2024 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:

DPI UPDATE

Get updates on DPI reporting, auditor compliance with DPI regulatory requirements and other information affecting 2023-2024 audits

RECENT TRENDS IN WISCONSIN SCHOOL FINANCE

Learn about the revenue sources school districts can utilize under revenue limits and the state biennial budget, as well as using referendum-approved dollars to balance operating budgets

GASB UPDATE

Get an overview of the upcoming GASB standards and their impact for school district auditors

WEDNESDAY, MAY 22 | WICPA OFFICE & WICPA CPE LIVESTREAM

MATERIALS AT A GLANCE

The following materials are from the morning sessions of the 2024 WICPA School District Audit Conference held on Wednesday, May 22, including:

- DPI Update Part I
- DPI Update Part II
- GASB Update

VIEW THOUSANDS OF ADDITIONAL IN-PERSON AND ONLINE CPE OPPORTUNITIES AT WICPA.ORG/CPECATALOG

2024 WICPA GOLF OUTING

FRIDAY, SEPT. 20 – Ironwood Golf Course, Sussex

4-PERSON SCRAMBLE

$95 per Golfer
$380 per Foursome

REGISTRATION INCLUDES

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

SCHEDULE

8:30 a.m.
Registration & Breakfast

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

10:00 a.m.
Shotgun Start

4:00 p.m.
Reception & Appetizers

HOLE & EVENT PRIZES

$1,000+ in Drawing Prizes
$500+ in Individual Prizes
$500+ in Team Prizes
$500 Inside the Circle Contest

Scan the QR code or visit wicpa.org/GolfOuting to register.

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8:10 – 9:20 a.m.

DPI Update Part I

9:30 - 10:40 a.m.

DPI Update Part II

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

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

James Rhinerson, CPA, CMA, CGFM*, School Finance Auditor, Wisconsin Department of Public Instruction*

DPI Update

School District Auditor Conference

Olivia Bernitt, School Finance Auditor
Jennifer Buros, SFS Assistant Director

May 2024

DPI Update Agenda

- State Audit Manual & Program Updates
- GAAP to Regulatory Departures
- Federal Single Audit Updates
- Common Audit Findings
- Annual Report Review Process
- Debt Schedule Updates/Debt Entries
- Revenue Limit/Equalization Aid Worksheets
- Membership Audit
- 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 update SSAG for FY24 so there may be more significant changes coming in future years

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.

State Single Audit Guidelines - Updates

- **Roles and responsibilities of the auditor, auditee, state awarding agencies and pass-through entities remain relatively similar**
- **Reorganized to better mirror Uniform Guidance**
- **Requirement related to federal awards that are outlined in Uniform Guidance have been removed**

State Single Audit Guidelines - Updates

- **1.4 Applicability and Type of Audit Required:**
  1. We have updated the applicability of the State Single Audit Guide to reflect awards **expended** versus **received**.
  2. The amount of state awards expended must be $250,000 or more for the Guide to be applicable (previously the guide was applicable to any state or federal pass-through awards received).

State Single Audit Guidelines - Updates

- **1.5 Definitions**

  Definitions have been updated to better reflect the concepts of Uniform Guidance and to reference the concepts of Uniform Guidance, where appropriate.

- **1.6 Additional Review**

  Added table with known statutory and administrative code provisions.

State Single Audit Guidelines - Updates

- **3.1 State Major Program Determination**
  1. We have removed the ability for state awarding agencies to automatically designate state programs as state major programs or Type A state programs.
  2. We have updated the process for determining state major programs using a tiered approach based on total state awards expended, similar to the concepts used in Uniform Guidance.

WI School District Audit Manual

- **Wisconsin School District Audit Manual is updated every year by DPI**
- **Includes compliance requirements for DPI State Programs**
- **Includes additional testing procedures including Compliance with State Statutes, Community Service Program and Employee Benefit Trust Fund Program**

WI School District Audit Manual

- **No Valid License testing in special education program was moved from the auditor's responsibility to the district's responsibility.**
- **If the program is tested, this should be reviewed during the audit but not required to be submitted each year.**

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.
  - No longer any Type A or Designated Major programs.

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.

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.**

GAAP to Regulatory Departures

- **The DPI reports should be in accordance with modified accrual GAAP except for DPI specified regulatory departures.**
- **Auditor Fund Balance Report should show the GAAP to Regulatory difference**

Auditor Ending Fund Balances				
Fund Account	Fund Type/Description	Amount	Fund Statements Fund Balance (GAAP)	Regulatory Fund Balance (DPI)
10B-900000-002	Total Fund Balance	$3,848,392.23	$3,848,392.23	$3,848,392.23
21B-900000-002	Total Fund Balance	$333,851.55	$333,851.55	$333,851.55
23B-900000-002	Total Fund Balance	$0.00	$0.00	$0.00
29B-900000-002	Total Fund Balance	$0.00	$0.00	$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:

- **The account combinations have been added for FY22. Therefore, this will no longer be an approved difference:**
  - 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.

FEDERAL SINGLE AUDIT UPDATES

Federal Single Audit Guidelines

- Required for Non-Federal entities that expend $750,000 or more in a fiscal year in federal awards
- An audit of federal funds conducted in accordance with Uniform Grant Guidance (UGG) to provide assurance to the federal granting agencies that the funds are in compliance (2 CFR Part 200)
- Office of Management and Budget (OMB) compliance supplement details compliance requirements

Approved Changes to UGG

- Released on April 4, 2024
- Updated compliance supplement expected end of May 2024
- *Effective October 1, 2024*
- *Audit year start date after October 1, 2024*
- *May have grants under old guidance and new guidance in 1 year*
- *Changes should be prospective for items like equipment threshold*

Approved Changes to UGG

- Increasing Single Audit Threshold from $750,000 to $1,000,000
- Increasing equipment capitalization threshold from $5,000 per unit to $10,000 per unit
- Increasing the de minimus indirect cost rate from 10% to 15%
- Increasing the Modified Total Direct Costs (MTDC) from $25,000 to $50,000

Approved Changes to UGG

- Addition and revision of definitions
- Updating term 'non-federal entity' to 'recipient' and 'subrecipient'
- Revising areas of the cost principals including clarification of pension and post-retirement health plans
- Revising the template text for a Notice of Funding Opportunity (NOFO)

Federal Funds not through DPI

Emergency Connectivity Fund (Source 791)

- Through FCC, administered by USAC.
- Part of ARPA Act of 2021
- Eligible for Single Audit

Department of Administration

- Governor's CRF Funds
- Back to School Supplemental Aid
- Get Kids Ahead
- None of these are eligible for Federal Single audit per DOA

COMMON AUDIT FINDINGS

2022-23 Federal Audit Findings

- 26 Child Nutrition Cluster (42 in 21-22)
- 18 ESSER/GEER (25 in 21-22)
- 3 IDEA (6 in 21-22)

2022-23 State Audit Findings

- 20 Pupil Transportation Aid (39 in 21-22)
- 5 Special Education and School Age Parents (34 in 21-22)
- 2 Community Service (0 in 21-22)
- 3 Common School Library Fund (0 in 21-22)

2022-23 Financial Statement Findings

- Financial Statement Preparation
  - 277 Findings (285 in 21-22)
- Segregation of Duties
  - 247 Findings (255 in 21-22)
- Material Audit Adjustments
  - 117 Findings (113 in 21-22)

2022-23 Financial Statement Findings

- Cash Reconciliation
  - 19 Findings (21 in 21-22)
- SEFA Preparation
  - 29 Findings (21 in 21-22)
- Other
  - 29 Findings (15 Actuals over budget, 14 Misc.)

ANNUAL REPORT & FINANCIAL STATEMENT REVIEW ITEMS

DPI Process of Review

- Snapshots of the data pushed to WDF will be pulled into WiSFiP for our review.
- Addendum completed by districts in WDF
- Reviewed by DPI in WiSFiP
- If changes are required, they will be required to be made on the district's books and the data repushed

Annual Report Reviews

- DPI Auditors review specific funds, addenda, etc. during our review of the Annual Reports.
- Items followed up on:
  - Lack of detail or unclear description in addenda
  - Items coded to the incorrect WUFAR account
  - Fund 73: ADC, IRS, 218 = 951+953

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.
- Entries should NOT be made to fund balance on the districts books in most circumstances.
- Accounts used should be compliant with WUFAR.

DEBT SCHEDULE UPDATES/DEBT ENTRIES

Debt Schedules

- Schedules have been moved to WiSFiP
- Debt schedules must be updated in WiSFiP within 10 days of any changes
- Sample journal entries and a BAN issuance and refinancing example can be found on our website [Accounting Issues and Coding Examples]

Debt Schedules

Check here for the full list.

Export to Excel | Export to PDF | Debt Type: All Types | + To Add New Record, first select the Debt Type. | Show ALL

Debt Schedules

Debt Schedule Name	Debt Schedule Type	WUFAR Fund	WUFAR Function	Issue Date	Maturity Date	Start Date	Principal Before Start	Original Amount	Current Balance [RO]	
GO Refunding Bonds	Bonds	Fund 39	Function 281	04/04/2023	03/01/2043	04/04/2023	$0	$70,750,000	$62,525,000	Edit Delete

+ Add new record

Debt Schedule Payments

Calendar Year	Payment Period	Last Principal Balance	Principal Payments Scheduled	Interest Payments Scheduled	Refinanced Principal Adjustment	Refinanced Interest Adjustment	New Principal Balance	
2023	January - June Payment Period	$70,750,000.00	$0.00	$0.00	$0.00	$0.00	$70,750,000.00	Edit Delete
2023	July - December Payment Period	$70,750,000.00	$0.00	$1,718,641.00	$0.00	$0.00	$70,750,000.00	Edit Delete
2024	January - June Payment Period	$70,750,000.00	$8,225,000.00	$1,718,641.00	$0.00	$0.00	$62,525,000.00	Edit Delete
2024	July - December Payment Period	$62,525,000.00	$0.00	$1,513,016.00	$0.00	$0.00	$62,525,000.00	Edit Delete
2025	January - June Payment Period	$62,525,000.00	$1,000,000.00	$1,513,016.00	$0.00	$0.00	$61,525,000.00	Edit Delete

Debt in WiSFiP

- **08B Balances were only entered in the Auditor Fund Balance report for FY 22-23.**
- **In FY 23-24 Districts will be able to enter these amounts in during the District Aid Certification.**
- **They will then pull into the Auditor Fund Balance report in the "District" column.**
- **Validations for debt schedule and debt balance checks will be in place for FY 23-24.**

Debt Issuance Entries

- **Proceeds entered into Fund 49**
  - GO Notes, BANs, NANs: Source 873
  - State Trust Fund Loans: Source 874
  - GO Bonds: Source 875
- **Closing costs, premiums, discounts, etc. are coded to the Debt Service Funds (38 non referendum or 39 referendum)**

Debt Defeasance Entries

- Removes a portion of remaining debt as a liability using levied cash on hand to make a prepayment.
- Coded to Debt Service Funds (38/39)
- Defeased principal and interest payments are added to the debt schedule when the defeasance occurs.
- Future payments should be adjusted based on the updated schedule.
- Debt balance should equal zero at the end.

Debt Refinancing Entries

- New debt issuance for the refinancing is coded in the Debt Service Funds (38/39) in source 800s.
- Refinancing related expenditures are coded to function 282000.
- If the refinancing has any funds provided by the district outside of the refinancing (levied funds, investment earnings), those are coded to function 281000

Debt Refinancing Entries

- Original debt schedule should have refinanced principal and interest coded to refinancing columns.
- New issue is created for the refinanced debt.
- Refinancing needs to tie out

Refinancing

Fund	936310-001		R-800-000000		E-282000-000		Result		936310-002		Variance (must equal zero)
38	$0.00	+	$0.00	-	$0.00	=	$0.00	-	$0.00	=	$0.00
39	$9,741,903.36	+	$6,055,793.65	-	$15,797,697.01	=	$0.00	-	$0.00	=	$0.00

Fund 38 and Fund 39

Fund 38

- Transactions for debt issued **without** referendum approval.
- Within the Revenue Limit.

Fund 39

- Transactions for debt issued **with** referendum approval.
- Outside the Revenue Limit.
- Remaining funds transferred from Fund 39 to Fund 10 will receive a revenue limit penalty equal to the amount transferred.

REVENUE LIMIT/EQUALIZATION AID WORKSHEETS

Revenue Limit

What is within Revenue Limits?

- **Regulates Revenues for Funds 10, 38 and 41**
  - General Fund (10)
    - Property Tax Levy
    - General State Aid
    - Computer Aid
  - Non-Referendum Debt Service Fund (38)
    - Property Tax Levy
  - Capital Projects Fund (41)
    - Property Tax Levy

What is outside the Revenue Limit?

- Categorical Aids (Special Education, Per Pupil Aid, Library, Transportation, AGR, Sparsity, etc.)
- State and Federal Grants
- Student Fees, Gate Receipts, and Donations
- Tax Levy for Referendum Approved Debt Service Fund (39)
- Tax Levy for Community Service Fund (80)

Line 1: Base Revenue

DATA AS OF 1/12/24		
Line 1 Amount May Not Exceed (Line 11 - (Line 7B+Line 10)) of Final 22-23 Revenue Limit		
2022-23 General Aid Certification (22-23 Line 12A, src 621)	+	44,249,363
2022-23 Hi Pov Aid (22-23 Line 12B, Src 628)	+	1,443,569
2022-23 Computer Aid Received (22-23 Line 12C, Src 691)	+	1,754,226
2022-23 Aid for Exempt Personal Property (22-23 Line 12D, Src 691)	+	1,225,048
2022-23 Fnd 10 Levy Cert (22-23 Line 14A, Levy 10 Src 211)	+	321,896,486
2022-23 Fnd 38 Levy Cert (22-23 Line 14B, Levy 38 Src 211)	+	0
2022-23 Fnd 41 Levy Cert (22-23 Line 14C, Levy 41 Src 211)	+	5,000,000
2022-23 Aid Penalty for Over Levy (22-23 FINAL Rev Lim, June 2023)	-	0
2022-23 Total Levy for All Levied Non-Recurring Exemptions*	-	14,835,964
NET 2023-24 Base Revenue Built from 2022-23 Data (Line 1)	=	**360,732,728**

Lines 2 & 6 and Per Pupil Aid

September & Summer FTE Membership Averages

Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%.

Line 2: Base Avg:((20+.4ss)+(21+.4ss)+(22+.4ss)) / 3 = 26,330

	2020	2021	2022
Summer FTE:	208	412	338
% (40,40,40)	83	165	135
Sept FTE:	26,188	25,678	25,547
New ICS - Independent Charter Schools FTE	299.20	345.40	551.00
Total FTE	26,570	26,188	26,233

Line 6: Curr Avg:((21+.4ss)+(22+.4ss)+(23+.4ss)) / 3 = 26,211

	2021	2022	2023
Summer FTE:	412	338	300
% (40,40,40)	165	135	120
Sept FTE:	25,678	25,547	25,582
New ICS - Independent Charter Schools FTE	345.40	551.00	509.00
Total FTE	26,188	26,233	26,211

The Line 6 "Current Average" shown above is used for Revenue Limits. The average used for Per Pupil Aid does not include "New ICS - Independent Charter Schools FTE." The PPA average appears below after data is entered for 2023:

25,742

Build the Base Revenue Per Member

1.	2023-24 Base Revenue (Funds 10, 38, 41)	(from left)	360,732,728
2.	Base Sept Membership Avg (2020+.4ss, 2021+.4ss, 2022+.4ss)/3	(from left)	26,330
3.	2023-24 Base Revenue Per Member (Ln 1 / Ln2)	(with cents)	13,700.45

Line 1 Amount May Not Exceed (Line 11 - (Line 7B+Line 10)) of Final 22-23 Revenue Limit		
2022-23 General Aid Certification (22-23 Line 12A, src 621)	+	44,249,363
2022-23 Hi Pov Aid (22-23 Line 12B, Src 628)	+	1,443,569
2022-23 Computer Aid Received (22-23 Line 12C, Src 691)	+	1,754,226
2022-23 Aid for Exempt Personal Property (22-23 Line 12D, Src 691)	+	1,225,048
2022-23 Fnd 10 Levy Cert (22-23 Line 14A, Levy 10 Src 211)	+	321,896,486
2022-23 Fnd 38 Levy Cert (22-23 Line 14B, Levy 38 Src 211)	+	0
2022-23 Fnd 41 Levy Cert (22-23 Line 14C, Levy 41 Src 211)	+	5,000,000
2022-23 Aid Penalty for Over Levy (22-23 FINAL Rev Lim, June 2023)	-	0
2022-23 Total Levy for All Levied Non-Recurring Exemptions*	-	14,835,964
NET 2023-24 Base Revenue Built from 2022-23 Data (Line 1)	=	**360,732,728**

September & Summer FTE Membership Averages

Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%.

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	2020	2021	2022
Summer FTE:	208	412	338
% (40,40,40)	83	165	135
Sept FTE:	26,188	25,678	25,547
New ICS - Independent	299.20	345.40	551.00
Charter Schools FTE			
Total FTE	26,570	26,188	26,233

Determine Recurring Exemptions

7.	2023-24 Rev Limit, No Exemptions (Ln7A + Ln 7B)	(rounded)	367,620,950
A.	Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)	367,620,950	
B.	Hold Harmless Non-Recurring Exemption	0	
8.	Total 2023-24 Recurring Exemptions (A+B+C+D+E)	(rounded)	10,236,728
A.	Prior Year Carryover	0	
B.	Transfer of Service	236,728	
C.	Transfer of Territory/Other Reorg (if negative, include sign)	0	
D.	Federal Impact Aid Loss (2021-22 to 2022-23)	0	
E.	Recurring Referenda to Exceed (If 2023-24 is first year)	10,000,000	
9.	2023-24 Limit with Recurring Exemptions (Ln 7 + Ln 8)		377,857,678

Determine Non-Recurring Exemptions

9.	2023-24 Limit with Recurring Exemptions (Ln 7 + Ln 8)		377,857,678
10.	Total 2023-24 Non-Recurring Exemptions (A+B+C+D+E+F+G+H+I)		7,247,654
A.	Non-Recurring Referenda to Exceed 2023-24 Limit	0	
B.	Declining Enrollment Exemption for 2023-24 (from left)	1,669,028	
C.	Energy Efficiency Net Exemption for 2023-24 (see pg 4 for details)	0	
D.	Adjustment for Refunded or Rescinded Taxes, 2023-24	11,884	
E.	Prior Year Open Enrollment (uncounted pupil[s])	380,927	
F.	Fund 80 Expenditures (enter as negative)	0	
G.	Other Adjustments (Fund 39 Bal Transfer)	0	
H.	WPCP and RPCP Private School Voucher Aid Deduction	4,643,161	
I.	SNSP Private School Voucher Aid Deduction	542,654	
11.	2023-24 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		385,105,332

Determine the Levy

11.	2023-24 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		385,105,332
12.	Total Aid to be Used in Computation (12A + 12B + 12C + 12D)		41,276,834
A.	GENERAL AID	37,894,952	
B.	State Aid to High Poverty Districts ($0 per 2023 Act 19)	0	
C.	State Aid for Exempt Computers (Source 691)	2,127,090	
D.	State Aid for Exempt Personal Property (Source 691)	1,254,792	
	DISTRICTS MUST USE THE OCT 15 AID CERT WHEN SETTING THE DISTRICT LEVY.		
13.	**Allowable Limited Revenue: (Line 11 - Line 12)**		**343,828,498**
	(10, 38, 41 Levies)		

Determine the Levy

13. Allowable Limited Revenue: (Line 11 - Line 12)		**343,828,498**
(10, 38, 41 Levies)		
14. Total Limited Revenue To Be Used (A+B+C)	**Not >line 13**	**343,828,498**
Entries Required Below: Enter amnts needed by purpose and fund:		
A. Gen Operations: Fnd 10 Src 211	338,828,498	(Proposed Fund 10)
B. Non-Referendum Debt (inside limit) Fund 38 Src 211	0	(to Budget Rpt)
C. Capital Exp, Annual Meeting Approved: Fund 41 Src 211	5,000,000	(to Budget Rpt)
15. Total Revenue from Other Levies (A+B+C+D)		47,843,511
A. Referendum Approved Debt (Fund 39 Debt-Src 211)	26,943,092	
B. Community Services (Fund 80 Src 211)	20,900,419	(to Budget Rpt)
C. Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	0	(to Budget Rpt)
D. Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16. Total Fall, 2023 REPORTED All Fund Tax Levy (14A + 14B + 14C + 15)		**391,672,009**
Line 16 is the total levy to be apportioned in the PI-401.	Levy Rate =	0.00979482

Tax Levy Report (former PI-401)

Section 1: Certified Tax Levies by Purpose (PI-401)

Account	Description	Worksheet Line	Amount
10 R 000000 211	General Fund Operating Levy	Line 14A	$338,828,498.00
38 R 000000 211	Non-Referendum Debt Levy	Line 14B	$0.00
41 R 000000 211	Capital Expansion Fund Levy	Line 14C	$5,000,000.00
		Total Revenue Limit Levies:	**$343,828,498.00**
10 R 000000 212	Property Tax Chargebacks	Line 15C	$0.00
39 R 000000 211	Referendum Approved Debt Levy	Line 15A	$26,943,092.00
80 R 000000 211	Community Service Fund Operating Levy	Line 15B	$20,900,419.00
		Total Certified Tax Levies:	**$391,672,009.00**

Equalization Aid

What affects the amount of a district's Equalization Aid?

- **District Factors (Prior Year Audited)**
  - Shared cost
  - Membership
  - Equalized property value
- **State Factors**
  - Cost ceilings
  - Guaranteed valuations per member
  - Amount of funding the State puts into the formula

What is Shared Cost?

Shared Cost was developed to be used in the Equalization Aid computation and captures ONLY certain elements of the General (10) and Debt Service (38 and 39) Funds.

Shared Cost can be defined as the **district expenditures for which the district has no other revenues except for local Property Tax and Equalization Aid**.

Determine Shared Cost for the General Fund by starting with the total General Fund expenditures and remove from those expenditures the dollar amount of all the revenues EXCEPT for Property Tax and Equalization Aid.

Part A: Prior Year Audited Membership

	PART A: 2022-23 AUDITED MEMBERSHIP		FTE
A1	3RD FRI SEPT 2022 MEMBERSHIP* (include Challenge Academy)		25,546.00
A2	2ND FRI JAN 2023 MEMBERSHIP* (include Challenge Academy)		25,751.00
A3	TOTAL (A1 + A2)		51,297.00
A4	AVERAGE (A3/2) (ROUNDED)		25,649.00
A5	SUMMER 2022 FTE EQUIVALENT* (ROUNDED)		338.00
A6A	FOSTER GROUP + PARTTIME RESIDENT FTE EQUIVALENT (AVE SEPT+JAN)		0.95
A6B	PARTTIME NON-RESIDENT FTE EQUIVALENT (AVE SEPT+JAN)		0.00
A6C	STATEWIDE CHOICE & RACINE PUPILS STARTING IN FALL 15 & AFTER		384.00
A6D	STATEWIDE SPECIAL NEEDS SCHOLARSHIP PROGRAM PUPILS		32.00
A6E	INDEPENDENT CHARTER SCHOOLS (ICS) NEW AUTHORIZERS STUDENTS		500.00
A7	AID MEMBERSHIP (A4+A5+A6A+A6B+A6C+A6D+A6E) (ROUNDED)		26,904.00
	* Ch 220 Resident Inter FTE counts only 75%.		

Part B: Deductible Receipts

	PART B: 2022-23 GENERAL FUND DEDUCTIBLE RECEIPTS (PI-1506-AC REPORT)			
B1	TOTAL REVENUE & TRNSF IN	10R 000000 000	+	452,755,733.10
B2	PROP TAX + EXEMPT AIDS FROM DOR	10R 210 + 691	-	325,247,224.00
B3	GENERAL STATE AID	10R 000000 620	-	45,686,384.00
B4	IMPACT AID DISTS: NON-DED IMPACT AID	(DPI AMOUNT)	-	0.00
B5	REORG SETTLEMENT	10R 000000 850	-	0.00
B6	LONG TERM OP BORR, NOTE	10R 000000 873	-	0.00
B7	LONG TERM OP BORR, STF	10R 000000 874	-	0.00
B8	PROPERTY TAX/EQUAL AID REFUND	10R 000000 972	-	0.00
B9	DEDUCTIBLE RECEIPTS	(TO LINE C6)	=	81,822,125.10

Part C: Net Cost of General Fund

	PART C: 2022-23 NET COST OF GENERAL FUND (PI-1506-AC REPORT)			
C1	TOTAL GF EXPENDITURES	10E 000000 000	+	459,443,855.00
C2	DEBT SRVC TRANSFER	10E 411000 838+839	-	0.00
C3	REORG SETTLEMENT	10E 491000 950	-	0.00
C4	REFUND PRIOR YEAR REV	10E 492000 972	-	33,376.09
C5	GROSS COST GEN FUND	(C1 - C2 - C3 - C4)	+	459,410,478.91
C6	DEDUCTIBLE RECEIPTS	(FROM LINE B9)	-	81,822,125.10
C7	OPERATIONAL DEBT, INTEREST	38E+39E 283000 680	+	0.00
C8	NET COST GENERAL FUND	(NOT LESS THAN 0)	=	377,588,353.81

Part D: Net Cost of Debt Service

	PART D: 2022-23 NET COST OF DEBT SERVICE FUNDS (PI-1506-AC REPORT)			
D1	TOTAL REVENUE & TRNSF IN	38R + 39R 000	+	23,916,795.97
D2	TRNSF FROM GEN FUND	10E 411000 838 + 839	-	0.00
D3	PROPERTY TAXES	38R + 39R 210	-	19,926,000.00
D4	PAYMENT IN LIEU OF TAX	38R + 39R 220	-	0.00
D5	NON-REV RECEIPTS	38R + 39R 800	-	0.00
D6	DEDUCTIBLE RECEIPTS	(D1-D2-D3-D4-D5)	-	3,990,795.97
D7	TOTAL EXPENDITURES	38E + 39E 000	+	22,365,818.05
D8	AIDABLE FUND 41 EXP	(DPI AMOUNT)	+	3,493,206.82
D9	REFINANCING	38E + 39E 282000	-	0.00
D10	OPERATIONAL DEBT PAYMENT	38E + 39E 283000	-	0.00
D11	NET COST DEBT SERVICE FUNDS	(CAN BE NEGATIVE)	=	21,868,228.90

Part E: Shared Cost

	PART E: 2022-23 SHARED COST (PI-1506-AC REPORT)			
E1	NET COSTS: GEN + DEBT SERV FUNDS	(C8 + D11)	+	399,456,582.71
E2	TRANSP OF INDIGENT PUPILS, REG 3K PGMS, AND/OR OTHER		-	2,083,989.64
E3	IMPACT AID DISTS: IMPACT AID NON-DEDUCTIBLE REMOVED		-	0.00
E4	TOTAL SHARED COST FOR EQUALIZATION AID		=	397,372,593.07
E6	PRIMARY COST CEILING PER MEMBER			1,000
E7	PRIMARY CEILING (A7 * E6)			26,904,000.00
E8	PRIMARY SHARED COST (LESSER OF E5 OR E7)			26,904,000.00
E9	SECONDARY COST CEILING PER MEMBER			11,194
E10	SECONDARY CEILING (A7 * E9)			301,163,376.00
E11	SECONDARY SHARED COST			274,259,376.00
	((LESSER OF E5 OR E10) - E8)			
E12	TERTIARY SHARED COST			96,209,217.07
	(GREATER OF (E5 - E8 - E11) OR 0)			
	SHARED COST PER MEMBER =	$14,770		

Part E: Shared Cost & Part F: EQ Property Value

E6	PRIMARY COST CEILING PER MEMBER		1,000
E7	PRIMARY CEILING (A7 * E6)		26,904,000.00
E8	PRIMARY SHARED COST (LESSER OF E5 OR E7)		26,904,000.00
E9	SECONDARY COST CEILING PER MEMBER		11,194
E10	SECONDARY CEILING (A7 * E9)		301,163,376.00
E11	SECONDARY SHARED COST		274,259,376.00
	((LESSER OF E5 OR E10) - E8)		
E12	TERTIARY SHARED COST		96,209,217.07
	(GREATER OF (E5 - E8 - E11) OR 0)		
	SHARED COST PER MEMBER =	$14,770	
	PART F: EQUALIZED PROPERTY VALUE		
F1	2022 TIFOUT VALUE (CERT MAY 23) + EXEMPT COMPUTER VALUE (CERT MAY 17)		36,486,785,574
	VALUE PER MEMBER =	1,356,184	

Part G: Equalization Aid by Tier

	PART G: 2023-24 EQUAL AID BY TIER - OCT 15 CERT	
G1	PRIMARY GUARANTEED VALUE PER MEMBER	1,930,000
G2	PRIMARY GUARANTEED VALUATION (A7 * G1)	51,924,720,000
G3	PRIMARY REQUIRED RATE (E8 / G2)	0.00051813
G4	PRIMARY NET GUARANTEED VALUE (G2 - F1)	15,437,934,426
G5	PRIMARY EQUALIZATION AID (G3 * G4) (NOT LESS THAN 0)	7,998,856.96
G6	SECONDARY GUARANTEED VALUE PER MEMB	1,984,342
G7	SECONDARY GUARANTEED VALUATION (A7 * G6)	53,386,737,168
G8	SECONDARY REQUIRED RATE (E11 / G7)	0.00513722
G9	SECONDARY NET GUARANTEED VALUE (G7 - F1)	16,899,951,594
G10	SECONDARY EQUALIZATION AID (G8 * G9)	86,818,769.33
G11	TERTIARY GUARANTEED VALUE PER MEMB	861,627
G12	TERTIARY GUARANTEED VALUATION (A7 * G11)	23,181,212,808
G13	TERTIARY REQUIRED RATE (E12 / G12)	0.00415031
G14	TERTIARY NET GUARANTEED VALUE (G12 - F1)	-13,305,572,766
G15	TERTIARY EQUALIZATION AID (G13 * G14)	-55,222,251.71

Part H: EQ Aid & Part I: SA, Inter, and Intra

	PART H: 2023-24 EQUALIZATION AID - OCT 15 CERT	
H1	2023-24 EQUALIZATION AID - OCT 15 CERT (G5+G10+G15) NOT< 0	39,595,374.58
H2	PARENTAL CHOICE DEDUCT, EQUALIZATION AID (MPS only)	0.00
H2A	PAYMENT TO MILWAUKEE SCHOOL DISTRICT FROM CITY OF MILWAUKEE	0.00
H3	MILWAUKEE CHARTER PGM DEDUCT, EQUALIZATION AID (Revised to 0 by JFC, 6/20	0.00
H4A	2022-23 OCT-TO-FINAL ADJUSTMENT, EQUALIZATION AID	-1,700,170.00
H4B	2022-23 OCT-TO-FINAL ADJ, CHOICE/CHARTER DEDUCTION (previously Line I4)	0.00
H5	PRIOR YEAR (2022-23) DATA ERROR ADJ/OR FEE PENALTY	0.00
H6	2023-24 EQUALIZATION AID - OCT 15 CERT (ROUND) (H1+H2+H2A+H3+H4A+H4B+H5	37,895,205
	*** PART I: 2023-24 SPECIAL ADJUSTMENT, INTER, AND INTRA AID SUMMARY - OCT 15 CERT ***	
I1	2023-24 SPECIAL ADJUSTMENT AID and/or CHAPTER 220 - OCT 15 CERT	0.00
I2A	PARENTAL CHOICE DEDUCT, SPEC ADJ AID and/or CHAPTER 220 AID (MPS only)	0.00
I2B	MILW CHARTER DEDUCT, SPEC ADJ AID and/or CHAP. 220 AID (Removed by JFC, 6/2	0.00
I2C	2022-23 OCT-TO-FINAL ADJUSTMENT, SPEC ADJ AID and/or CHAPTER 220 AID	-253.00
I3	2023-24 SPEC ADJ AID and/or CHAP 220 - OCT 15 CERT (ROUND) (I1+I2A+I2B+I2C)	-253.00
***I5**	**2023-24 OCT 15 CERTIFICATION OF GENERAL AID (H6+I3)**	**37,894,952**

MEMBERSHIP AUDITS

Membership Audit Selection Process

- Membership Audits are required by State Statute for at least 25% of districts each year
- Selected randomly, PY membership audit findings, late pupil counts or PY summer school fee issues
- Districts are notified the first week of February
- Membership Audits are due May 1st

Membership Audits

- DPI releases the membership audit program and report sample
- Obtain count documentation and compare it to the PI-1563, review count procedures, review reconciliation for completion and accuracy, test sample of pupils, test summer school and related fees (if applicable)

Pupil Count Reconciliation

- Pupil Count Reconciliation is required each year, even if the district is not selected for audit
- Reconciles the September Count to the January Count
- If the district receives a finding for not completing the reconciliation, they will automatically be selected for membership the following year.

Pupil Count Reconciliation Online Course

Pupil Count Reconciliation

- If the district has not prepared the reconciliation prior to the audit, it is required to be prepared during the audit process, and a finding indicating that the reconciliation was not prepared by the district prior to the audit should be disclosed in Attachment 2 of the membership audit report.
- If the reconciliation was prepared prior to the audit but there were significant errors that had to be corrected as part of the audit, a finding indicating that the district prepared the reconciliation, but significant errors were corrected during the audit should be disclosed in Attachment 2 of the membership audit report.

Membership Audits

- All changes made after the listing has been posted show in the system as an Audit Change and should be reported in Attachment 2 as such, even if it was made prior to the start of the audit.
- Changes in Attachment 2 should tie to Attachments 1 and 3 pulled out of SAFR.
- Summer School changes must be made by the district in SAFR and not just noted in Attachment 4.

Membership Audits

FY 2023-2024 Pupil Count - September			
Category	As Reported by the District	Per Independent Accountant	Difference
Preschool Special Education	0	0	N/A
4 YK - 437 Hours	16	13	-3
4 YK - 524.5 Hours	0	3	+3
5 YK - Half Day	0	0	N/A
5 YK - 3 Full Days	0	0	N/A
5 YK - 4 Full Days	0	0	N/A
5 YK - 5 Full Days	18	18	N/A
5 YK - Blended	0	0	N/A
Grades 1 - 12	246	244	-2
Total Count:	**280**	**278**	**-2**

Ineligible Pupils:

Grade Category	Name	Reason
4K – 437 Hours	[redacted]	Wrong count category
4K – 437 Hours	[redacted]	Wrong count category
4K – 437 Hours	[redacted]	Wrong count category
Grades 1 – 12	[redacted]	Ineligible pupil residing outside the District
Grades 1 – 12	[redacted]	Ineligible pupil residing outside the District
Grades 1 – 12	[redacted]	Ineligible pupil residing outside the District

Eligible Pupils:

Grade Category	Name	Reason
4K – 524.5 Hours	[redacted]	Eligible pupil attending outside the District
4K – 524.5 Hours	[redacted]	Eligible pupil attending outside the District
4K – 524.5 Hours	[redacted]	Eligible pupil attending outside the District
Grades 1 – 12	[redacted]	Eligible pupil attending outside the District

DUE DATES

DPI Auditor Timeline

- **End of August/Early September:**
  District submits District Aid Certification
  DPI reviews District Aid Certification
- **Friday on or Before September 15th:**
  Auditors submit Auditor Aid Certification and Fund Balance Reports
  DPI reviews Auditor Reports
- **Following Friday:**
  District submits Annual Report
- **October 15th Aid is calculated**

DPI Auditor Timeline

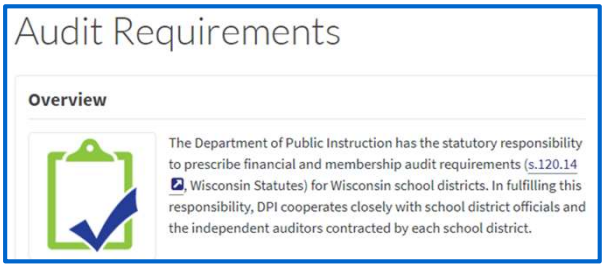
- **October through November:**
  DPI reviews District Annual Reports
- **End of November/Early December:**
  DPI Auditors reach out to Districts with Annual Report questions
- **December 15th:**
  District Audited Financial Statements are due
- **January through March:**
  DPI completed Audited Financial Statement Reviews and contacts Districts
- **Goal: March 31st Fiscal Year Data is Finalized**

Financial Statement Submission

- Submit by email to dpiauditreports@dpi.wi.gov
- Please include the following:
  - Audited Financial Statements (SEARCHABLE DOCUMENT)
  - 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 WiSFiP 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

Questions? Comments?

Subscribe to Auditor Listserv

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General Contact Information
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DPIfin@dpi.wi.gov
608-267-9114

WISEdata Finance and Financial Reporting for ICS

Matt Baier, School Financial Services
WI CPA - School District Audit Conference
May 2024

WISCONSIN DEPARTMENT OF
Public Instruction
Jill K. Underly, PhD, State Superintendent

What is WISEdata Finance?

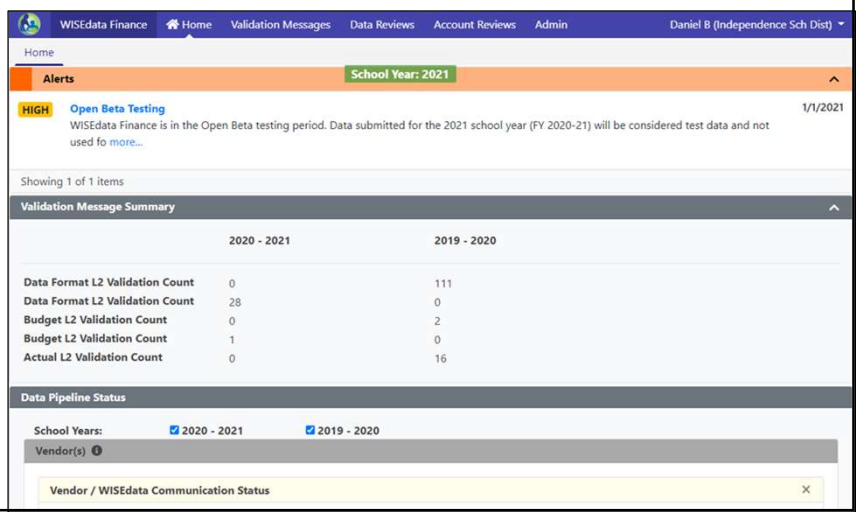
- Vendors pull the current Wisconsin Uniform Financial Accounting Requirements (WUFAR) Chart of Accounts (COA) from DPI
- District crosswalks ledger to a Local COA in WUFAR and pushes data to WDF
- The Local detail COA rolls up to the required DPI COA level
- District pushes financial data as three sets of data: Local Accounts, Budget Amounts and Actual Amounts

Mindset Shift: WISEdata Finance

Data submissions in WISEdata Finance are point-in-time looks, and it helps to think about data validations more as bringing issues to your attention than giving you a list of errors to clear

"Doing the report" will mean pushing clean data

Fixing your books and pushing that data to WDF is how you fix your reporting



Dramatic Transition

What do all of these things have in common?

The Wisconsin Uniform Financial Accounting Requirements.

WUFAR

(pronounced wuh-fer)

WUFAR is KEY

Simplified and flexible chart of accounts - ensures adherence to state and federal financial reporting requirements, and gives LEAs the ability to segregate and group accounts.

Revisions to WUFAR are done on at least a yearly basis to address needed changes, fix errors, or adhere to requirements under GAAP and GASB.

DPI Chart of Accounts integrated by the vendor. Ensure your local accounts account for changes to WUFAR and the DPI COA so accounts roll up correctly.

Why WUFAR?

DPI needs a uniform system for reporting LEA activity for:

- Reporting purposes (both state and federal)
- Calculating general and categorical aid
- Determining compliance with federal regulations
- Comparing activity between LEAs
- State budget building
- Ensuring compliance with Uniform Grant Guidance requirements to track federal grant expenditures

GAAP & GASB

WUFAR meets requirements under Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) which apply to all state and local governments.

WUFAR Sequence of Dimensions

This sequence is what you would normally see when looking at an expense report.

WUFAR Account Sequence

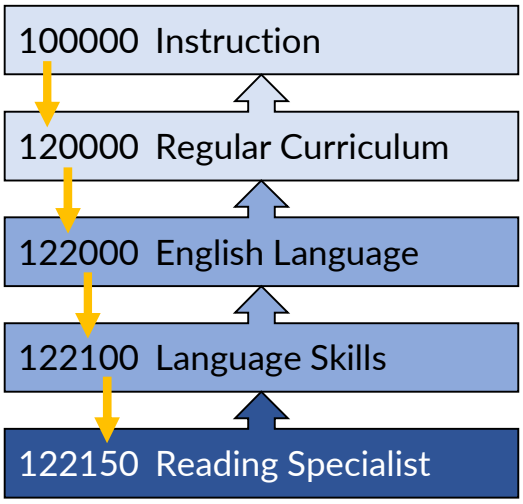
A WUFAR account is a sequence of *dimensions*:

10 E 120 111 122150 141

Fund – Type – Location – Object/Source – Function - Project

WUFAR is Hierarchical

- **WUFAR dimensions "roll up" from lower detail levels to higher summary levels**
- **A zero means "this includes anything at a lower level with a digit here"**



WUFAR is Hierarchical

- **DPI only defines dimensions to a certain level**

  100000 and 120000 are required functions
  for reporting to DPI

  122000 and 122100 are optional DPI-defined functions for local use

  122150 is a locally created function for an even greater level of detail

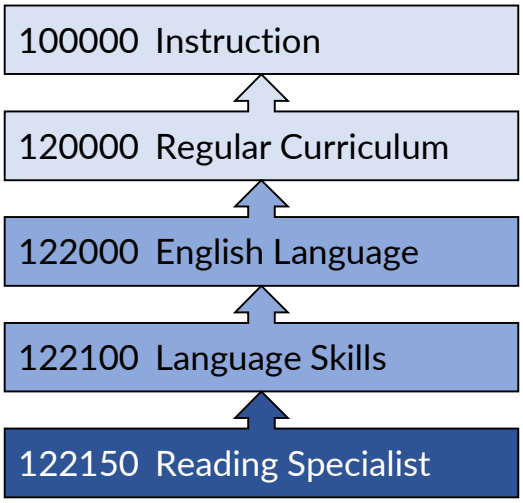


Chart of Accounts

Vendors mapped the LEA's detailed accounts to a general umbrella DPI account - WISEdata Finance displays both the DPI account and the local detailed account.

Local Account	DPI Account	Budget	Actual
27E-100-411-152000-347	27E-100-410-152000-000	$1,500.00	$1,292.13
27E-100-412-158000-019	27E-100-410-158000-000	$5,000.00	$2,563.00

By using the "mapping" methodology, DPI no longer has to create hundreds of accounts every time a new grant is created.

By collecting the Local Account, DPI's program areas have access to the level of detail necessary to determine compliance with Federal grant regulations.

Project Codes

Grants and programs managed by DPI get their own project codes

Payments on the Aids Register show the project code

- **Aids Register WUFAR Codes - https://apps6.dpi.wi.gov/AID/WufarReport**

Aids Register WUFAR Codes:

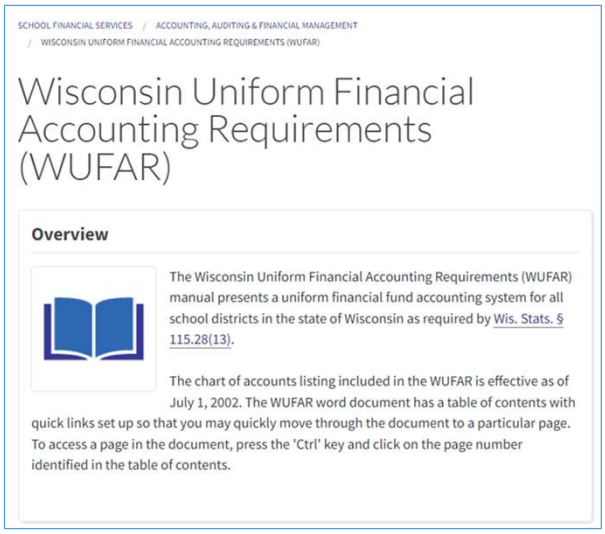
Export to Excel

	Project	Appn	CFDA / S.S.	Program Title ▲	Fiscal Contact	Telephone	Email
730	341	241	84.027	IDEA Flow Through Entitlement	Glenn Aumann	(608) 266-3489	glenn.aumann@dpi.wi.gov
730	348	241	84.173	IDEA PreSchool Disc Aid Public	Glenn Aumann	(608) 266-3489	glenn.aumann@dpi.wi.gov
730	347	241	84.173	IDEA VIB Preschool Entitlement Public	Glenn Aumann	(608) 266-3489	glenn.aumann@dpi.wi.gov
730	251	343	45.310	LSTA System Aids Public	Mark Rudman	(608) 267-9187	mark.rudman@dpi.wi.gov
730	372	344	84.366	Math & Science Partner Private Aids	Ryan Egan	(608) 266-1723	ryan.egan@dpi.wi.gov
630	005	235	255.952	Milwaukee Parental Choice Program	Tricia Collins	(608) 266-7475	tricia.collins@dpi.wi.gov

Local Project Codes

- LEAs can use their own codes for specific projects or programs (e.g. referendum construction, non-DPI grants)
- 600 and above are reserved for local projects

WUFAR


SCHOOL FINANCIAL SERVICES / ACCOUNTING, AUDITING & FINANCIAL MANAGEMENT / WISCONSIN UNIFORM FINANCIAL ACCOUNTING REQUIREMENTS (WUFAR)

Wisconsin Uniform Financial Accounting Requirements (WUFAR)

Overview

The Wisconsin Uniform Financial Accounting Requirements (WUFAR) manual presents a uniform financial fund accounting system for all school districts in the state of Wisconsin as required by Wis. Stats. § 115.28(13).

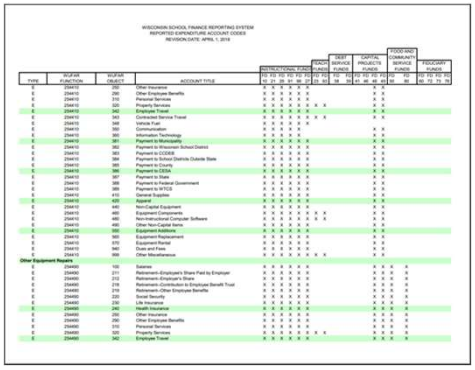
The chart of accounts listing included in the WUFAR is effective as of July 1, 2002. The WUFAR word document has a table of contents with quick links set up so that you may quickly move through the document to a particular page. To access a page in the document, press the 'Ctrl' key and click on the page number identified in the table of contents.

- **Find it on the DPI School Financial Services webpage:** dpi.wi.gov/sfs/finances/wufar/overview
- WUFAR resources updated at least yearly, including the manual, summary of revisions, and account matrices
- Will transition to Online WUFAR module in WiSFiP

Account Matrices

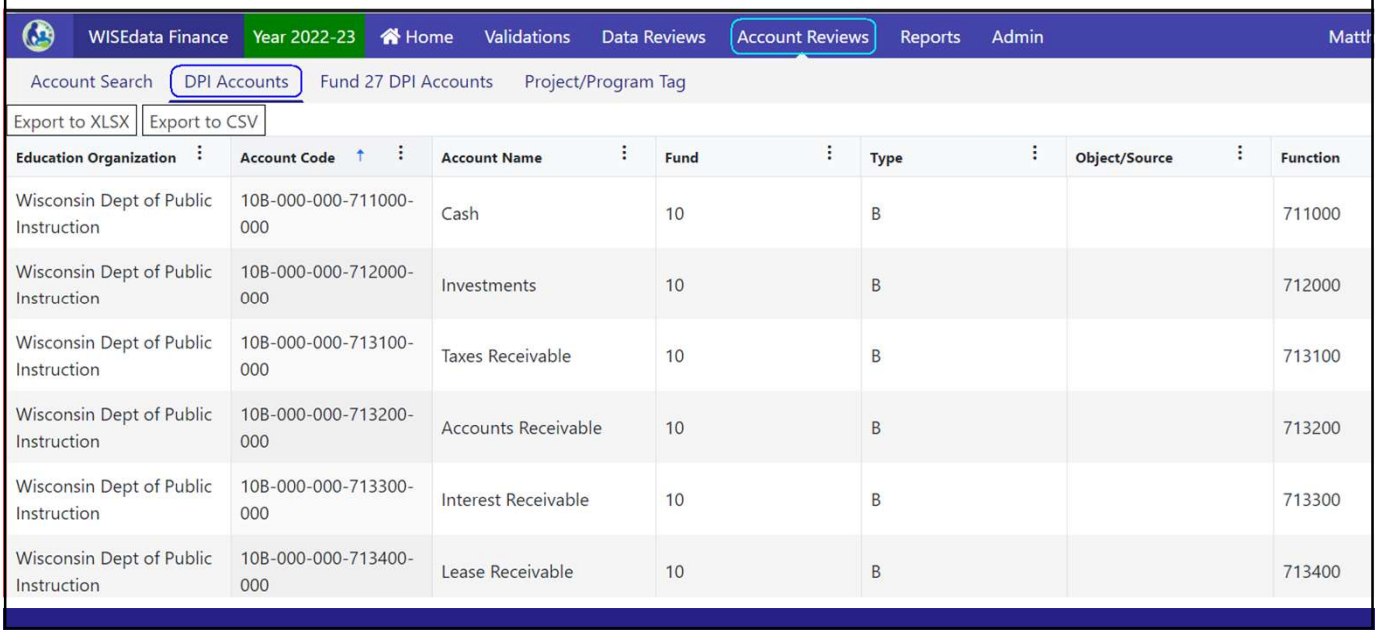
- **Supplemental charts showing allowed account combinations**

  Allowed combinations officially defined in the written account dimension descriptions



				INSTRUCTIONAL FUNDS						TEACH FUNDS		DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS				FOOD AND COMMUNITY SERVICE FUNDS		FIDUCIARY FUNDS			
TYPE	WUFAR FUNCTION	WUFAR OBJECT	ACCOUNT TITLE	FD 10	FD 21	FD 29	FD 91	FD 99	FD 27	FD 23	FD 93	FD 38	FD 39	FD 41	FD 46	FD 48	FD 49	FD 50	FD 80	FD 60	FD 72	FD 73	FD 76
E	254410	250	Other Insurance	X	X	X	X	X	X							X	X						
E	254410	290	Other Employee Benefits	X	X	X	X	X	X							X	X						
E	254410	310	Personal Services	X	X	X	X	X	X							X	X						
E	254410	320	Property Services	X	X	X	X	X	X	X	X					X	X						
E	254410	342	Employee Travel	X	X	X	X	X	X							X	X						

DPI Chart of Accounts



Education Organization	Account Code	Account Name	Fund	Type	Object/Source	Function
Wisconsin Dept of Public Instruction	10B-000-000-711000-000	Cash	10	B		711000
Wisconsin Dept of Public Instruction	10B-000-000-712000-000	Investments	10	B		712000
Wisconsin Dept of Public Instruction	10B-000-000-713100-000	Taxes Receivable	10	B		713100
Wisconsin Dept of Public Instruction	10B-000-000-713200-000	Accounts Receivable	10	B		713200
Wisconsin Dept of Public Instruction	10B-000-000-713300-000	Interest Receivable	10	B		713300
Wisconsin Dept of Public Instruction	10B-000-000-713400-000	Lease Receivable	10	B		713400

Validations

Two levels of validation rules at work:

- L1 validations reject your data before it can be stored in our data warehouse. Validation message are triggered when you push data to DPI. Some examples are rejected accounts, invalid school codes, etc.
- L2 validations are run on data saved into the data warehouse (have passed the L1 validations). Examples include: WUFAR mismatches, Amount errors, Project/Program Tag issues

Although validations display in WISEdata Finance, all modifications to the data will happen within your SIS.

Landing Page - Validation Summary Panel

Validation Message Summary

	2022 - 2023	2021 - 2022
L1 Validation Count	0	0
Data Format L2 Validation Count	0	0
Budget L2 Validation Count	6	22
Actual L2 Validation Count	0	75
Addenda L2 Validation Count	0	1
Unresolved Addenda Count	0	0

Panel has been updated to display count summary for L1 data validations, L2 data and financial validations, and Addenda by status.

L1 Validations

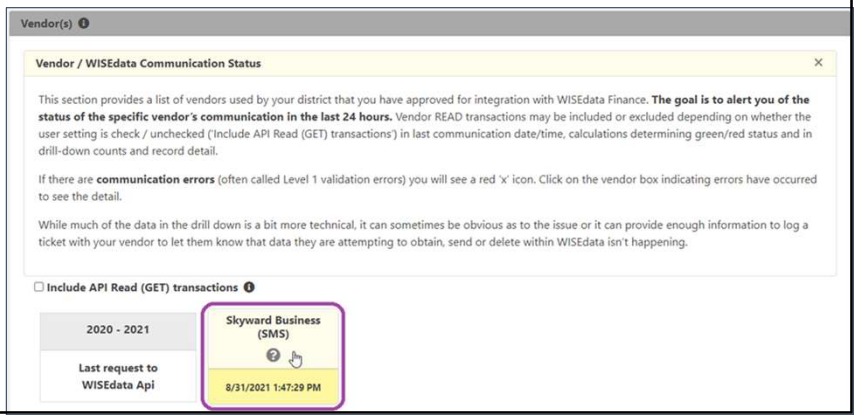
"How can I see if we have rejected accounts?"

On the WISEdata Finance home screen, scroll down to the panel beneath the Validation Message Summary panel, the "Vendor / WISEdata Communication Status" section. There is a yellow box for each school year that shows when the WISEdata Finance API received the last submission from your vendor.

You can click on the box to get details:

Users are redirected to a screen that shows summary error and success counts for Account, Budget, and Actual records.

Additionally the screen will show a record of all L1 errors logged in the last 30 days.

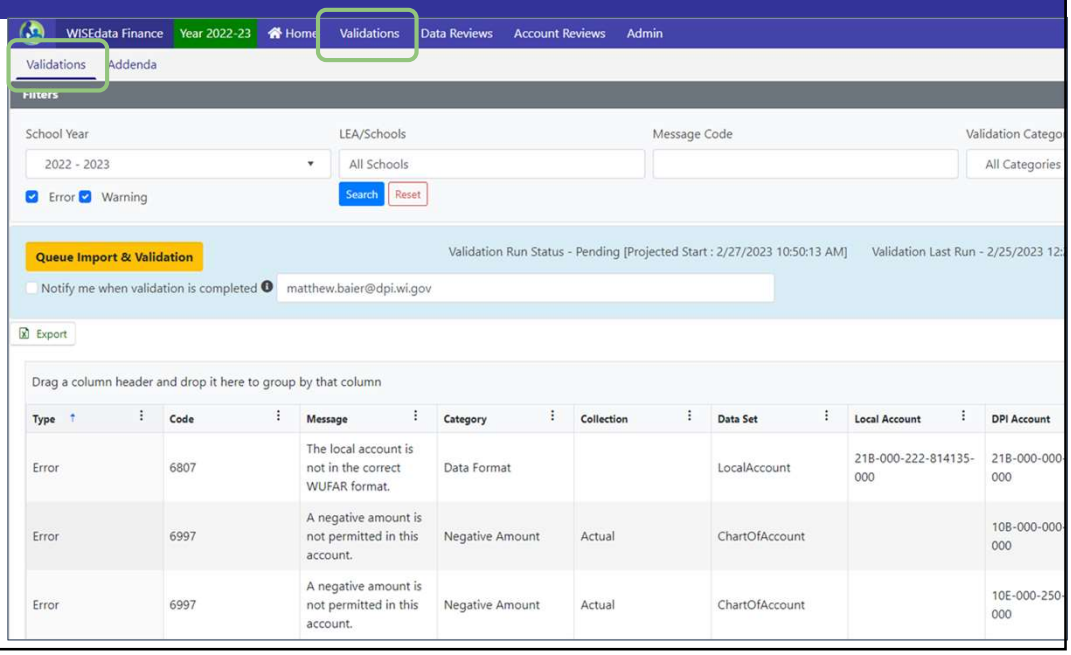


L2 Validations

"How do I see our validations?"

Access through Validations menu > Validations tab

This screen will list all L2 validations (data format and financial) as of the last validation run.



Current Areas of Focus

Validation Message Summary	2021 - 2022
Data Format L2 Validation Count	22
Budget L2 Validation Count	7
Actual L2 Validation Count	13

L2 Validations

- Review **Data Format** validations. These validations indicate issues related to COA mapping and should be reconciled.
- **Budget** and **Actual** validations are more nuanced and have different meaning throughout the year.

Current Areas of Focus

Data Format Validations - Indicates something is not mapped correctly and may not roll up as needed

Severity	Code	Message	Validation Category	Local Account Code	Account Name	DPI Account Code	
Error	6807	The local account is not in the correct WUFAR format.	Data Format	98B-000-212-811632-000		99B-000-000-811600-000	Details
Error	6807	The local account is not in the correct WUFAR format.	Data Format	98B-000-212-811631-000		99B-000-000-811600-000	Details
Error	6807	The local account is not in the correct WUFAR format.	Data Format	98B-000-222-811632-000		99B-000-000-811600-000	Details
Error	6807	The local account is not in the correct WUFAR format.	Data Format	98B-000-222-811631-000		99B-000-000-811600-000	Details

L2 Fiscal Validation Types

- Negative Amount
  - Fund Transfer
    - On Record
  - Trial Balance

Negative Amount Validations

WISEdata Finance | Year 2021-22 | Home | Validation Messages | Data Reviews | Account Reviews | Admin

Validation Messages

Type	Code	Message	Category	Data Set	DPI Account
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	10B-000-000-713200-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	10E-000-450-136000-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	50B-000-000-713200-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	29B-000-000-811600-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	10B-000-000-816900-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	49R-000-280-000000-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	50B-000-000-811600-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	80B-000-000-811600-000
Error	6997	A negative amount is not permitted in this account.	Negative Amount	ChartOfAccount	29B-000-000-715000-000

Negative Amount Examples

- 10B-000-000-713200-000 - Accounts Receivable

  If this is negative, review activity and see what may need to be reclassified to a revenue account. Potential cause one cash receipt may have been coded to Accts Recv correctly and the coding was rolled forward for next cash receipt which should have been a revenue.

- 10B-000-000-811600-000 - Payroll Withholdings or Fringe Liabilities

  Many times this is payroll liabilities where the deductions/benefits should be reviewed/updated to ensure correct amounts are being withheld to cover the bills paid. Periodic reconciliation of payroll liabilities through the year helps a lot in this area.

Negative Amount Examples

- 10E-000-240-221300-000 - Instructional Staff Training Health Insurance

  Cause - Coding change and activity in account after or implicit rate subsidy entry

  Health Insurance Expense is negative, review implicit rate subsidy entry as it should reduce health insurance not push it negative. Also, review account activity to see if a wholesale coding change was made and activity occurred after which should be to a new account code.

  Fix = recode to correct health insurance object account to get the balance to zero within your vendor and reupload to WiseData Finance

Negative Amount Examples

- 10E-000-324-254300-000 - Building Repairs Area - Repairs & Maintenance Purchased Service

  Cause - Credit from vendor or sale of non-capital object netted against expense rather than coded to revenue account

  Fix - Reclassify to revenue account (usually Source 861 - Equipment and Vehicle Sales) if sale of non-capital object

  - If credit from vendor, why is it taking amount negative and investigate. Credit shouldn't exceed the original amount purchased to take the account negative.

Negative Amount Examples

- 10E-000-387-219000-000 - Pupil Services Payments to State

  Cause - Reimbursement netted against expense

  Fix - Reclassify to the correct revenue account

- 10E-000-450-136000-000 - Tech Ed Items for Resale

  Cause - Resale proceeds netted against expense

  Fix - Reclassify resale proceeds to Source 262

Negative Amount Examples

- 10E-000-730-270000-000 - Unemployment Insurance Claim Payments

  Cause - Unemployment settlement from state netted against expense account

  Fix - Reclassify settlement to Source 964 (insurance settlement) or Source 971 (refund of prior year premiums)

Negative Amount Examples

- 10R-000-280-000000-000 - Interest Revenue

  Cause - Unrealized or Realized losses coded to incorrect account

  Fix - Reclassify to correct accounts

- 10R-000-295-000000-000 - Summer School Fees

  Cause - Summer school expenses netted against revenue account

  Fix - Reclassify expenses to correct expense account

Fund Transfer Validations

- When the transfer into a Fund (Revenue) doesn't match the transfer out of the Fund (Expenditure) it came from
- When the Due to a Fund (812000) doesn't equal the Due from Fund (714000) - fix by running function 714000 and function 812000 totals in balance sheet detail report, comparing and adjusting so they are in alignment

Fund Transfer Examples

Type	Code	Message	Category	Data Set
Error	6839	The revenue (27 R 110 411000) and expenditure (10 E 827 411000) for the reported operating transfer do not match.	Fund Transfer	LocalEducationAgency
Error	7046	The sum of all B 812000 (Due to Other Funds) accounts does not equal the sum of all B 714000 (Due from Other Funds) accounts.	Fund Transfer	LocalEducationAgency

Fund Transfer Examples

Fix - review what the transfer amount between Fund 10 and Fund 27 should be and adjust transfer amount to match that.

6839 - Interfund Transfer Error - Operating 10 to 27

The revenue (27 R 110 411000) and expenditure (10 E 827 411000) for the reported operating transfer do not match.

Budgeted Revenues		Budgeted Expenditures
22,550,000.00	Does Not Match	23,250,000.00

Budgeted Revenues				Budgeted Expenditures			
Account Identifier	Education Organization	As Of Date	Amount	Account Identifier	Education Organization	As Of Date	Amount
27R-880-110-411000-000		12/17/2021	22,550,000.00	10E-880-827-411000-000		12/17/2021	23,250,000.00
			Total 22,550,000.00				Total 23,250,000.00

Trial Balance Validations

- Revenues minus Expenditures doesn't equal the change in Equity
- Assets don't equal Liabilities plus Equity

Trial Balance Examples

Not quite as simple

Type	Code	Message	Category	Data Set	
Error	6875	Budgeted Fund 27 revenues and expenditures must be equal to reflect the required zero balance at year end.	Trial Balance	School	Details
Error	6924	Fund 27 has a non-zero ending balance, which is not permitted in this fund.	Trial Balance	LocalEducationAgency	Details
Error	6940	Balance sheet debits (assets) and credits (liabilities and equity) in Fund 10 are not equal.	Trial Balance	School	Details
Error	6943	Balance sheet debits (assets) and credits (liabilities and equity) in Fund 27 are not equal.	Trial Balance	School	Details
Error	6960	Change in equity (revenues minus expenditures) does not equal the difference between the current and prior year ending balances in Fund 10	Trial Balance	School	Details

Trial Balance Examples

WISEdata Finance | Year 2021-22 | Home | Validation Messages | Data Reviews | Account Reviews | Admin

View All Data | Trial Balance | On Record

School Year: 2021 - 2022 | Fund *: 10 | Collection: Actual | Reset

Fund is in Balance

Variance in Debits & Credits:	0.00
Variance in Change in Fund Equity:	0.00
Variance in Ending Fund Equity:	0.00

Total Debits and Credits

Description	Debits	Credits
Beginning Assets	43,884,174.83	
Beginning Liabilities		19,856,263.04
Beginning Fund Equity		24,027,911.79
Ending Assets	44,112,691.38	
Ending Liabilities		19,250,621.42
Ending Fund Equity		24,862,069.96
Totals	87,996,866.21	87,996,866.21

Amounts Match

Trial Balance Examples

View All Data | Trial Balance | On Record

Change in Fund Equity

Actual Change in Fund Equity

Fund	Description	Amount
10	Beginning Fund Equity	24,027,911.79
10	Ending Fund Equity	24,862,069.96
	Actual Change in Fund Equity	834,158.17

Expected Change in Fund Equity

Fund	Description	Amount
10	Total Revenues	129,284,860.82
10	Total Expenditures	128,450,702.65
	Expected Change in Fund Equity	834,158.17

Amounts Match

Ending Fund Equity

Actual Ending Fund Equity

Fund	Description	Amount
10	Ending Fund Equity	24,862,069.96

Expected Ending Fund Equity

Fund	Description	Debit	Credit
10	Beginning Fund Equity		24,027,911.79
10	Total Revenues		129,284,860.82
10	Total Expenditures	128,450,702.65	
	Expected Ending Fund Equity		24,862,069.96

Amounts Match

Validations Updates

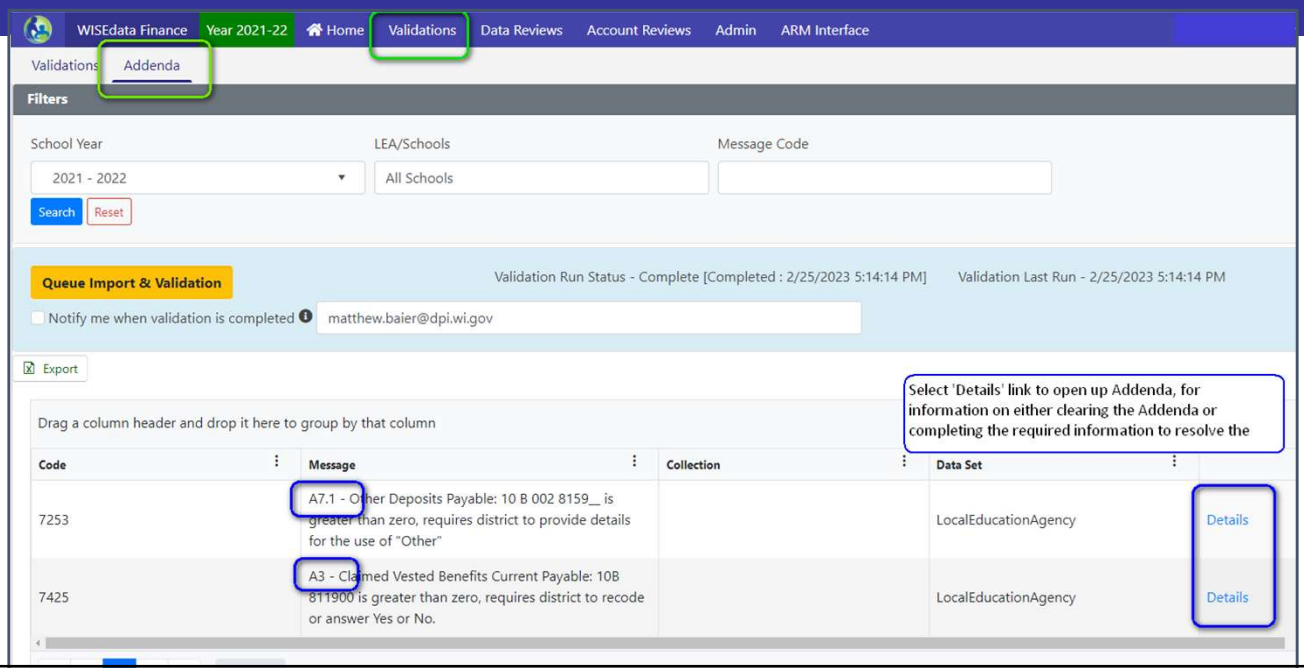
Our areas of focus concerning validations in WISEdata Finance:

- Updated validations to allow a de minimis amount (less than a dollar) before triggering
- Determining timeline for activating budget/actual validations through fiscal year
- Building more comprehensive views of L1 validation data
- Addiding additional validations as needs identified

Addenda

- Reporting addenda to collect additional information based on accounts and amounts triggered within WISEdata Finance.
- Required responses collected through WDF and viewable in the Budget and Annual Report in WiSFiP
- Building addenda into WDF for Common School Fund / OPEB contributions

Addenda



Addenda

PENDING

WISEdata Finance | Year 2021-22 | Home | Validations | Data Reviews | Account Reviews | Admin | ARM Interface

Demo U (Necedah Area Sch Dist)

7253 - Other Deposits Payable - Fund 10

A7.1 - Other Deposits Payable: 10 B 002 8159__ is greater than zero, requires district to provide details for the use of "Other"

Account Identifier	Education Organization	As Of Date	Amount
10B-000-000-815900-000	14772 - Necedah Area School District	11/01/2022	811.00

Total 811.00

Please itemize all amounts.

Itemized total does NOT match

+ Add new record

Item Description	Amount	
Add itemized amounts which must total to Amount reported on account	406.00	Edit × Delete
	Total 406.00	

Addenda

RESOLVED

7253 - Other Deposits Payable - Fund 10

A7.1 - Other Deposits Payable: 10 B 002 8159__ is greater than zero, requires district to provide details for the use of "Other"

Account Identifier	Education Organization	As Of Date	Amount
10B-000-000-815900-000	14772 - Necedah Area School District	11/01/2022	811.00

Total 811.00

Please itemize all amounts.

Itemized total matches

+ Add new record

Item Description	Amount	
Add itemized amounts which must total to Amount reported on account	406.00	Edit × Delete
Once itemized items added and total equals Account total the Addenda will be considered resolved	405.00	Edit × Delete
	Total 811.00	

Best Practice

We encourage districts to make pushing financial data to WISEdata Finance the last step of the monthly bank reconciliation

Vendors have the functionality to setup a scheduled job to push financial data

WISEdata Finance - FY 2022-23

- Continuing to work with small number of districts to complete Aid Certifications and Annual Report
- Issues in Aid Certification/Annual Report transition varied from needing to update WUFAR COA, general accounting, and vendor integration.
- Special Education reporting completed through the PI-1505-SE
- Tax Levies, Debt Schedules, and Referenda moved to WiSFiP

WISEdata Finance - FY 2023-24

- Working with districts to submit Budget Reports
- Reporting Referenda for 2024
- Updates to Annual Report to collect Fund Balances including Debt Balances
- Additional addenda in WDF for Common School Fund / OPEB
- Special Education Annual Report transition
- Transition additional SAFR reports to WiSFiP

Financial Reporting Development Timeline

- ESSA School-Level Reporting
- Special Education Annual Report (replace the PI-1505-SE)
- Public Financial Dashboard
- Transitioning Existing SAFR reports to WiSFiP
- Internal Modules for Aid Runs/Revenue Limits/Reporting
- On-going Maintenance and Enhancements

WiSFiP - Finance Data Auditor Role

- Added a new role to WISEsecure for WiSFiP: Finance Data Auditor
- Provides edit access to Audited Fund Balances and Auditor Aid Certification Report
- Provides view-only access to district-complete reports
- Updated Finance Data Administrator (district role) to provide view-only access to Auditor reports
- Automatically reassigned auditors to new role

School-Level Reporting

- The report utilizes your financial data to determine district-level vs. school-level (by school) and federal vs. state/local expenditures
- LEAs provide data to define Location and Project Codes
- Allows for much more accurate and streamlined federal reporting

Special Education Annual Report

- Developing the Special Education Annual Report for 2023-24
- DPI is auditing, with stakeholder input, the Fund 27 Chart of Accounts as part of the next WUFAR revision
- A majority of the functionality needed to transition this report already exists. LEAs are already pushing local Fund 27 accounts to DPI
- Creating additional L2 validations in WDF to ensure proper Project Code coding for Fund 27

Special Education Annual Report

Beyond your Fund 27 actual accounts by Project, the report will include:

- Addenda to track SPED grant payments into and out of the LEA
- Validations to ensure school mental health personnel costs meet proration requirements from Act 221
- Reports detailing aid estimates, grant reconciliation, year-to-year comparisons

Fund 27 Chart of Accounts

WISEdata Finance | Year 2022-23 | Home | Validations | Data Reviews | Account Reviews | Reports | Admin

Account Search | DPI Accounts | Fund 27 DPI Accounts | Project/Program Tag

Export to XLSX | Export to CSV

Education Organization	Account Code	Account Name	Fund	Type	Object/Source	Function	Project
Wisconsin Dept of Public Instruction	27E-000-100-110000-019	Undifferentiated Curriculum - Salaries	27	E	100	110000	019
Wisconsin Dept of Public Instruction	27E-000-100-110000-091	Undifferentiated Curriculum - Salaries	27	E	100	110000	091
Wisconsin Dept of Public Instruction	27E-000-100-110000-092	Undifferentiated Curriculum - Salaries	27	E	100	110000	092
Wisconsin Dept of Public Instruction	27E-000-100-110000-315	Undifferentiated Curriculum - Salaries	27	E	100	110000	315
Wisconsin Dept of Public Instruction	27E-000-100-110000-317	Undifferentiated Curriculum - Salaries	27	E	100	110000	317
Wisconsin Dept of Public Instruction	27E-000-100-110000-340	Undifferentiated Curriculum - Salaries	27	E	100	110000	340
Wisconsin Dept of Public Instruction	27E-000-100-110000-515	Undifferentiated Curriculum - Salaries	27	E	100	110000	515

WISEgrants and WISEdata Finance

Tracking of federal expenditures and revenue by Project codes aid in ensuring accurate claiming of allowable costs and help streamline program and fiscal monitoring of federal programs.

We are continuing to work on aligning WISEgrants WUFAR accounts to align with WISEdata Finance and the DPI COA.

Federal grants management requires additional levels of details, scrutiny, and compliance which would prevent any ‘full’ automation of grant budgeting and claiming.

Contact Us

For WISEdata Finance questions visit DPI's WISEsupport page to submit a help ticket
https://dpi.wi.gov/wisedata/help/request

General SFS questions: dpifin@dpi.wi.gov

Matt's Booking page:
https://outlook.office365.com/owa/calendar/MatthewBaier@WIDPIPRD.onmicrosoft.com/bookings/

10:50 – 11:40 a.m.

GASB Update

Ethan Hoffman, CPA, *Senior Accountant, State & Local Government, KerberRose*

David Minch, CPA, *Senior Manager, State & Local Government, KerberRose*

KerberRose

GASB Update

GASB Update – New Standards

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)*

GASB 102, *Certain Risk Disclosures (fiscal years beginning after June 15, 2024)*

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

- Recognition and Display
- Note Disclosure
- Required Supplementary Information and Supplementary Information

Scope excludes first-time adoption of GAAP financial reporting framework

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

• Change from one GAAP principle to another
• New principle must be *preferable* (understandability, reliability, relevance, timeliness, consistency, or comparability)
• Default treatment for new GASB pronouncements
	• 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)
		• Changes to *or within* 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 *continuing operations* within PG & BCUs)
		  • Fund reclassified between major and nonmajor (*other than* based on threshold)

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

GASB 100 – Accounting Changes and Error Corrections

How do we handle the changes?

Changes in Accounting Principle	Changes in Accounting Estimates	Changes to or within the Reporting Entity
• Retroactive • Single-period - restate beginning position for the cumulative effect • Comparative - restate beginning position of first period presented for any cumulative effect, if practicable	• Prospective • Recognize effect in period of change	• Adjustment • Adjust current period's beginning balance for the effect of the change

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
• Previous principle conformed to GAAP, • Amount was previously significant, and • New principle is preferable	Change in accounting principle
• Previous principle *did not* conform to GAAP and • Amount was previously significant	Correction of an error
• Previous principle *did not* conform to GAAP and • Amount was previously *not* significant	Neither an accounting change nor a correction of an error

Correction of Errors - Explanation

Previously issued financial statements contained errors due to (one or More) items:

- Mathematical miscalculations
- Misapplication of accounting principles
- Oversight or misuse of fact that –
  - Are about conditions that existed as of the financial statement date
  - Themselves existed at the time the financial statements were issued
  - Could reasonably be expected to have been obtained and taken into account before the financial statements were issued

Corrections of Errors – Recognition and Display

- Retroactive
- Single-period financial statements
  - Restate beginning position of the cumulative effect
- Comparative financial statements
  - Restate financial statements for all periods presented and –
  - Restate beginning position of first period restated for any cumulative effect
  - **No exception for practicality**

Display in the Financial Statements

Display the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position for each reporting unit (each column)

	General Fund	Fund A	Nonmajor funds	Total governmental funds
Net change in fund balance	$ (417,862)	$ 253,329	$ (61,423)	$ (225,956)
Beginning fund balance, as previously reported	$ 2,542,547	$ 1,242,722	$ 1,523,248	$ 5,308,517
Change to or within financial reporting entity	-		249,262	249,262
Error correction	(229,422)			(229,422)
Beginning fund balance, as restated	$ 2,313,125	$ 1,242,722	$ 1,772,510	$ 5,328,357
Ending fund balance	$ 1,895,263	$ 1,496,051	$ 1,711,087	$ 5,102,401

Reclassifications in Financial statements

Changes in accounting principles that do not affect beginning position, but require reclassification -

- Disclose nature of change
- For comparative financial statements, reclassify for all prior periods presented, if practicable

Error corrections that do not affect beginning position, but require reclassification -

- Disclose nature of change
- For comparative financial statements, reclassify for all prior periods presented, if practicable

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

Note Disclosures

Changes in Accounting Principle	Changes in Accounting Estimate

• Nature of change, including
  • Financial statement line items affected
  • Identification of new GASB pronouncement, if applicable
• Reason new principle is preferable (except if result of new GASB pronouncement)
• For comparative financial statements, reason it is not practicable to restate prior periods, if applicable
	• Nature of change, including financial statement line items affected
	  • Financial statement line items affected
	• For changes in measurement methodology
	  • Reason for change
	  • Reason new methodology is preferable (except if result of new GASB pronouncement)

Note Disclosures

Changes To or Within the Reporting Entity	Corrections of Errors

• Nature of change
• Reason for change
  • EXCEPT: Disclosure of reason *not required* if change is solely the result of funds meeting or not meeting quantitative thresholds for major funds (10% and 5% tests)
	• Nature of change, including
	  • Periods affected
	  • Financial statement line items affected
	• For single period statements and comparative statements, effect on prior periods' *change in* net position, fund balance or fund net position, as applicable

Required (RSI) and Other Supplementary Information (SI)

Changes in Accounting Principle and Changes To or Within the Reporting Entity	Corrections of Errors

• For years included in basic financial statements (BFS)
  • Report in RSI, including management's discussion and analysis (MD&A), and SI, including the statistical section, in a manner consistent with BFS
• For years prior to those included in BFS
  • Do not restate
  • Explain why earlier information is not consistent with restated information (MD&A should refer to related note disclosure)
	• For years included in basic financial statements (BFS)
	  • Report in RSI, including management's discussion and analysis, and SI, including the statistical section, in a manner consistent with BFS
	• For years prior to those included in BFS
	  • Restate if applicable and practicable
	  • Explain why it is not practicable to restate earlier periods, if applicable

GASB 101 – Compensated Absences

Current Guidance

Definition:

GASB Statement 16 defined compensated absences in paragraph 1 as "absences for which employees will be paid, such as vacation, sick leave and sabbatical leave."

GASB 101 – Compensated Absences

Why the change?

- Lack of guidance for certain types of leave
  - Statement 16 differentiated between vacation and sick leave
- Inconsistent application of standards
- Changes to the conceptual framework since the issuance of the existing guidance

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

GASB 101 – Compensated Absences

New Definition

A *compensated absence* is (a) leave that employees receive for time off with pay, (b) leave for which employees receive payment upon termination of employment, or (c) leave for which employees receive settlement through other means, such as conversion to postemployment benefits. Compensated absences generally do not have a set payment schedule. Examples of compensated absences include vacation leave, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, and certain types of sabbatical leave.

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

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

GASB 101 – Compensated Absences

Recognition Criteria – General Rule

Recognize a liability for leave and associated salary-related payments when leave is earned (economic resources measurement focus/accrual basis of accounting

- Salary-related payments – Employer share of payroll taxes; employer contributions to a defined contribution plan, etc.

GASB 101 – Compensated Absences

Exceptions to the General Rule

Exceptions From General Rule, By Leave Type	Recognize Liability for Leave and Associated Salary-Related Payments
Leave dependent upon the occurrence of a sporadic event that affects a small proportion of employees in a particular reporting period (e.g., military leave, parental leave, jury duty) • EXCLUDING sick leave, unrestricted sabbatical leave	When leave commences
Unlimited leave and holiday leave taken on a specific date	When leave is taken
Leave more likely than not to be settled through conversion to *defined benefit* pension or other postemployment benefits	Not recognized as *compensated absence* liability

GASB 101 – Compensated Absences

Measurement

Unused leave expected to be used or settled x pay-rate at end of period

+

Salary-related payments x applicate rates at end of period

=

Compensated Absence Liability

GASB 101 – Compensated Absences

Clarification on Measurement

- If it is more likely than not that some leave will be paid at a different rate, use that rate to measure that portion of the liability at period end
- With leave sharing pools, use estimated pay rate of all employees that participate
- Leave paid by noncash means, other than conversion to pension/OPEB defined benefits, use the amount more likely than not to be settled
- **Changes in future periods due to increases in applicable rates are recognized in the period of the change**

GASB 101 – Compensated Absences

Key Change

- Previously only accrued for time paid at termination
- Now must perform an analysis to determine how much of the employees' leave balances at year end are MORE LIKLEY THAN NOT to be used as time off in future reporting periods
  - "More likely than not" = Likelihood greater than 50%
- Example – sick leave is earned and accrued by employees, but unused leave is not paid out at termination
  - Some of the leave should be reported as a compensated absence liability at fiscal year end (the estimated amount of unused sick leave balances that are more likely than not to be used as time off in future reporting periods)

GASB 101 – Compensated Absences

Things to consider when developing estimates:

- Employment policies
- Whether the leave that has been earned will become eligible to be used or paid out in the future
- Historical information about leave usage patterns
- Information about current and expected future eligibility

GASB 101 – Compensated Absences

Factors to Consider in the Estimation

- Understand the policies and trends
- Collect relevant historical information
  - Average days used annually by employees over recent years
  - Average days paid out to terminated employees
  - Average remaining service life of employee base
  - Average total years of service at termination
  - Consider sampling employees

- Clearly document your approach!

GASB 101 – Compensated Absences

Sabbatical Leave

Sabbatical leave meets the criteria for recognition as a compensated absences liability if an employee is not required to perform any significant duties for the government during the sabbatical (unrestricted sabbatical leave). If the employee is required to perform duties of a different nature for the government during the sabbatical (ex, research instead of teaching), the sabbatical is not a compensated absence. Unrestricted sabbatical leave also accumulates when there is a minimum service period. (if a specific number years of service is required to be eligible for unrestricted sabbatical leave, then leave accumulates over that number of years)

Will need to evaluate whether unrestricted sabbatical leave is more likely than not to be paid. Need to consider if employee will remain employed long enough and the likelihood the unrestricted sabbatical leave will be taken.

GASB 101 – Compensated Absences

Recognition in Governmental Funds

- No change from current recognition
- Recognize expenditures when due and payable
- For the portion of compensated absences used, but not yet paid as of fiscal year end, liability may be reported with salaries payable

GASB 101 – Compensated Absences

Note Disclosures

In the long-term liability disclosure:

- Report as either: separate increases and decreases during the period OR a net increase or net decrease for the period, indicating that it is a net amount
- Continue to disclose amounts estimated to be due within one year
- No longer required to disclose which governmental funds have typically been used to liquidate compensated absences

GASB 101 – Compensated Absences

Note Disclosure Example

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. ~~Only benefits considered vested are recognized in the financial statements.~~ Benefits considered more likely than not to be used or settled at termination are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. ~~Generally, resources from the General Fund are used to pay for compensated absences.~~

GASB 101 – Compensated Absences

Note Disclosure Example

~~Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.~~ Amounts of ~~vested or~~ accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. ~~In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.~~ A liability is also recorded for accumulating rights to receive sick pay benefits for the portion more likely than not to be used by employees. ~~However~~ Additionally, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will ~~the maximum~~ more likely than not be paid upon retirement. The County accrues salary-related payments associated with the payment of compensated absences.

GASB 101 – Compensated Absences

Long-term liability disclosure

	Outstanding 1/1/2021	Increase	Decrease	Outstanding 12/31/2022	Due Within One Year
Governmental Activities					
General Obligation Debt:					
Bonds	$ 3,205,000	$ -	$ 240,000	$ 2,965,000	$ 240,000
Revenue Bonds	1,171,623	-	20,210	1,151,413	20,847
Compensated Absences*	65,527	3,534	-	69,061	57,321
Total Governmental Activities Long-Term Liabilities	$ 4,442,150	$ 3,534	$ 260,210	$ 4,185,474	$ 318,168

	Outstanding 1/1/2021	Increase	Decrease	Outstanding 12/31/2022	Due Within One Year
Business-Type Activities					
General Obligation Debt	$ 394,000	$ -	$ 40,537	$ 353,463	$ 42,766
Revenue Bonds	1,035,000	731,454	1,035,000	731,454	109,040
Compensated Absences*	58,024	-	36,878	21,146	16,917
Total Business-Type Activities Long-Term Liabilities	$ 1,487,024	$ 731,454	$ 1,112,415	$ 1,106,063	$ 168,723

*The amount displayed as additions or reductions represents the net change in the liability.

GASB 101 – Compensated Absences

Change in Accounting Principle

Change in Accounting Principle

For the year ended December 31, 2022 the Village implemented GASB Statement No. 101, Compensated Absenses. For the implementation, the beginning netposition has been restated, as follows:

	Government Wide		Proprietary Funds	
	Governmental Activities	Business-type Activities	Water Utility	Wastewater Utility
Net Position - As of December 31, 2022	$ 3,444,807	$ 3,080,863	$ 2,116,914	$ 963,949
Change in Accounting Principle - GASB 101	(18,035)	(75,712)	(71,828)	(3,884)
Net Position - As Restated December 31, 2022	$ 3,426,772	$ 3,005,151	$ 2,045,086	$ 960,065

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

GASB 101 – Compensated Absences - Examples

Paid time off (PTO) that is earned each month, carries over without limits at the end of the fiscal year, and for which any unused leave is paid upon termination of employment.

Included

GASB 101 – Compensated Absences - Examples

Sick leave that is earned each month and carries over without limits at the end of the fiscal year, but any unused leave is not paid upon termination of employment.

Potentially Included – need to evaluate

GASB 101 – Compensated Absences - Examples

Sick leave that is earned each month, does not carry over at the end of the fiscal year, and is not paid upon termination of employment.

Not Included

GASB 101 – Compensated Absences - Examples

Holidays
Parental Leave
Military Leave

Potentially Included

GASB 101 – Compensated Absences

- No expected major changes to vacation, which is typically paid out upon termination
- Sick leave that accrues and does not have a payout mechanism will result in a liability – for the amount more likely than not to be used in a future period
- Remember to accrue a liability for leave that's dependent on a sporadic event (parental leave, military leave) when it commences
- Salary-related payments related to defined benefit pensions or OPEB should not be included in the compensated absences liability
- Become familiar with policies

GASB 102 – Certain Risk Disclosures

Purpose: to identify potential risks in governmental environments and develop disclosure requirements associated with those risks. These requirements are designed to provide users of the financial statements with information bout risks related to a governments vulnerabilities due to certain concentrations or constraints.

GASB 102 – Certain Risk Disclosures

This statements defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources. Concentrations can include, but are not limited to:

- Employers
- Industries
- Composition of principal inflows of resources
- Workforce covered by collective bargaining agreements
- Providers of financial resources
- Suppliers or material, labor or services

GASB 102 – Certain Risk Disclosures

A constraint is a limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority. Examples to include, but not limited to:

- Limitations on raising revenue
- Limitations on spending
- Limitations on the incurrence of debt
- Mandated spending

GASB 102 – Certain Risk Disclosures

This statements requires disclosure of specific information in the notes to the financial statements if the following criteria are met:

- Either a concentration or a constraint is known to the government prior to the issuance of the financial statements
- The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact
- An event or events associated with the concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely that not to begin to occur within 12 months of the date the financial statements are issued

GASB 102 – Certain Risk Disclosures

Disclosures should provide sufficient detail to enable users to understand the nature of circumstances disclosed and the risk of a substantial impact.

- Description of the concentration or constraint
- Description of each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements
- Description of actions taken by the government prior to the issuance of the financial statements to mitigate the risk

Questions?

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