- Audit requirements (including audit manual)
- WUFAR documents



Accounting, Auditing & Financial Management

SCHOOL FINANCIAL SERVICES / ACCOUNTING, AUDITING AND FINANCIAL MANAGEMENT

Accounting, Auditing and Financial Management

Overview

The State of Wisconsin provides financial support to qualifying education agencies through a formal process of data collection. Federal law, state statutes and related administrative rules govern the distribution of general aid and categorical aid.

Click the appropriate link to see a brief summary. If more information is needed, click the associated link provided.

- [Aid Payments](#)
- [Audit Requirements](#)
- [Budgeting](#)
- [County Children with Disability Education Board \(CCDEB\)](#)
- [Debt Reporting Information](#)
- [Funds](#)
- [Private School Vouchers](#)
- [Property Value](#)
- [School District Fund Balance Policy](#)
- [Tuition](#)
- [Wisconsin Uniform Financial Accounting Requirements \(WUFAR\)](#)

10

School Financial Services – Aids Register

- All Federal and State aids paid through DPI
- Use it to confirm current year payments
- Use FY24 to verify subsequent receipts

Home | Families & Students | Schools & Educators | Libraries | Data & Media

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Search

Accounting, Auditing & Financial Management

- Aid Payments
- Aids Register**
- Audit Requirements
- Budgeting
- CESA Annual Report Information
- County Children with Disability Education Board
- Debt Reporting
- Funds
- Property Value

SCHOOL FINANCIAL SERVICES / ACCOUNTING, AUDITING & FINANCIAL MANAGEMENT / AIDS REGISTER INFORMATION

Aids Register Information

Aids Register

The Aids Register is a listing of all aid payments made by the Department of Public Instruction to school districts and other organizations.

STAR Aids Register (Directions below)

- Public and Private Aids Register

STAR Aids Register WUFAR Codes and Fiscal Contacts

- Aids Register WUFAR Codes and Fiscal Contacts

11

School Financial Services – Aids Register



[DPI Home](#)

Welcome to STAR AIDS Register

Fiscal Year:
7/1/2022 - 6/30/2023

Agency Id:

Agency Name:

12

School Financial Services – Aids Register

Export to PDF

2023 West Allis School District [406300] 5/2/2023 7:34 PM

Voucher Date	Payment Date	Voucher Id/STAR ID	Source	Project	Appr	Description	Amount
Wisconsin Charter Schools Program (WCSP) CFDA/# B4.2B2							
01/23/2023	01/30/2023	SAFA01232312006697113	242	360	241	Payment	2,116.71
09/19/2022	09/26/2022	SAFA09192212008771809	242	360	241	Payment	224,381.63
Program Total:							226,498.34
Special Ed & School Age Parents Aids CFDA/# 255.101							
03/13/2023	03/20/2023	SAFA03132312009979646	611	000	206	Payment	588,248.00
02/15/2023	02/21/2023	SAFA02132312008756859	611	000	206	Payment	660,082.00
01/09/2023	01/17/2023	SAFA01092312005864767	611	000	206	Payment	582,425.00
12/12/2022	12/19/2022	SAFA12122212004360613	611	000	206	Payment	607,591.00
12/05/2022	12/12/2022	SAFA12052212003713705	611	000	206	Payment	31,084.24
11/14/2022	11/21/2022	SAFA111422120019311559	611	000	206	Payment	557,258.00
Program Total:							3,026,688.24
Pupil Transprt Public & Priv Sch Studnt CFDA/# 255.107							
01/23/2023	01/30/2023	SAFA01232312007203619	612	000	210	Payment	31,195.00
Program Total:							31,195.00
Common School Fund Library Aid CFDA/# 255.103							
04/17/2023	04/24/2023	SAFA04172312003613557	613	031	262	Payment	507,796.00

13

School Financial Services – Audit Manual

Accounting, Auditing & Financial Management

Aid Payments

Aids Register

Audit Requirements

Auditors Listserv
Messages

Membership Audits

Audit Manual

The Wisconsin School District Audit Manual serves as an appendix of the State Single Audit Guidelines to provide additional auditing and program-specific compliance requirements for DPI funding.

The Wisconsin School District Audit Manual also establishes auditing and program-specific compliance requirements for Wisconsin Public School Districts (Districts), Cooperative Educational Service Agencies, County Children with Disability Education Boards, and independently authorized charter schools that receive funding from the DPI but do not meet the single audit federal expenditure threshold.

2022 Wisconsin School District Audit Manual [PDF](#) (updated 9/7/2022)

Additional Auditor Documents:

Fiscal Year 2022 Annual Auditor Letter [PDF](#)

Letter from Department of Education - Single Audit Submission: Reporting subprogram ALN alphas in Form SF-SAC [PDF](#)

School Financial Services – Audit Manual

Table of Contents

1	GENERAL INFORMATION	1
1.1	GENERAL AUDIT INTRODUCTION	1
1.2	AUDIT APPLICABILITY	1
1.3	AUDIT REQUIREMENTS	1
1.3.1	Additional Requirements for Single Audits	2
1.3.2	Additional Requirements for Audits of Public School Districts	2
1.4	MAJOR PROGRAM DETERMINATION	3
1.5	AUDITOR QUALIFICATIONS AND PEER REVIEW REQUIREMENTS	5
1.6	REVIEW OF AUDITOR PERFORMANCE	5
1.7	AUDIT REPORTING PACKAGE	6
1.7.1	Schedule of Expenditures of Federal and State Awards	6
1.7.2	Schedule of Findings and Questioned Costs	7
1.8	SUBMISSION AND DUE DATES	7
1.9	FRAUD REPORTING	7
1.10	PAYMENT INFORMATION	8
1.11	WISCONSIN STATE STATUTE AND ADMINISTRATIVE RULE	8
1.12	EFFECTIVE DATE	8
1.13	CONTACT INFORMATION	8
2	COMPLIANCE REQUIREMENTS FOR THE DPI PROGRAMS	9

Audit Manual is a great source for information including:

- Audit requirements
- Single audit guidelines
- Reporting and due dates

15

School Financial Services – Audit Manual (Audit Programs)

- Compliance with State Statutes
- General State Aids is ALWAYS major program – Every Year
- Transportation AND Special Education are type A programs, audited at least once every 3 years

2 COMPLIANCE REQUIREMENTS FOR THE DPI PROGRAMS

2.1 GENERAL AID CLUSTER AUDIT PROGRAM

2.1.1 Background

State ID Numbers: 255.201, 255.203, 255.204, 255.205 and 255.926

General Aid is State aid which is not limited to any specific program, purpose, or target population but may be used in financing the general education programs and operations of the recipient district. Decisions on the use of general aids are made by the recipient district.

2.2 SPECIAL EDUCATION AND SCHOOL AGE PARENTS AUDIT PROGRAM

2.2.1 Background

State ID Number: 255.101

School districts and other eligible LEAs receive partial reimbursement for certain instructional, transportation and other costs of special education and related services in the prior year. Additional

2.3 PUPIL TRANSPORTATION AUDIT PROGRAM

2.3.1 Background

State ID Number: 255.107

16

Wisconsin Uniform Financial Accounting Requirements (WUFAR)

- Last update: June 2022

WUFAR

- Website Link
 - <https://dpi.wi.gov/sfs/finances/wufar/overview>
- The WUFAR Book
 - Account Titles & Descriptions
- Matrices
 - Allowable Account Classifications By Fund

WUFAR 2022-23

Summary of WUFAR Changes

- Summary of Changes to WUFAR Revision 2022-23 

The WUFAR Book

- WUFAR Revision 2022-23 

The WUFAR Matrices

- Expenditure Account Classifications 
- Revenue Account Classification 
- Balance Sheet Account Classifications 
- Fund 27 - Special Education 

Chart of Accounts

- Chart of Accounts 2022-23 

General Fund

Fund 10

Financial transactions relating to current operations that are not required to be accounted for in other funds

- **Day to day operations**

- Instructional activities
- Instructional staff support
- Pupil support activities
- Other support activities

19



Special Revenue Funds

For Proceeds of Special Revenue Sources As Required - (By DPI)

- **2X Special Project Funds**
 - 21 Special revenue trust fund
 - 23 TEACH
 - 27 Special Education Fund
 - 29 Other Special Projects fund
- **50 Food Service**
- **80 Community Service**
- **9X Cooperative Services Funds**
 - 91 CESA Package Programs
 - 93 TEACH Cooperative
 - 99 Other Cooperative Programs

20



Special Projects Funds (SRF)

Fund 21 - Special Revenue Trust Fund

- Gifts and donations received from private parties that can be used for district operations

Fund 23 - TEACH Fund

- Any remaining TEACH fund balance being used to make payments on a teach loan

Fund 27 - Special Education

- Excess cost of special education and related services funded wholly or in part with state or federal special education aid

Fund 29 - Other Special Projects Funds

- Special revenue K-12 instructional programs not required to be reported in other special revenue funds

21



Debt Service Funds

Fund 38 - Non-Referendum Debt Service Fund

- Borrowing without a referendum

Fund 39 - Referendum Approved Debt Service Fund

- Borrowing based on successful referenda
- Proper classification is essential for revenue limit calculations

22



Capital Projects Funds

Fund 41 - Capital Expansion Fund

- Capital expansion financed with tax levy
- Acquiring and remodeling buildings and sites, and repair that extend the service life of buildings
- No equipment
- Approved at annual meeting

Fund 46 –Long Term Capital Improvement Trust Fund

- Segregated fund financed by a Fund 10 transfer for purposes identified in the district's long-term capital improvement plan. No funds may be used for a period of 5 years after the 'trust fund' is created.

23



Capital Projects Funds

Fund 48 - TIF Capital Improvement Levy Fund

- Projects financed with a TIF. No districts use this fund

Fund 49 - Other Capital Projects Fund

- Capital project activities funded with bonds and notes
- Record proceeds of borrowing and related expenditures

24



Food Service Fund

Fund 50 - Food Service Fund

- Activities relating to pupil and elderly food service activities
- May not run a deficit
 - Pupil food service deficit covered by fund 10 transfer
 - Elderly food service deficit must be covered by community service fund transfer
- Districts must separate fund balance reserved for elderly food service

25



Pupil Activity Fund/Custodial Funds

Account for assets held by the district for pupil organizations

- Pupil organizations (student activities) are those that are student run, with decisions being made by the students. Examples:
 - High School Student Council
 - Senior Class
- Organizations for students but governed by staff, such as an Athletic Club should not be accounted for in Fund 60.

GASB 84 required for schools in fiscal year 2021 which would require evaluating classification of these funds

26



Trust Funds

District holds the investment, is responsible for the bookkeeping, but the spending is not determined by the district

Fund 72

- Scholarships, gifts and donations specified for the benefit of individuals and organizations not under the control of the school board

Fund 73

- Resources held in trust for formally established defined benefit pension plans, defined contribution plans or employee benefit plans-OPEB. There is an audit program specific to fund 73.
- Other employee benefits held in a trust

27



Community Service Fund

Fund 80 - Community Service Fund

- Activities where the primary function is to serve the community and are outside the regular and extracurricular programs for students – open to anyone in the community
- Adult education, community recreation programs, non-special education preschool, day care services
- District levy and user fees are revenues of this fund
- May not make a transfer from fund 10

28



WUFAR Account Structure



- This sequence is what you would normally see when looking at a district expenditure.

10 R 810 211 500000 000 Current Year Property Taxes
10 E 100 100 110000 000 Salaries

29



WUFAR Account Structure

Balance Sheet Accounts

700 000 – Assets
800 000 – Liabilities
900 000 – Fund Balance “Equity”

30



WUFAR Account Structure

Revenue Account Coding

Revenue

XX - XXX - **XXX** - XXXXXX - XXX

FUND – LOCATION - **SOURCE** - FUNCTION - PROGRAM

- Typical function (district-wide 5XXXXX)
- All Transfer-In transactions must use a 41XXXX function
- Additional dimensions as desired

31



WUFAR Account Structure

Revenue Account Sources

- All revenues, long term debt proceeds and “inter-fund transfers-in” must be coded as a **SOURCE**

- 100 - Interfund Transfers
- 200 - Local Sources
- 300/400 - School Districts
- 500 – CESAs
- 600 – State
- 700 – Federal
- 800 – Other Financing Sources
- 900 – Other Revenues

- See also the Aid Register Coding of Federal and State Programs

32



WUFAR Account Structure

Expenditure Account Structure

XX – XXX - **XXX** - XXXXXX - XXX

FUND – LOCATION - **OBJECT** - FUNCTION - PROJECT

- **Object** – The service or commodity used in accomplishing a function.
 - What is being purchased?
- **Function** – What is the purpose of the activity (Instructional, Support, Facilities, Transport, Debt).
 - Why are they buying or for what purpose?
- **Project** – Used to identify state and federal categorical programs and grants.
 - How is it funded?
- **Other dimension not collected by DPI** - location, Org, local A, local B

33



WUFAR Account Structure

Expenditure Object Types

- Salaries & Fringes (100 / 200 Objects)
- Purchased Services (300 Objects)
- Non-Capital Objects (400 Objects)
- Capital Objects (500 Objects)
- Debt (600 Objects)
- Insurance (700 Objects)
- Other (900 Objects)

34



WUFAR Account Structure

Expenditure Function Types

- **100 000 – Instruction**
 - Instruction is restricted to interactions between pupils and teachers
- **200 000 – Support Services**
 - Pupil & staff services, administration, operation , maintenance, transportation, and debt
- **300 000 – Community Services**
 - Limited to community service type activities
- **400 000 – Non-Program**
 - Transfers
 - Trust Fund Disbursements
 - Purchased Instructional Services
 - Other Non-program Transactions

35



WUFAR Account Structure

Expenditure Function Types

- **Undifferentiated Curriculum – 110000**
 - Teaches two or more curricular areas to the same group of students.
 - First grade teacher
- **Regular Curriculum– 120000**
 - Teaches one curricular area
 - 122000 - English Language
 - 124000 - Mathematics
 - 124100 - Algebra
 - 124300 - Calculus
 - 124600 - Geometry

36



School Finance Reporting Portal

Due Dates

Status & Due Dates

This page summarizes the reports collected by the School Financial Services team. The team collects data to fulfill its responsibility to pay state aids or it collects data required by statute. Forms specific to district auditors are listed last under [Auditor Due Dates](#).

Explanations of the columns below can be found at [Column Explanations](#).

[See this page in Excel](#)

The Fiscal Year at a Glance Summer 2021 - Spring 2022 is a single page document (front and back) that lists which financial reports need to be filed with SFS and when they are due. It is located on the [Calendar and Due Dates webpage](#).

Reports and Due Dates							
Status	Due Date ▼	FY	Data Collected	Form	Initial Submission	Last Changed	Open Date
optional	Oct 15 '20	2021	Supplemental Aid	1588	Not submitted		Jul 01 '20
✓	Aug 13 '21	2021	School Calendar	1505-Calendar	Jun 09 '21	Jun 09 '21	Jun 01 '21
✓	Aug 13 '21	2021	School Census / CSE	1505-Census	Jul 16 '21	Jul 16 '21	Jun 01 '21
✓	Oct 01 '21	2022	Pupil Count - September	1563-Sept	Sep 29 '21	Apr 13 '22	Sep 17 '21
✓	Oct 01 '21	2022	Pupil Count - Summer	1804/1805	Sep 07 '21	Sep 07 '21	Aug 16 '21
✓	Oct 01 '21	2022	Pupil Transportation Summer	1547-SS	Sep 09 '21	Sep 09 '21	Aug 16 '21
✓	Oct 01 '21	2022	Transfer of Service - Part C	5000	Sep 17 '21		May 20 '21
✓	Oct 01 '21	2022	Youth Challenge Academy - September	1563-YCA	Oct 01 '21	Oct 01 '21	Sep 17 '21
optional	Nov 01 '21	2021	State Tuition Claim	1524	Not submitted		Sep 01 '21
✓	Nov 05 '21	2022	Tax Levy	401	Oct 25 '21	Nov 03 '21	Oct 15 '21
✓	Jan 28 '22	2022	Pupil Count - January	1563-Jan	Jan 27 '22	Jan 27 '22	Jan 14 '22
✓	Mar 31 '22	2022	Youth Challenge Academy - January	1563-YCA	Mar 01 '22	Mar 01 '22	Feb 28 '22
opens 7/30/22	Oct 15 '22	2022	Annual Report (PI-1505)	1505			Jul 30 '22

Auditor Due Dates							
Status	Due Date ▼	FY	Data Collected	Form	Initial Submission	Last Changed	Open Date
✓	Sep 13 '21	2021	Audited Fund Balances (wizard)	1506-FB	Sep 26 '21	Dec 22 '21	Jul 12 '21
✓	Sep 30 '21	2021	Special Ed - No Valid License Worksheet (District)	xxxx	Sep 17 '21		Jul 28 '21
✓	Dec 15 '21	2021	Audited Financial Statements	xxxx	Dec 15 '21		Jul 01 '21

38



PI-401 Tax Levies

- Tax levy information must be approved by the Board by 11/1
- PI-401 completed electronically by the District reports the following
 - Tax levy by fund
 - Certification data for each municipality
- Must be certified by District Officials

39

PI-401 Tax Levies (Example)

FY 2022-2023 Tax Levies

Summary

PI-401			
Account	Description	Revenue Limit Worksheet Line	Amount
10R-000000-211	General Fund Operating Levy	Line 14A	32,560,125.00
38R-000000-211	Non-Referendum Debt Levy	Line 14B	3,318,510.00
41R-000000-211	Capital Expansion Fund Levy	Line 14C	0.00
Total Revenue Limit Levies:			35,878,635.00
10R-000000-212	Property Tax Chargebacks	Line 15C	16,327.00
39R-000000-211	Referendum Approved Debt Levy	Line 15A	0.00
80R-000000-211	Community Service Fund Operating Levy	Line 15B	4,300,000.00
Total Certified Tax Levies:			40,194,962.00

40

Budget Reports

- Annual approved District budget completed by District
 - Summary Data by WUFAR Code (Fund, Function and Object(Source))
 - District budget most likely has more detailed accounts rolled up into these accounts
- These are the budget numbers that should be used for budget to actual schedules in the financial statements
- District will get budget data into WiseData Finance for submission to DPI
- Debt summary is to be updated by District prior to completion
 - Should also be updated within 10 days of any changes to debt structure

41



PI-1505-AC Aid Certification

- Year end summary of financial data completed by the District
 - District provides year end balances for General Fund, Debt Service Funds, Capital Projects Funds
 - High level summary for use in providing general aid
- Should account for as many audit entries as possible before due date
- Comparison to auditor numbers is done as part of PI-1506-AC

42



PI-1505-AC Aid Certification (Example)

Fund 10: General Fund		District
1	10 B 900000 001 Beginning Fund Balance	4,526,392.95
2	10 R 000000 000 Total Revenues and Transfers In	16,408,067.93
3	10 R 000000 211 Property Taxes	7,559,183.00
4	10 R 000000 212 Property Tax Charge Back	0.00
5	10 R 000000 213 Mobile Home Tax	26,360.86
6	10 R 000000 219 Other Tax	0.00
7	10 R 000000 620 General State Aid	6,371,399.00
8	10 R 000000 691 State Tax Exempt Aids	106,330.48
9	10 R 000000 720 Federal Impact Aid	0.00
10	10 R 000000 850 Reorganization Settlement Proceeds	0.00
11	10 R 000000 873 LT Operational Borrowing - Notes	0.00
12	10 R 000000 874 LT Operational Borrowing - STFL	0.00
13	10 R 000000 972 Property Tax and Equalization Aid Refund	0.00
14	10 E 000000 000 Total Expenditures and Transfers Out	16,056,239.17
15	10 E 411000 838 Transfer to Non-Referendum Debt Fund	0.00
16	10 E 411000 839 Transfer to Referendum Debt Fund	0.00
17	10 E 491000 950 Reorganization Settlement Payment	0.00
18	10 E 492000 972 Property Tax Chargeback and Equalization Aid Repayments	0.00
19	10 B 900000 002 Ending Fund Balance	4,878,221.71
Fund 38: Non-Referendum Debt Service Fund		
20	38 B 936310 001 Begin Restricted for Debt Refinancing	0.00
21	38 B 936320 001 Begin Other Debt Service Fund Bal	13,346.77
22	38 R 000000 000 Total Revenues and Transfers In	78,750.00
23	38 R 000000 211 Property Taxes	78,750.00
24	38 R 000000 220 Milwaukee City Paid Debt	0.00
25	38 R 000000 800 Proceeds of Refinancing Borrowing	0.00
26	38 E 000000 000 Total Expenditures and Transfers Out	78,750.00
27	38 E 282000 000 Debt Refinancing Expenditure	0.00
28	38 E 283000 670 LT Operational Debt Principal Payment	0.00
29	38 E 283000 680 LT Operational Debt Interest Payment	0.00
30	38 B 936310 002 End Restricted for Debt Refinancing	0.00
31	38 B 936320 002 End Other Debt Service Fund Bal	13,346.77

43



PI-1506-FB – Auditor Ending Fund Balance

- Completed by the auditor after any adjusting journal entries have been made and financial statements have been drafted
- Compares District reported fund balances and long-term obligations to what the audited balances are
 - District balances come information input by the District
- Must be completed before PI-1506-AC is completed

44



PI-1506-FB – Auditor Ending Fund Balance (Example)

Account	Description	2020 Annual Report	Fund Statements Fund Balance (GAAP)	Regulatory Fund Balance (DPI)	Variance
10B-900000-002	Total Fund Balance	4,878,221.71	4,878,221.71	4,878,221.71	0.00
21B-900000-002	Total Fund Balance	18,484.45	18,484.45	18,484.45	0.00
38B-900000-002	Total Fund Balance	13,346.77	13,346.77	13,346.77	0.00
39B-900000-002	Total Fund Balance	585,311.02	585,311.02	585,311.02	0.00
41B-900000-002	Total Fund Balance	178,558.43	178,558.43	178,558.43	0.00
46B-900000-002	Total Fund Balance	657,231.99	657,231.99	657,231.99	0.00
49B-900000-002	Total Fund Balance	1,694,007.92	1,694,007.92	1,694,007.92	0.00
50B-900000-002	Total Fund Balance	173,527.87	173,527.87	173,527.87	0.00
72B-900000-002	Total Fund Balance	1,401.37	1,401.37	1,401.37	0.00
08B-842300-002	Long-Term Bonds Payable	23,400,000.00	23,400,000.00	23,400,000.00	0.00

45



PI-1506-AC – Auditor Aid Certification

- Report completed by Auditor to show any differences between PI-1505-AC and audited numbers
- Data used in the certification of general aid
- Variances shown between District balance and Auditor balance are typically journal entries after the initial District submission
- Auditor must provide an Attestation Report and Certification page
- Needs to match District's annual report (PI-1505) so resubmissions do occur

46



PI-1506-AC – Auditor Aid Certification (Example)

Fund 10: General Fund			District	Auditor	Variance
1	10 B 900000 001	Beginning Fund Balance	4,526,392.95	4,526,392.95	
2	10 R 000000 000	Total Revenues and Transfers In	16,408,067.93	16,408,067.93	
3	10 R 000000 211	Property Taxes	7,559,183.00	7,559,183.00	
4	10 R 000000 212	Property Tax Charge Back	0.00	0.00	
5	10 R 000000 213	Mobile Home Tax	26,360.86	26,360.86	
6	10 R 000000 219	Other Tax	0.00	0.00	
7	10 R 000000 620	General State Aid	6,371,399.00	6,371,399.00	
8	10 R 000000 691	State Tax Exempt Aids	106,330.48	106,330.48	
9	10 R 000000 720	Federal Impact Aid	0.00	0.00	
10	10 R 000000 850	Reorganization Settlement Proceeds	0.00	0.00	
11	10 R 000000 873	LT Operational Borrowing - Notes	0.00	0.00	
12	10 R 000000 874	LT Operational Borrowing - STFL	0.00	0.00	
13	10 R 000000 972	Property Tax and Equalization Aid Refund	0.00	0.00	
14	10 E 000000 000	Total Expenditures and Transfers Out	16,056,239.17	16,056,239.17	
15	10 E 411000 838	Transfer to Non-Referendum Debt Fund	0.00	0.00	
16	10 E 411000 839	Transfer to Referendum Debt Fund	0.00	0.00	
17	10 E 491000 950	Reorganization Settlement Payment	0.00	0.00	
18	10 E 492000 972	Property Tax Chargeback and Equalization Aid Repayments	0.00	0.00	
19	10 B 900000 002	Ending Fund Balance	4,878,221.71	4,878,221.71	
Fund 38: Non-Referendum Debt Service Fund					
20	38 B 936310 001	Begin Restricted for Debt Refinancing	0.00	0.00	
21	38 B 936320 001	Begin Other Debt Service Fund Bal	13,346.77	13,346.77	
22	38 R 000000 000	Total Revenues and Transfers In	78,750.00	78,750.00	
23	38 R 000000 211	Property Taxes	78,750.00	78,750.00	
24	38 R 000000 220	Milwaukee City Paid Debt	0.00	0.00	
25	38 R 000000 800	Proceeds of Refinancing Borrowing	0.00	0.00	
26	38 E 000000 000	Total Expenditures and Transfers Out	78,750.00	78,750.00	
27	38 E 282000 000	Debt Refinancing Expenditure	0.00	0.00	
28	38 E 283000 670	LT Operational Debt Principal Payment	0.00	0.00	
29	38 E 283000 680	LT Operational Debt Interest Payment	0.00	0.00	
30	38 B 936310 002	End Restricted for Debt Refinancing	0.00	0.00	
31	38 B 936320 002	End Other Debt Service Fund Bal	13,346.77	13,346.77	

47



PI-1505 – Annual Report

- Annual Report of all funds and accounts completed by the District
- Data entered into the system needs to match prior PI-1506 reports as well as financial statements.
- Several edit checks and errors built into the system and District is unable to submit until all are cleared.
- Auditor involvement may be needed to clear errors and update any PI-1506 reports

48



PI-1505 – Annual Report (Example)



FY 2021-2022 Annual Report (PI-1505)

Fund 10 General Fund - Balance Sheet Accounts

Account	Description	Beginning of Year	End of Year
700000 Assets			
10B-711000	Cash	26,339,779.52	31,482,455.35
10B-712000	Investments	7,992.52	8,001.17
10B-713100	Taxes Receivable	5,513,984.97	3,946,516.88
10B-713200	Accounts Receivable	578,005.19	411,418.12
10B-714000	Due From Other Funds	830,894.09	996,511.87
10B-715000	Due From Other Governments	4,940,550.91	7,127,187.01
10B-717000	Prepaid Expenses	754,843.79	623,221.05
	Total Assets (700000)	38,966,050.99	44,595,311.45
800000 Liabilities			
10B-811200	Accounts Payable	2,364,412.20	931,040.44
10B-811600	Payroll Withholdings and Benefits Payable	2,015,597.95	1,909,213.80
10B-811800	Accrued Payroll Payable	210,517.23	228,791.38
10B-812000	Due to Other Funds	1,975,044.90	4,896,273.22
10B-815200	Health Reimbursement Arrangements (HRAs) Deposits	209,403.40	232,612.07
10B-815900	Other Deposits Payable	90.46	90.46
10B-817000	Health Benefit Claims Payable	61,890.84	73,798.51
	Total Liabilities (800000)	6,836,956.98	8,271,819.88
900000 Fund Equity			
10B-935100	Nonspendable Fund Balance	221,754.30	221,754.30
10B-936130	Fund Balance Restricted for Unspent Common School Fund	838.26	838.26
10R-939000	Unassigned Fund Balance	0.00	36,100,899.01

49

PI-1505 – Annual Report (Example – Error Checks)

[Financial Data Home](#) > [All Annual Reports](#) > [FY 2019-2020 Next Step](#)

Errors by Category

Important:

Errors have been grouped by category to help districts identify and address errors in the report. Correction of certain errors often eliminates numerous errors in other categories.

To save you time, we recommend you begin solving errors in the following order:

If you continue to see an error you believe you have resolved, Please click [Run Edits](#) on the left menu bar to force a re-check.

Account Usage Errors

[Rejected Accounts](#) (0)
[Unauthorized Account Errors](#) (0)
[Fund 41 Errors](#) (0)
[Fund 46 Errors](#) (0)
[Fund 48 Errors](#) (0)
[Fund 73 Errors](#) (0)
[Operational Borrowing](#) (0)
[Negative Amount Errors](#) (0)

DPI Amount Errors

[Certified Amount Errors](#) (0)
[Tax Levy Errors](#) (0)

Balance Errors

[Beginning Balance Errors](#) (0)
[Beginning Fund Equity Errors](#) (0)
[Ending Fund Equity Errors](#) (0)
[Fund Out-of-Balance Errors](#) (0)
[Negative Fund Equity Errors](#) (0)
[Blderly Food Service Errors](#) (0)

OPER Errors

[OPER Benefits Error](#) (0)
[OPER Contribution Error](#) (0)

Transfer Errors

[Due To / Due From Errors](#) (0)
[Fund Transfer Errors](#) (0)
[Residual Balance Transfer Errors](#) (0)

Long-Term Debt Errors

[Refinancing Errors](#) (0)
[Debt Schedule Variances](#) (0)
[Long-Term Debt Errors](#) (0)

Aids Register Errors

[Aid Payment Errors](#) (0)
[Aid Pay Recor Errors](#) (0)

Other Errors

[PI-1505-A6 Errors](#) (0)
[PI-1505-FB Errors](#) (0)
[PI-1505-SE Errors](#) (0)
[PI-1505-SE W/ Act 221 Errors](#) (0)

Interest Allocation Errors



[Payable Errors](#) (0)
[Receivable Errors](#) (0)
[Addenda Still Needed](#) (0)
[Misc. Errors](#) (0)

Total number of errors: 0

50

Special Education – No Valid Licenses (in WiseGrants)

Individuals without a valid license during FY 2021-2022 or a license not valid for the WISEstaff reported position and area

Expand All		Collapse All									
Individual	WISEstaff Position	Educator File Number(EFN)	ELO Error Message	Total Questioned Cost	Amount Ineligible for Categorical Aid (Project 011)	Agency Response	DPI Reviewed	Amount Accepted	DPI Comment		
	(84) Speech/Language Pathologist		Nicole Suter - This individual does not hold a license for this position / subject (acceptable subjects are 1820)	\$65,750.70	\$65,750.70		Yes	Yes			

Special Education – No Valid Licenses

Must be submitted by the auditor for each district (Per Special Education Audit Program) documenting where the salary and benefits for unlicensed individuals were reported

Instructions

To view complete instructions and screencasts for completing this page, please see the [Special Education "No-Valid License" Reporting Guidance](#)

Edit NVL Audit Amounts

Special Education NVL Report Submitted by Michelle Walter on 09/15/2022

Audit Report Status: Submitted
 Audit Report Submitted By: Michelle Walter
 Count of NVL Staff: 1
 Total Questioned Costs: \$65,750.70
 Amount Ineligible for Categorical Aid (Project 011): \$65,750.70

Questions?



Michelle Walter
SENIOR MANAGER

P: +1 (414) 777-5576
E: michelle.walter@bakertilly.com



Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2022 Baker Tilly US, LLP.

2:05 – 3:05 p.m.

Hot Topics in School District Legal Obligations

Shana R. Lewis, J.D., *Attorney/Shareholder, Renning, Lewis
& Lacy, S.C.*

Laura E. Pedersen, J.D., *Associate Attorney, Renning, Lewis
& Lacy, S.C.*

Attorney Update: Hot Topics in School District Legal Obligations

WICPA School District Audit Conference

May 25, 2023

ATTORNEY SHANA R. LEWIS
SLEWIS@LAW-RLL.COM

ATTORNEY LAURA E. PEDERSEN
LEPEDERSEN@LAW-RLL.COM

COPYRIGHT © RENNING, LEWIS & LACY, S.C. 2023
ALL RIGHTS RESERVED.



RENNING
LEWIS & LACY

Hot Topics in School District Legal Obligations

1. Transgender and Gender Non-Conforming Students' Rights and School District's Responsibilities.
2. School District Employee Financial Mistakes and Misappropriation.
3. Student Transportation Contracts and Services.
4. Compensation, Benefits, and Other Employment Decisions in an era of staffing shortages and failed referendum elections.

Transgender and Gender Non-Conforming Students' Rights and School District's Responsibilities

■ Federal and state statutes

- Title IX of the Education Amendments Act of 1972 and Wis. Stat. § 118.13 prohibit discrimination on the basis of sex in public schools.

■ Proposed changes to Title IX

- Prohibit sexual harassment and harassment based on sex stereotypes, sex characteristics, sexual orientation, and gender identity.
- Mandate that any sex-related eligibility criteria used by school districts for student participation on athletic teams be substantially related to an important educational objective and would minimize harms to a student that might be limited or denied participation on a team consistent with the student's gender identity.
- No similar changes expected for Wis. Stat. § 118.13 or administrative regulations.

■ Legal considerations

- Athletic eligibility
- Restroom/locker room use
- Pronoun/name changes and parental rights
- School libraries

■ Financial considerations

- Legal
- Remodeling/construction
- Support services
- Instructional services
- Administrative services

School District Employee Financial Mistakes and Misappropriation

■ Headlines from the last year

- Former school employee stole more than \$33,000 of school funds from Hartland-Lakeside School District in Wisconsin
- Big Foot High School employee arrested on theft charges; investigation ongoing
- Former Waunakee food service director accused of fraud

■ Applicable School Board Policies and Employee Handbook Provisions

- Whistleblower Protection
- Fraud Prevention and Reporting
- Money Handling
- Employee Ethics and Conflicts of Interest
- Employee Misconduct Investigations
- Acceptable Use of Technology

■ Resources

- Internal Investigator
- Legal Counsel
- Certified Fraud Examiner
- Insurance Coverage
- Law enforcement
- Auditor

■ Legal Considerations

- Garrity warnings
- Administrative leave with pay
- Employee Training

Student Transportation Contracts and Services

■ Student transportation in Wisconsin

- Wis. Stat. § 121.54(2)(a) – school districts must provide transportation to and from school for all students residing at least 2 miles from the nearest public school they are able to attend.
- Wis. Stat. § 121.54(2)(b)1. – school districts must provide transportation to and from a private school if (1) the student resides at least 2 miles from the private school, (2) the student lives within the private school's attendance area, and (3) the private school is within the resident school district's boundaries or not more than 5 miles beyond.
- Wis. Stat. § 121.54(2)(c) – school districts may elect to provide transportation to students for whom transportation is not required.
- Wis. Stat. § 340.01(56)(a) – “school bus” means “a motor vehicle which carries 10 or more passengers in addition to the operator” or “a motor vehicle painted [school-bus yellow].”
- Wis. Stat. § 121.55(1) – additional methods for providing transportation.
- Wis. Stat. § 121.555(1) – alternative vehicle transportation.

■ Challenges

- Driver shortages
- Contractual matters
- Safety considerations
- Reduced enrollment

■ Costs

- Driver certification/licensure
- Maintenance products
- Garage costs
- Communication and surveillance equipment
- Vehicle and vehicle components
- Dispatch services
- Salary and benefits
- Insurance

Compensation, Benefits, and Other Employment Decisions in an Era of Staffing Shortages and Failed Referendum Elections

■ The Facts

- Since 2011, teachers have left the profession and the number of students enrolled in teaching programs have dropped.
- The COVID pandemic triggered many teacher and administrator retirements earlier than expected.
- For the 2022-23 school year, Wisconsin issued more emergency teaching licenses than previous years, especially for subjects with the biggest shortages.
- School districts are attempting to revamp compensation structures, benefit packages, retirement incentives, and working conditions in order to attract and retain staff.

■ Legal Considerations

- CPI-U – impacts school district compensation:
 - 2021-22: 1.23%
 - 2022-23: 4.7%
 - 2023-24: 8%
- Insurance renewal rates are also increasing.
- School districts are bringing back post employment health and other benefits to both encourage retirements and to retain staff.
- Whether employees have vested in retirement benefits creates significant legal issues.

Any legal questions involving
school districts that you were
always interested in asking but
never had the opportunity...

NOW IS YOUR CHANCE...

Thank You.

3:15 – 4:15 p.m.

GASB Update

David Minch, CPA, Partner, KerberRose

Amber Tigert, Senior Auditor, KerberRose

GASB Update

GASB Update – New Standards

- GASB 94, *Public-Private and Public-Public and Availability Payment Arrangements* (fiscal years beginning after June 15, 2022)
- GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)* (fiscal years beginning after June 15, 2022)
- GASB 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Comp. Plans* (fiscal years beginning after June 15, 2021)

GASB Update – New Standards

GASB 99, Omnibus 2022 (certain provisions applicable for fiscal years beginning after June 15, 2022)

GASB 100, Accounting Changes and Error Corrections – an amendment of GASB 62 (fiscal years beginning after June 15, 2023)

GASB 101, Compensated Absences (fiscal years beginning after December 15, 2023)



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 94 – PPP's

- Agreements can be considered public-private or public-public partnership arrangements
- PPP provisions are very similar to leases
- Not something we will likely see with any District's in the State of Wisconsin



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 94 – PPP's

PPP

An arrangement in which a government transferor contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction.

Lease

A contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

Contrasts:

PPPs

Leases

Purpose/use of underlying asset:	To provide public services	v.	As specified in the contract
Ownership of underlying asset:	[unspecified]	v.	Another entity's asset
Control conveyed:	Right to operate or use	v.	Right to use



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

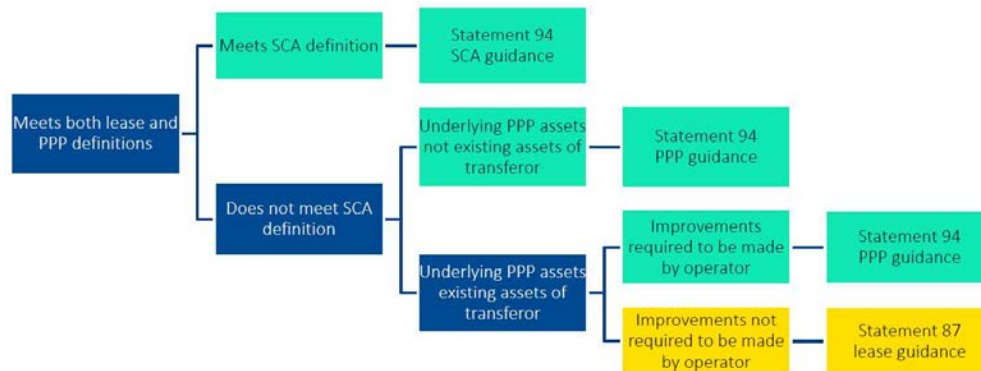
GASB 94 – PPP-s

	PPPs	Leases
Parties	<ul style="list-style-type: none"> Transferor – Always a government Operator – May be a government 	<ul style="list-style-type: none"> Lessor Lessee
Liability	PPP liability (and, in some cases, liability to transfer underlying PPP asset)	Lease liability
Intangible Right-to-Use Asset	Right-to-use asset	Lease asset
Underlying Asset	Underlying PPP asset	Underlying asset
Receivable	PPP receivable (and, in some cases, receivable for underlying PPP asset)	Lease receivable
Deferred Inflow of Resources	Deferred inflow of resources from PPP (and, in some cases, deferred inflow of resources for receipt of underlying PPP asset)	Deferred inflow of resources from lease



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 94 – PPP's



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 – SBITAs

Definition –

SBITA

A contract that conveys control of the right to use another party's **IT software, alone or in combination with tangible capital assets** (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lease

A contract that conveys control of the right to use another entity's **nonfinancial asset** as specified in the contract for a period of time in an exchange or exchange-like transaction.

NOTE: Excludes contracts where software component is insignificant



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

Evaluation –



GASB 96 - SBITAs

Terminology –

	SBITAs	Leases
Parties	<ul style="list-style-type: none"> ▪ Vendor* ▪ Government 	<ul style="list-style-type: none"> ▪ Lessor ▪ Lessee
Intangible Right-to-Use Asset	Subscription asset	Lease asset
Underlying Asset	Underlying IT assets	Underlying assets
Liability	Subscription liability	Lease liability

GASB 96 - SBITAs

Many provisions same or similar to those for lease

- Determination of subscription term
- Identification and requirements for short-term SBITAs (remember to evaluation 1 year or greater)
- Measurement and amortization of subscription liability (need to record at present value)
- Amortization of subscription asset
- Governmental fund accounting (similar to leases – OFS for SBITA and related expense)
- There must be an exchange or exchange-like transaction



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

Additional items to consider:

- Changes? – Circumstances that would require re-measurement of the subscription liability
- Agreements with multiple components
- Contract combinations
- Modifications to an existing subscription agreement
- Termination of an existing subscription agreement
- Disclosures



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

- **GASB S-96 does not apply to the following:**
 - **Contracts that convey control of the right to use another party's combination of IT software and tangible capital assets that meets the definition of a lease in Statement No. 87, *Leases*,**
 - **Governments that provide the right to use their IT software and associated tangible capital assets to other entities through SBITAs**
 - **Contracts that meet the definition of a public-private and public-public partnership in paragraph 5 of Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***
 - **Licensing arrangements that provide a perpetual license to governments to use a vendor's computer software, which are subject to Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, as amended.**



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

- **Subscription Term – the period during which the government has a noncancellable right to use the underlying IT asset (non-cancellable period) *plus*:**
 - *Periods covered by a government's option to extend the SBITA if it is reasonably certain that the government will exercise that option*
 - *Periods covered by a government's option to terminate the SBITA if it is reasonably certain that the government will NOT exercise that option*
 - *Periods covered by a SBITA vendor's option to extend the SBITA if it is reasonably certain that the SBITA vendor will exercise that option*
 - *Periods covered by a SBITA vendor's option to terminate the SBITA if it is reasonably certain that the SBITA vendor will NOT exercise that option*



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 – SBITAs

Short Term

- Noncancellable period is less than 12 months
- If either party has the right to terminate without approval from the other party, that period of time should not be included in the noncancellable period
- Short term SBITA payments should be recognized as an out-flow or resources (expense) based on provisions of the contract
- No intangible asset or subscription liability are recognized



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 – SBITAs

Recognition and Measurement

- **Accrual basis/economic resources**
- **Recognize a subscription liability and an intangible right-to-use asset at the commencement of the subscription term**
- **The subscription liability should be measured at the present value of subscription payments expected to be made during the subscription term. Measurement of the subscription liability should include the following, if required by a SBITA**
 - Fixed payments
 - Variable payments that depend on an index or rate
 - Variable payments that are fixed in-substance
 - Any subscription contract incentives receivable from the SBITA vendor
 - Any other payments to the SBITA vendor associated with the SBITA contract that are reasonably certain of being required based on an assessment of all relevant factors
- **The liability should be discounted using the interest rate that the vendor charges the government**



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

Recognition and Measurement (continued)

- **Accrual basis/economic resources**
- **The intangible right-to-use subscription asset should be measured at the commencement of the subscription term as the sum of:**
 - The initial measurement of the subscription liability
 - Payments associated with the SBITA made to the vendor at the commencement of the subscription payments term, if any
 - Capitalizable initial implementation costs
- **The subscription asset should be amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets**
 - The amortization of the subscription asset should be reported as an outflow of resources (for example, amortization expense), which may be combined with depreciation expense related to other capital assets for financial reporting purposes
 - Amortization should begin at the commencement of the subscription term



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

Measurement of Subscription Asset

Liability for PV of future payments

+ Payments made at, or prior to, beginning of the subscription term

- Any SBITA vendor incentives paid at, or prior to, beginning of the subscription term

+ *Certain* capitalizable implementation costs

= Subscription asset

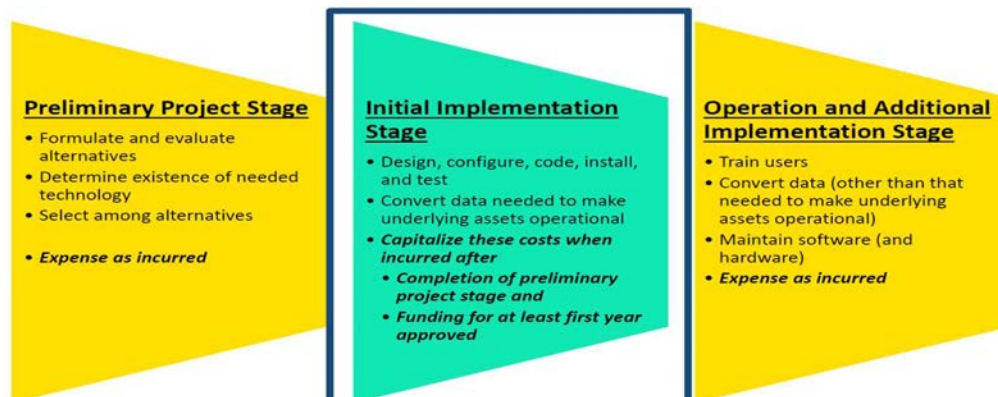
Like
leases



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 96 - SBITAs

Capitalizable Costs:



GASB 96 - SBITAs

Recognition and Measurement

- **Financial Statements Prepared Using the Current Financial Resources Measurement Focus**
 - An expenditure and other financing source should be reported in the period the subscription asset is initially recognized.
 - Subsequent governmental fund subscription payments should be accounted for consistent with principles for debt service payments on long-term debt.

GASB 96 - SBITAs

Disclosures

- A general description of its SBITAs, including the basis, terms, and conditions on which variable payments not included in the measurement of the subscription liability are determined
- The total amount of subscription assets, and the related accumulated amortization, disclosed separately from other capital assets
- The amount of outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the subscription liability
- The amount of outflows of resources recognized in the reporting period for other payments, such as termination penalties, not previously included in the measurement of the subscription liability
- Principal and interest requirements to maturity, presented separately, for the subscription liability for each of the five subsequent fiscal years and in five-year increments thereafter



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GABS 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

- **What:** GASB issued S-97 to change the criteria for including certain employee benefit plans as component units and improvements to Statement 32 on IRC Section 457 plans
- **Why:** Some 457 plans have characteristics have changed due, in part, to changes in the IRC; questions been raised about whether certain employee benefit plans should be included as component units
- **When:** Effective dates vary by topic



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GABS 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

Component Unit Criteria

- For purposes of determining whether a primary government is financially accountable, the absence of a governing board (when the government is perform the duties a governing board normally would perform) should be treated the same as the appointment of a voting majority of a governing board, *except for defined contribution (DC) pension plans, DC OPEB plans, or other employee benefit plans*
- The criterion that a legal obligation to contribute (or otherwise assuming the obligation) is considered to be a financial burden applies only to defined benefit plans



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GABS 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

IRC 457 Plans

- All requirements relevant to pension plan reporting should be applied to Section 457 plans that meet the definition of a pension plan
- All requirements relevant to pensions should be applied by employers to benefits provided through Section 457 plans that meet the definition of a pension plan
- Investments should be valued as of the end of the reporting period (allowance to use the most recent report of the plan administrator is eliminated)



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

- Effective dates vary by topic
- Topics covered:
 - Non-hedging, non-investment derivatives instruments
 - Termination of hedge accounting
 - Exchange or exchange-like financial guarantees
 - Lease clarifications
 - Public-private and public-public partnerships (PPPs) clarifications
 - SBITA clarifications



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

- Topics covered (continued):
 - Extension of LIBOR as an appropriate benchmark interest rate
 - Supplemental Nutrition Assistance Program (SNAP) benefit distribution
 - Nonmonetary transaction disclosures
 - Pledges of future revenues
 - Focus of government-wide financial statements
 - Terminology updates



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

- Lease clarifications
 - Effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter
 - For purposes of determining the term of a lease:
 - A termination option must be unconditional
 - Not a right to terminate only under certain circumstances (non-appropriation) or upon occurrence of certain events (violation by counterparty)
 - Lease term should exclude the period after a purchase option is reasonably certain to be exercised



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

Lease clarifications (continued)

- Identifying short-term leases (those with a maximum possible term of 12 months or less)
 - Cancelable periods
 - Are those for which *both* the lessor and the lessee
 - Have the option to terminate without permission from the other party, or
 - Must agree to extend the lease
 - Are excluded from the maximum possible term of a lease
 - A lease previously determined to be short-term that has been modified to extend the initial maximum possible term should be reassessed
 - Measure term from *original inception* to new termination date
 - If lease is no longer short-term, measure lease receivable or liability as of modification date

56



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

Lease clarifications (continued)

- Variable payments included in lease liability (lessee) or lease receivable (lessor) are only those that:
 - Are fixed in substance, or
 - Depend on an index or a rate
- Lease liability or lease receivable should not be remeasured solely for a change in an index or a rate used to determine variable payments



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

Lease clarifications (continued)

- Discount rate used in determining lease liability *should not* be reassessed solely for a change in lessee's incremental borrowing rate
- Lease incentives
 - Equivalent to a rebate or a discount
 - Include:
 - Assumption of/agreement to pay lessee's preexisting lease obligations
 - Rent holidays
 - Other reimbursements of lessee costs
 - Reductions of principal or interest charges by the lessor



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

SBITA Clarifications

- Effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter
- For purposes of determining the term of a subscription:
 - A termination option must be unconditional
 - Not a right to terminate only under certain circumstances (non-appropriation) or upon occurrence of certain events (violation by counterparty)



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 99 – Omnibus 2022

SBITA Clarifications (continued)

- Identifying short-term SBITAs (those with a maximum possible term of 12 months or less)
 - A SBITA previously determined to be short-term that has been modified to extend the initial maximum possible term should be reassessed
 - Measure term from *original inception* to new termination date
 - If SBITA is no longer short-term, measure lease receivable or liability as of modification date



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 100 – Accounting Changes and Error Corrections

- Effective for fiscal years beginning after June 15, 2023
- New requirements and clarifications for three types of accounting changes and the correction of errors affect:

Reporting (Recognition and Display)	Disclosures	Required Supplementary Information	(Other) Supplementary Information
--	-------------	--	---
- Scope excludes first-time adoption of GAAP financial reporting framework



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 100 – Accounting Changes and Error Corrections

Nature of Changes

Changes in Accounting Principle	Changes in Accounting Estimate	Changes To or Within the Reporting Entity
<ul style="list-style-type: none"> • Change from one GAAP principle to another • New principle must be <i>preferable</i> (understandability, reliability, relevance, timeliness, consistency, or comparability) • Default treatment for new GASB pronouncements 	<ul style="list-style-type: none"> • Changes to the inputs used for an estimate • Result from a change in circumstance, new information, or more experience • General guidance applies in the absence of specific guidance (e.g., actuarial assumptions) 	<ul style="list-style-type: none"> • Changes to <i>or within</i> the financial reporting entity • CU added or removed (exceptions apply) • CU reclassified between blended (BCU) and discretely presented (DPCU) • Fund added or removed (movement of <i>continuing operations</i> within PG & BCUs) • Fund reclassified between major and nonmajor (<i>other than</i> based on threshold)



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 100 – Accounting Changes and Error Corrections

Application of an accounting principle to transactions or other events of a similar type that's different from the previously applied principle

Circumstances	Classification
<ul style="list-style-type: none">• Previous principle conformed to GAAP,• Amount was previously significant, and• New principle is preferable	Change in accounting principle
<ul style="list-style-type: none">• Previous principle <i>did not</i> conform to GAAP and• Amount was previously significant	Correction of an error
<ul style="list-style-type: none">• Previous principle <i>did not</i> conform to GAAP and• Amount was previously <i>not</i> significant	Neither an accounting change nor a correction of an error



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 100 – Accounting Changes and Error Corrections

Disclosures

- Summary disclosure, in a tabular form, of effects on beginning position of the earliest period adjusted or restated for *each*
 - Change in accounting principle (including implementations of new pronouncements),
 - Change to or within the financial reporting entity, and
 - Error correction
- Individual disclosures as well for each type of accounting change and for error corrections



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 101 – Compensated Absences

Effective for fiscal years beginning after December 15, 2023

○ Compensated absences

- Includes leave for which employees may receive:
 - Cash payments when leave is used for time off (pay in period)
 - Other cash payments, such as payment for unused leave at end of employment
 - Noncash settlements, such as conversion to defined benefit (DB) pension and other postemployment benefits (OPEB, and, together with pension, collectively PEB)
- Certain salary-related payments
- NOTE: Payment or settlement can occur during, or upon termination of, employment



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 101 – Compensated Absences

Examples of leave (recognition rules differ)

- Vacation (annual) leave
- Sick leave
- Paid time off
- Holidays
- Parental leave
- Bereavement leave
- Military leave
- Jury duty
- Unrestricted sabbatical leave



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 101 – Compensated Absences

- When do we have a compensated absence liability for unused leave?
 1. Does the absence accumulate?
 2. Is the absence attributable to services already rendered?
 3. Is it *more likely than not* to be either paid or settled through other means?
 - Employment policies for compensated absences
 - Eligible for use or payment/settlement in the future
 - History of use, payment or forfeiture
 - Information indicating history may not be representative of future trends or patterns
- General rule
 - Recognize liability for leave and associated salary-related payments *when leave is earned*



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

GASB 101 – Compensated Absences

- Effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter
- Early adoption encouraged
- Follow GASB Statement No. 100 guidance for a change in accounting principle
 - Restate all prior periods presented, if practicable
 - If not practicable, disclose why not
 - Restate beginning position for earliest year restated for cumulative effect
 - Each prior period should be restated to reflect period-specific effects
 - Disclose nature of change, financial statement line items affected, and identify the pronouncement implemented



Accounting | Tax Consulting | Business Advisory | Payroll | Quality Control | Wealth Management | Technology | HR Consulting

Questions?

David Minch, Partner
David.Minch@kerberrose.com



Amber Tigert, Senior Auditor
Amber.Tigert@kerberrose.com

