



2025 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



GASB UPDATE

Experts discuss threshold changes, testing and significant GASB updates



LEVERAGING AI IN PUBLIC FINANCIAL MANAGEMENT

Explore the basics of artificial intelligence and its transformative potential in public financial management



DPI UPDATE

Get the latest updates affecting 2024-2025 audits

THURSDAY, MAY 29 | WICPA CPE LIVESTREAM ONLY

CONFERENCE AT A GLANCE

THURSDAY, MAY 29

WICPA CPE Livestream Only

8 – 8:10 a.m.

Welcome & Opening
Remarks

8:10 – 9:20 a.m.

GENERAL SESSION
DPI Update

9:20 – 9:30 a.m.

Break

9:30 – 10:40 a.m.

GENERAL SESSION
GASB Update

10:40 – 10:50 a.m.

Break

10:50 – 11:50 a.m.

BREAKOUT SESSIONS

- ▶ Beginner Single Audit Basics
- ▶ WISEGrants & WISEData Finance

11:50 a.m. – 12:20 p.m.

Lunch

12:20 – 2:20 p.m.

GENERAL SESSION
Understanding & Mitigating
the Ethical Risks of Using
Generative AI

2:20 – 2:30 p.m.

Break

2:30 – 3:30 p.m.

GENERAL SESSION
Leveraging AI in Public
Financial Management

3:30 – 3:40 p.m.

Break

3:40 – 4:40 p.m.

GENERAL SESSION
Legal Update: Hot Topics
in School District Legal
Obligations

4:40 p.m.

Closing Remarks

2025 WICPA GOLF OUTING

FRIDAY, SEPT. 19 – Ironwood Golf Course, Sussex



4-PERSON SCRAMBLE

\$95 per Golfer
\$380 for 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
Awards Reception & Appetizers

SCHEDULE

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

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

10:00 a.m.
Shotgun Start

4:00 p.m.
Awards Reception,
Prize Drawings & 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.



SAVE THE DATE!

UPCOMING WICPA CONFERENCES & SPECIAL EVENTS



CONFERENCES

WICPA conferences are your source for key updates and insights on timely issues. As a WICPA member, you can save up to \$150 on registration!

Business & Industry Fall Conference

Tuesday, Sept. 9
Brookfield Conference Center & WICPA
CPE Livestream

Not-for-Profit Accounting Conference

Tuesday, Sept. 16
WICPA Office & WICPA CPE Livestream

Tax Conference

Monday, Nov. 10 - Tuesday, Nov. 11
Brookfield Conference Center & WICPA
CPE Livestream

Accounting & Auditing Conference

Thursday, Nov. 20
WICPA Office & WICPA CPE Livestream

Accounting Technology Conference

Thursday, Dec. 4
WICPA Office & WICPA CPE Livestream

SPECIAL EVENTS

WICPA special events are unique opportunities to connect with fellow members and provide a great way to socialize and have fun!

New CPA Banquet

Friday, June 13
Brookfield Conference Center

Golf Outing

Friday, Sept. 19
Ironwood Golf Course

Bowling Night

Thursday, April 30, 2026
New Berlin Ale House

Conveniently attend WICPA conferences from anywhere with an internet connection!

wicpa.org/Livestream

wicpa.org/OnDemand

Registration opens approximately eight weeks prior. For more details about each and to register, visit wicpa.org/conferences and wicpa.org/events.

JOIN A CONFERENCE PLANNING COMMITTEE

Participate in planning a WICPA conference and enjoy:

- ⌚ FREE registration*
(a \$300-\$400 value!)
- ⌚ Exclusive networking
- ⌚ Leadership skill development
- ⌚ Recognition for your WICPA involvement
- ⌚ Informal CPE credit

* To receive free conference registration:

- attend one planning meeting ~ 2 hours
- select topics
- contact speakers
- introduce speakers at conferences

2025 CONFERENCES Accepting Volunteers

SEPT.
9

BUSINESS &
INDUSTRY FALL
CONFERENCE

SEPT.
16

NOT-FOR-PROFIT
ACCOUNTING
CONFERENCE

NOV.
10-11

TAX
CONFERENCE

NOV.
20

ACCOUNTING &
AUDITING
CONFERENCE

For more information or to join, email tammy@wicpa.org.

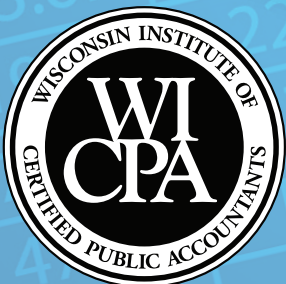


TRACK YOUR CPE WITH THE WICPA'S CPE TRACKER

The CPE Tracker is an easy to use tool created to keep track of all your CPE in one convenient location.

- Automatically tracks WICPA formal learning activities
- Add any non-WICPA CPE courses
- Print reports for any reporting period

**To get started, visit
wicpa.org/cpetracker**



8:10 – 9:20 a.m.

DPI Update

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

DPI Update

School District Auditor Conference

Olivia Bernitt, School Finance Auditor

May 2025



DPI Update Agenda


- **State Audit Manual & Program Updates**
- **GAAP to Regulatory Departures**
- **Federal Single Audit Updates**
- **Audit Findings and Related Follow-Up**
- **Annual Report Review Process**
- **Debt Schedule Updates/Debt Entries**
- **Membership Audit**
- **Due Dates**

AUDIT MANUAL & PROGRAM UPDATES


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.
- 

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 Annual Report 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.
- 

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
 - Effective October 1, 2024
 - Audit year start date after October 1, 2024, so will be effective for Fiscal Year 2026 audits (start date of July 1, 2025).
- 

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

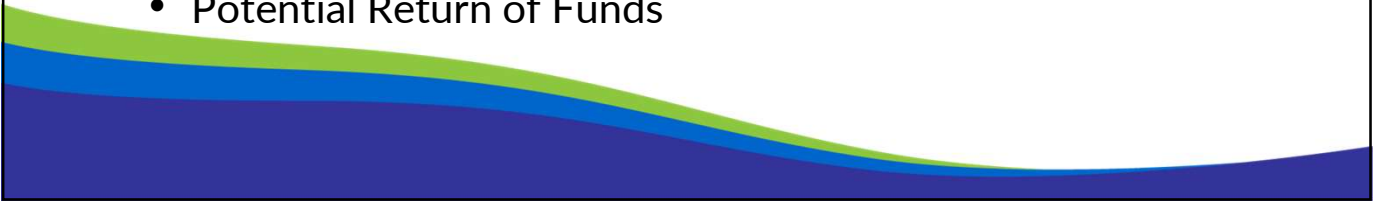
- Governor's CRF Funds
- Back to School Supplemental Aid
- Get Kids Ahead
- None of these are eligible for Federal Single audit per DOA

AUDIT FINDINGS AND RELATED FOLLOW-UP


2023-24 Federal Audit Findings

- **24 Child Nutrition Cluster (35 in 22-23)**
- **14 ESSER/GEER (24 in 22-23)**
- **4 IDEA (3 in 22-23)**

DPI Finding Follow Up – Federal

- Per 2 CFR 200.521, Management Decision Letters sent by SFS auditor or program team for all federal compliance findings 6 months after DCF submitted to FAC.
 - Findings either sustained or not sustained by DPI.
 - Follow up depends on finding type:
 - Request of support documentation or updated policies/procedures
 - Potential Return of Funds
- 

2023-24 State Audit Findings

- 5 Pupil Transportation Aid (23 in 22-23)
 - 4 Special Education and School Age Parents (7 in 22-23)
 - 2 Achievement Gap Reduction (1 in 22-23)
 - 4 Common School Library Fund (1 in 22-23)
- 

DPI Finding Follow Up – State

- Follow up is completed by SFS consultants or program team for state compliance findings, typically 6 months after submitted.
- Per SSAG 2.3.7, the state awarding agency may decide that the CAP adequately addresses the issue
- Follow up depends on finding type:
 - Request of support documentation or updated policies/procedures
 - Potential Return of Funds or adjustment in data reported

2023-24 Financial Statement Findings

- **Financial Statement Preparation**
 - 254 Findings (284 in 22-23)
- **Segregation of Duties**
 - 237 Findings (255 in 22-23)
- **Material Audit Adjustments**
 - 136 Findings (122 in 22-23)

2023-24 Financial Statement Findings

- **Cash Reconciliation**
 - 19 Findings (26 in 22-23)
- **SEFA Preparation**
 - 28 Findings (30 in 22-23)
- **Other**
 - 33 Findings (12 Actuals over budget, 21 Misc.)

DPI Finding Follow Up – Financial

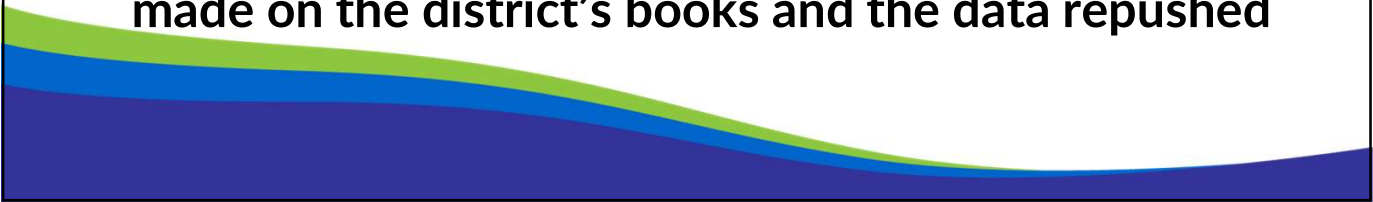
- **SFS Auditor follows up on Cash Reconciliation findings or management letter comments.**
 - Request Bank Reconciliation information for the most recent month
 - Typically completed in April/May following financial statement reviews
- **Other financial statement findings may be followed up with on a case-by-case basis**




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	<div>Edit</div> <div>Delete</div>

+

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	<div>Edit</div> <div>Delete</div>
2023	July - December Payment Period	\$70,750,000.00	\$0.00	\$1,718,641.00	\$0.00	\$0.00	\$70,750,000.00	<div>Edit</div> <div>Delete</div>
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	<div>Edit</div> <div>Delete</div>
2024	July - December Payment Period	\$62,525,000.00	\$0.00	\$1,513,016.00	\$0.00	\$0.00	\$62,525,000.00	<div>Edit</div> <div>Delete</div>
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	<div>Edit</div> <div>Delete</div>

Debt in WiSFIP

--- Debt Schedule Page ---

Review, modify and submit the following Debt Schedule Accounts form below!


Auditor Debt Schedules				
Fund Account	Fund Type/Description	Amount	Fund Statements Fund Balance (GAAP)	Regulatory Fund Balance (DPI)
08B-842100-002	Long-Term Notes Payable	\$0.00	\$0.00	\$0.00
08B-842200-002	State Trust Fund Loans Payable	\$0.00	\$0.00	\$0.00
08B-842300-002	Long-Term Bonds Payable	\$0.00	\$0.00	\$0.00
08B-842500-002	Land Contracts Payable	\$0.00	\$0.00	\$0.00
08B-842600-002	Capital Leases Payable	\$0.00	\$0.00	\$0.00
08B-842700-002	Subscription-Based IT Agreements (SBITA)	\$0.00	\$0.00	\$0.00
08B-842800-002	Contracts That Transfer Ownership Payable End Bal	\$0.00	\$0.00	\$0.00

Save Entries


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.

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

Summer School and Fees

- If review of the summer school minutes results in a variance in total FTE for summer school, the district will need to make this adjustment in SAFR.
- Fees must be based on actual costs expended on personal use items. If excess fees are charged, a refund should be issued by October 1st.

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](#)

Contact Information

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olivia.bernitt@dpi.wi.gov
608-261-2137

General Contact Information
<https://dpi.wi.gov/sfs>
DPIfin@dpi.wi.gov
608-267-9114

9:30 – 10:40 a.m.

GASB Update

Ethan Hoffman, CPA, *Manager, State & Local Government,*
KerberRose S.C.

David Minch, CPA, *Shareholder, State & Local Government,*
KerberRose S.C.

Brianna Olson, CPA, *Senior Manager, KerberRose S.C.*

Greg Pitel, CPA, *Shareholder, State & Local Government,*
KerberRose S.C.



GASB and Single Audit 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)



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

- Recognition and Display
- Note Disclosure
- Requirement Supplementary Information and 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)



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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
<ul style="list-style-type: none">• Retroactive• Single-period - restate beginning position for the cumulative effect• Comparative - restate beginning position of first period presented for any cumulative effect, if practicable	<ul style="list-style-type: none">• Prospective• Recognize effect in period of change	<ul style="list-style-type: none">• Adjustment• Adjust current period's beginning balance for the effect of the change



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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



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Correction of Errors - Explanation

Previously issues 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



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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



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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

- 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

Changes in Accounting Estimate

- 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

- 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)

Corrections of Errors

- 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



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Required (RSI) and Other Supplementary Information (SI)

Changes in Accounting Principle and Changes To or Within the Reporting Entity

- 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)

Corrections of Errors

- 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



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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.”



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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



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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



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GASB 101 – Compensated Absences

New Definition

A *compensated absence* is (a) leave that employees 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.



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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



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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



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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.



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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) <ul style="list-style-type: none">• 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 <i>defined benefit</i> pension or other postemployment benefits	Not recognized as <i>compensated absence</i> liability



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GASB 101 – Compensated Absences

Measurement

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

+

Salary-related payments x applicable rates at end of period

=

Compensated Absence Liability



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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**



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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 LIKELY 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)



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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



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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!



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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.



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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



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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



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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.~~



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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.~~



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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	<u>\$ 4,442,150</u>	<u>\$ 3,534</u>	<u>\$ 260,210</u>	<u>\$ 4,185,474</u>	<u>\$ 318,168</u>
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	<u>\$ 1,487,024</u>	<u>\$ 731,454</u>	<u>\$ 1,121,415</u>	<u>\$ 1,106,063</u>	<u>\$ 168,723</u>

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



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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 Absences. For the implementation, the beginning net position 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	<u>\$ 3,426,772</u>	<u>\$ 3,005,151</u>	<u>\$ 2,045,086</u>	<u>\$ 960,065</u>



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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



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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



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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



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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



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GASB 101 – Compensated Absences – Examples

Holidays

Parental Leave

Military Leave

Potentially Included



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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



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2024 Compliance Supplement Update

- Part 3 Compliance requirements – only a few changes noted
 - Improper payments clarification – when insufficient documentation is presented the payments should be treated as improper
 - Clarification in equipment and real property management



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2024 Compliance Supplement Update

- ESSER was removed as a higher risk program in the May 2024 compliance supplement
- Increased emphasis on data collection forms being filed 30 days after issuance of the federal single audit as opposed to the 9 months after fiscal year end



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Single Audit Update

- Federal Single Audit Threshold changes from \$750,000 to \$1,000,000 with contracts beginning on or after October 1, 2024
- Major federal program threshold for Type A programs also increases to \$1,000,000

No anticipated major changes for School District audits ending June 30, 2025. Any atypical grants we'd suggest reviewing the contract date to ensure compliance



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Single Audit Update

- Uniform Guidance states auditor should perform reasonable procedures to ensure that compliance requirements identified as subject to audit are current and determine whether there are any additional or modified provisions of federal awards based on the 2024 revisions
- We expect the 2025 compliance supplement to address both the current and new UG requirements in Part 3



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Single Audit Update

- De minimis indirect cost rate increases from 10% to 15% for contracts entered into on or after October 1, 2024
- OMB is expected to issue more specific guidance for both the auditor and auditee with the 2025 compliance supplement



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Single Audit Update

- The revisions to UG added a requirement that a recipient/subrecipient take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information
- No relevant framework was provided by OMB to achieve this requirement but will consider the need to implement government wide framework in the future



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Single Audit Update

- The UG revisions re-emphasizes documentation of entity-wide and grant level internal controls around applicable compliance requirements



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Questions?

Brianna Olson, Senior Manager
Brianna.Olson@kerberrose.com



Ethan Hoffman, Manager
Ethan.Hoffman@kerberrose.com



10:50 – 11:50 a.m.

Beginner Single Audit Basics

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

Michelle Walter, CPA, *Senior Manager, State & Local Government, Baker Tilly*

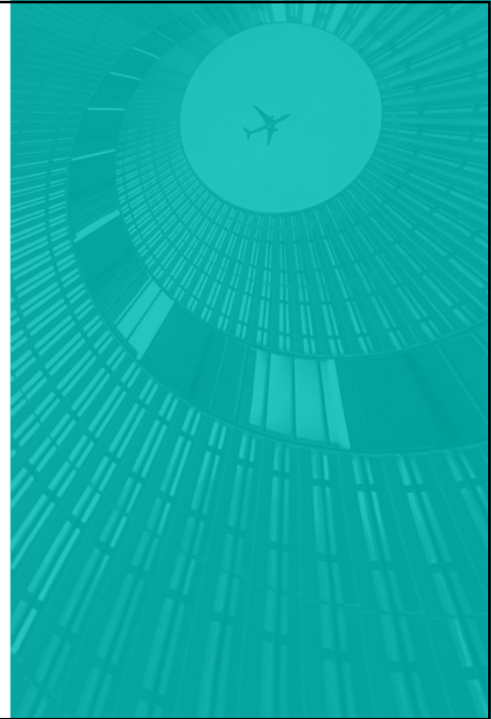


Beginner Auditor

Olivia Bernitt, School Finance Auditor, DPI
Michelle Walter, CPA, Senior Manager

Olivia.Bernitt@dpi.wi.gov
Michelle.Walter@bakertilly.com

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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 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).

4



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

5



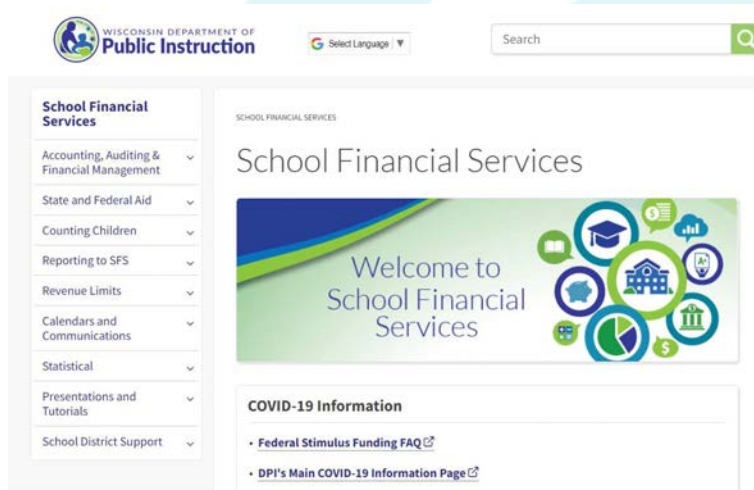
Requirements

- 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)

6



School Financial Services (SFS) Homepage



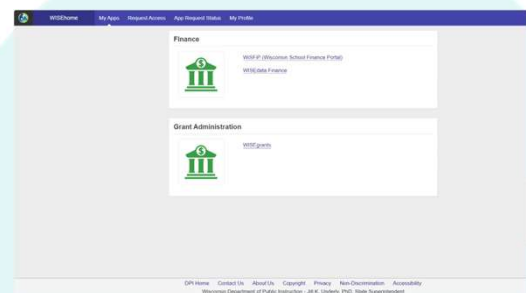
Save this page as a favorite: <https://dpi.wi.gov/sfs>

7

School Financial Services (SFS) Homepage

Two main sections of DPI website for Auditors

- WISEdata Finance
 - <https://apps6.dpi.wi.gov/WISEhome/WiseHomeProfile>
 - 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



8

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.

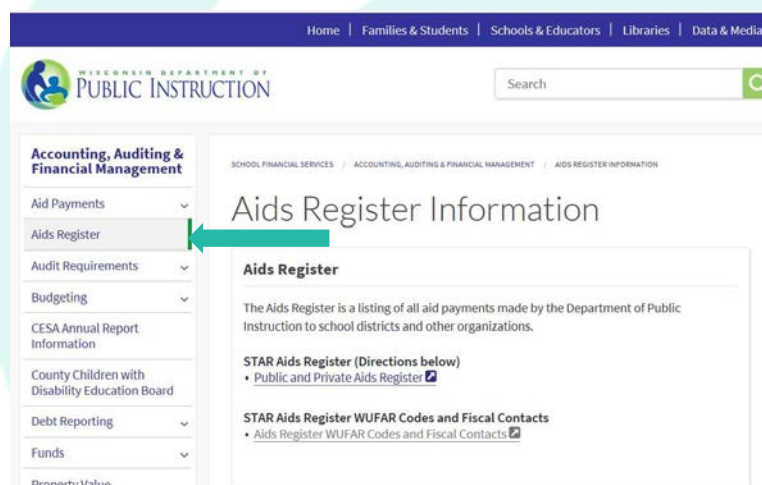
Click the appropriate link to see a brief summary. If more information is needed, click the associated link provided.

- [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 \(WUFAR\)](#)

9

School Financial Services – Aids Register

- All Federal and State aids paid through DPI
- Use it to confirm current year payments
- Use FY25 to verify subsequent receipts



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

WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION

Search

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](#)

10

School Financial Services – Aids Register



WISCONSIN DEPARTMENT OF
Public Instruction

[DPI Home](#)

Welcome to STAR AIDS Register

Fiscal Year:

2023

7/1/2022 - 6/30/2023

Agency Id:

406300

Agency Name:

West Allis School District - West Allis [406300]

Submit

Reset

11

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# 84.282							
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	SAFA03132312000979646	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'n 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

12

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.

[2023 Wisconsin School District Audit Manual](#)

Additional Auditor Documents:

[Fiscal Year 2023 Annual Auditor Letter](#)

13



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

14



Wisconsin Uniform Financial Accounting Requirements (WUFAR)

- Last update: June 2024

WUFAR

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

WUFAR 2023-24

The WUFAR Book

- [WUFAR Revision 2023-24](#) 

The WUFAR Matrices



- [Expenditure Account Classifications](#) 
- [Revenue Account Classification](#) 
- [Balance Sheet Account Classifications](#) 
- [Fund 27 - Special Education](#) 

Chart of Accounts

- [Chart of Accounts 2023-24](#) 

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

17



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

18



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

19



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

20



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.

21



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

22



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

23



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

24



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

25



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

26



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

27



WUFAR Account Structure

Balance Sheet Accounts

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

28



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

29



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

30



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

31



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)

32



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

33



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

34



School Finance Reporting Portal

Wisconsin School Finance Portal (WiSFiP)

Wisconsin School Finance Portal (WiSFiP)

Welcome!

This collection of related Department of Public Instruction (DPI) School Financial Services (SFS) application modules is intended for use by school districts, other local education agencies and DPI personnel. Click an appropriate role-based category below and then a desired module button to get started (WAMS login credentials required).

Financial Data Reporting

Annual Report	Displays annual finance data submitted via WISEdata Finance and the legacy SAFR PI-1505
Auditor AC Report	Allows auditors to complete reports for aid certification and verifying audited fund balances
Budget Report	Displays budget finance data submitted via WISEdata Finance and the legacy SAFR PI-1504
Debt Schedules	Add, update and manage all district-based debt schedules
Referenda	Add, update and manage all district-based referendum
School Level Reporting	ESSA-required school district budget and annual submission and reporting based on LEA/district
Tax Levy Report	Submit tax levy amounts, compare against past two years and generate tax invoice PDFs



SFS Tax Levy Report Module

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

SFS Tax Levy Report Module

Home Contact Data Tax Levy Data Levies by Referendum Reasonability Check Submission Forms Help

--- Tax Levy Report Home Page ---

Note: This report opens on **Friday, October 13, 2023** and will be due on **Friday, November 03, 2023**

Welcome to the WISFIP Tax Levy Report!

This online report collects levy amounts by fund from each school district, automatically apportions the total levy across the underlying municipalities, and generates individual municipal tax invoices as PDFs. The school district clerk then signs and delivers the tax invoices to the municipal clerks.

On behalf of the school districts, DPI reports levy amounts to the Wisconsin Department of Revenue. Districts may return and amend their data after the original submission, but after the second Monday in November districts must first contact an [SFS Consultant](#) to re-open this application.

Note: To enter data, you must already be assigned as a Finance Data Administrator within the WISFIP portal. Contact [School Financial Services](#) for further information.

Module Announcements

37

Tax Levies(Example)

SFS Tax Levy Report Module

Home Contact Data Tax Levy Data Levies by Referendum Reasonability Check Submission Forms Help

--- Tax Levy Data Page ---

Review the following levy accounts and enter your exact amounts. Click the SUBMIT button below to continue.

Section 1: Certified Tax Levies by Purpose

Revenue Limit Levies	Account	Worksheet Line	Amount (include cents)
General Fund Operating Levy	10 R 000000 211	Line 14A	\$1,806,121.00
Non-Referendum Debt Levy	38 R 000000 211	Line 14B	\$0.00
Capital Expansion Fund Levy	41 R 000000 211	Line 14C	\$0.00
Other Certified Levies			
Referendum Approved Debt Levy	39 R 000000 211	Line 15A	\$838,070.00
Community Service Fund Operating Levy	80 R 000000 211	Line 15B	\$0.00
Property Tax Chargebacks	10 R 000000 212	Line 15C	\$0.00

Reset Submit

38

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

39



Annual Report Module (WiSFIP)

- 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 Auditor Aid Certification and Audited Fund Balances Report
- 2023 Due Dates:

Report	Due Date	Status	Updated
District Aid Certification	9/1/2023	Accepted	2/27/2024
Auditor Aid Certification	9/15/2023	Accepted	2/28/2024
Auditor Ending Fund Balance Certification	9/15/2023	Accepted	2/28/2024
Annual Report Certification	9/22/2023	Accepted	3/12/2024

40



Aid Certification (Example)

Annual Report Module

Home Accounts Report Summary Aid Certification ▾ Validations Addenda Audited Amounts ▾ Certification

--- Aid Certification Accounts Page ---

Aid Certification Accounts		
Fund Account	Fund Type/Description	Fund Balance
Fund 10: General Fund		
10B-900000-001	Beginning Fund Balance (Previous Year Ending Fund Balance)	\$7,107,362.54
10R-000-000-000000-000	Total Revenues and Transfers In	\$25,227,782.60
10E-000-000-000000-000	Total Expenditures and Transfers Out	\$25,701,544.04
10B-900000-002	Ending Fund Balance	\$6,633,601.09
10R-000-211-000000-000	Property Taxes	\$8,301,842.00
10R-000-212-000000-000	Property Tax Charge Back	\$0.00
10R-000-213-000000-000	Mobile Home Tax	\$0.00
10R-000-219-000000-000	Other Tax	\$0.00
10R-000-620-000000-000	General State Aid	\$12,392,099.00

41

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 AC Submission is completed

42

Auditor Ending Fund Balance (Example)

Auditor Aid Certification and Audited Fund Balances Report Module

Home Balances ▾ FB Submission Aid Certification ▾ AC Submission ▾

--- Fund Balance Page ---

Review, modify and submit the following Fund Balance Accounts form below!

Save Entries

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	\$6,633,601.09	\$6,633,601.09	\$6,633,601.09
21B-900000-002	Total Fund Balance	\$1,697,408.16	\$1,697,408.16	\$1,697,408.16
23B-900000-002	Total Fund Balance	\$0.00	\$0.00	\$0.00
29B-900000-002	Total Fund Balance	\$0.00	\$0.00	\$0.00
38B-900000-002	Total Fund Balance	\$670.52	\$670.52	\$670.52
39B-900000-002	Total Fund Balance	\$690,973.21	\$690,973.21	\$690,973.21
41B-900000-002	Total Fund Balance	\$0.00	\$0.00	\$0.00

43

Auditor Aid Certification

- Report completed by Auditor to show any differences between annual report aid certification 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 so resubmissions do occur

44

Auditor Aid Certification (Example)

Auditor Aid Certification and Audited Fund Balances Report Module

Home Balances FB Submission Aid Certification AC Submission

--- Aid Certification Accounts Page ---

Review, modify and submit the following Aid Certification Accounts form below. You MUST save at least once to submit your audited entries!

Save Entries

Variances recalculated when audited amounts saved

Aid Certification Accounts				
Fund Account	Fund Type/Description	District Amount	Audited Amount	Variance
Fund 10: General Fund				
10B-900000-001	Beginning Fund Balance (Previous Year Ending Fund Balance)	\$0.00	\$0.00	\$0.00
10R-000-000-000000-000	Total Revenues and Transfers In	\$4,576,852.01	\$4,576,852.01	\$0.00
10E-000-000-000000-000	Total Expenditures and Transfers Out	\$4,873,560.11	\$4,873,560.11	\$0.00
10B-900000-002	Ending Fund Balance	\$2,817,398.56	\$2,817,398.56	\$0.00
10R-000-211-000000-000	Property Taxes	\$770,917.75	\$770,917.75	\$0.00
10R-000-212-000000-000	Property Tax Charge Back	\$0.00	\$0.00	\$0.00
10R-000-213-000000-000	Mobile Home Tax	\$136.00	\$136.00	\$0.00
10R-000-219-000000-000	Other Tax	\$0.00	\$0.00	\$0.00
10R-000-620-000000-000	General State Aid	\$3,014,499.00	\$3,014,499.00	\$0.00
10R-000-691-000000-000	State Tax Exempt Aids	\$0.00	\$0.00	\$0.00
10R-000-720-000000-000	Federal Impact Aid	\$0.00	\$0.00	\$0.00

45

Annual Report

- Annual Report of all funds and accounts completed by the District
- Data entered into the system needs to match prior annual 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 annual reports

46

Annual Report Module (Example)

Annual Report Module

[Home](#)[Accounts](#)[Report Summary](#)[Aid Certification](#)[Validations](#)[Addenda](#)[Audited Amounts](#)[Certification](#)

--- WDF Accounts Page ---

Fund

Type

Function

Object or Source

Select Funds

All

000000

000

Search

Reset

☐ Hide Accounts with \$0/null

Export to Excel

Export to PDF

DPI Account	DPI Account Name	Total Amount	
108-000-000-711000-000	Cash	2,578,506.03	Details
108-000-000-712000-000	Investments	1,878,695.17	Details
108-000-000-713100-000	Taxes Receivable	3,499,910.84	Details
108-000-000-713200-000	Accounts Receivable	1,342.17	Details
108-000-000-713300-000	Interest Receivable	0.00	Details
108-000-000-714000-000	Due from Other Funds	0.00	Details
108-000-000-715000-000	Due from Other Governments	491,310.52	Details

47

Annual Report (Example – Validations)

Annual Report Module

[Home](#)[Accounts](#)[Report Summary](#)[Aid Certification](#)[Validations](#)[Addenda](#)[Audited Amounts](#)[Certification](#)

--- Validations Page ---

☒ Show Errors
☐ Show Warnings

Message Code

Rule Category

0000

All

Search

Reset

Export to Excel

Export to PDF



Category

Type	Code	Message	Local Account	Account Name	DPI Account
Category: Trial Balance					
Error	7541	Change in equity (revenues minus expenditures) does not equal the difference between the current and Safe prior year (2022) ending balances in Fund 10. Basic accounting equation: Revenues - Expenditures = Change in Equity. Starting balances will be from the Safe Prior Year (2022) actuals.			
Error	7546	Change in equity (revenues minus expenditures) does not equal the difference between the current and Safe prior year (2022) ending balances in Fund 39. Basic accounting equation: Revenues - Expenditures = Change in Equity. Starting balances will be from the Safe Prior Year (2022) actuals.			

48

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?



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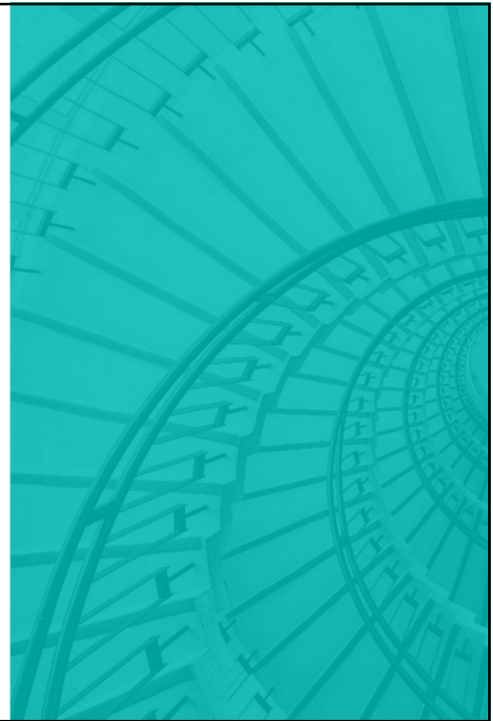


2025 WICPA School District
Audit Conference

Single Audit Basics For The Beginner Auditor

Presented By:
Michelle Walter, Senior Manager

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Session Objectives

- An overview of the terminology used in single audit.
- An overview of when it is applicable, and what it requires of the auditor
 - Use of a risk based approach
 - Testing requirements
 - Reporting requirements



Terminology

- OMB
- Uniform Grant Guidance
- Single Audit
- State Single Audit
- SEFA
- SESA
- Assistance Listing Number (ALN)
- Program Cluster or Cluster of Programs
- Federal Awarding Agency

3



Terminology

- Recipient
- Pass Through Agency
- Subrecipient
- Compliance Supplement
- Compliance Requirement
- Finding
- Questioned Costs
- Data Collection Form or SD-SAC

4



A Federal Single Audit? What is that?

- When is a client subject to a federal single audit?
 - When an entity expends federal awards (either direct or indirect awards) in excess of \$750,000.
- For audits with fiscal years beginning on or after October 1, 2024 – threshold increases to \$1,000,000 (FY26 school district audits)

5



Examples of Federal Awards

- Grants
- Contracts
- Cooperative Agreements
- Loans
- Loan Guarantees
- Property

- Interest Subsidies
- Insurance
- Direct Appropriations
- Endowments
- Other Non-Cash Assistance
- Indirect State or Local Government Transfers of Federal Funds

6



A Federal Single Audit? What is that?

- **Purpose of Single Audit**

- Ensure compliance with applicable laws, regulations, rules and award conditions;
- Assess the entity's internal controls and determine if they are sufficient to reasonably ensure that awards are safeguarded and that financial reporting is accurate;
- Make sure that the financial statements are presented fairly and accurately and are in accordance with generally accepted accounting principles (GAAP);
- Confirm that the Schedule of Expenditures of Federal awards is fairly presented in all material aspects in relation to the financial statements.

7



State Single Audit Guidelines

- **Applicable if all three conditions are met:**

- The Uniform Guidance applies - Expended \$750,000 or more in federal awards
- Received funding from a state department (could be state money or federal pass-through money) and spent over \$250,000 in expenditures
- Granting agency has not otherwise specified that the Guidelines are not applicable.

8



Now that I know my client has one, what do I do?

- Obtain the SEFA and SESA from the client
- Test SEFA and SESA for accuracy
- Complete Risk Assessment / Determine Major Programs
- Complete Major Program Testing
- Report on internal controls and compliance over the major programs tested
- Write up any findings and determine questioned costs
- Complete Data Collection Form

9



Schedule of Expenditures of Federal Awards (SEFA)

- Prepared by management
- Includes all applicable federal awards
- Reconciles to the general ledger
- Specify pass-through awards
- Include ALN number for each grant
- Auditor uses this document to perform risk assessments and selection of major programs
 - Completeness critical to avoid over testing or missed programs

10



Schedule of Expenditures of Federal Awards – Example

Federal Agency/ Pass-Through Agency/ Program Title	Assistance Listing Number	Pass-Through ID Number	Accrued or (Deferred) Revenue at 7/1/2023	Receipts	Expenditures	Accrued or (Deferred) Revenue at 6/30/2024
Federal Awards						
U.S. Department of Agriculture						
Passed Through Wisconsin Department of Public Instruction						
School Breakfast Program	10.553	2024-406300-DPI-SB-546	\$ 119,870	\$ 824,631	\$ 723,976	\$ 19,215
National School Lunch Program - Donated Commodities	10.555	2024-406300-DPI-NSL-547	-	268,052	268,052	-
National School Lunch Program	10.555	2024-406300-DPI-NSL-547	434,275	3,116,223	2,737,170	55,222
National School Lunch Program	10.555	2024-406300-DPI-NSLAE-566	12,891	103,691	93,489	2,689
Subtotal 10.555			567,036	4,312,597	3,822,687	77,126
Summer Food Service Program for Children	10.559	2024-406300-DPI-SFSP-586	38,514	125,677	129,462	42,299
Subtotal 10.559			-	125,677	129,462	-
Fresh Fruit and Vegetable Program	10.582	2023-406300-DPI-FFVP-OCT-376	16,367	16,367	-	-
Total Child Nutrition Cluster			621,917	4,454,641	3,952,149	119,425
Total U.S. Department of Agriculture			621,917	4,454,641	3,952,149	119,425
U.S. Department of Education						
Passed Through Wisconsin Department of Public Instruction						
Special Education Cluster (IDEA)						
Special Education Grants to States	84.027A	2024-406300-DPI-FLOW-341	700,658	2,293,173	2,034,816	442,301
Special Education Preschool Grants	84.173A	2024-406300-DPI-PRESCH-347	39,152	86,724	72,476	24,904
Total Special Education Cluster (IDEA)			739,810	2,379,897	2,107,292	467,205
Charter Schools	84.282	2024-406300-DPI-WCSP1-360	78,560	129,255	94,103	41,408
Title I Grants to Local Educational Agencies	84.010A	2024-406300-DPI-T1A-141	848,557	2,137,094	2,523,751	1,235,214
Career and Technical Education - Basic Grants to States	84.048	2024-406300-DPI-CTE-400	29,298	67,465	67,422	29,255
School Safety National Activities	84.184H	2024-406300-DPI-SBMHP-386	55,574	100,000	122,554	78,128
State Literacy Assistance Grants	84.385A	2024-406300-DPI-SLG-351	16,881	36,352	36,352	16,881

11

Schedule of Expenditures of State Awards – Example

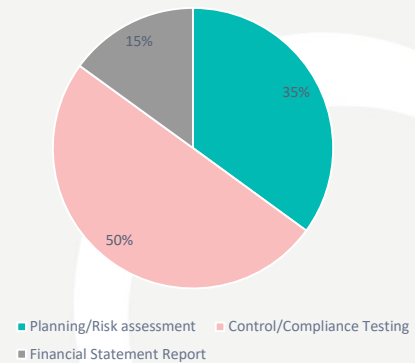
State Agency/ Program Title	State ID Number	ID Number	Accrued or (Deferred) Revenue at 7/1/2023	Receipts	Expenditures	Accrued or (Deferred) Revenue at 6/30/2024
State Awards						
Wisconsin Department of Public Instruction						
Special Education and School Age Parents	255.101	406300-100	\$ -	\$ 4,821,491	\$ 4,821,491	\$ -
State School Lunch Aid	255.102	406300-107	-	41,155	41,155	-
Common School Fund Library Aid	255.103	406300-104	-	657,236	657,236	-
General Transportation Aid for Public School Pupils	255.107	406300-102	-	44,760	44,760	-
Equalization Aid	255.201	406300-116	-	58,223,747	58,223,747	-
Integration Transfer Non Resident	255.204	406300-106	-	77,606	77,606	-
High Cost Special Education Aid	255.210	406300-119	-	42,686	42,686	-
Aid for School Mental Health Programs	255.227	406300-176	-	166,760	166,760	-
Peer to Peer Suicide Prevention Grant	255.246	406300-246	3,000	3,000	-	-
School Based Mental Health Services	255.297	406300-177	85,047	338,201	253,154	-
Alcohol and Other Drug Abuse	255.306	406300-143	25,000	25,000	24,930	24,930
State School Breakfast Aid	255.344	406300-108	-	29,090	29,090	-
Student Achievement Guarantee in Education	255.504	406300-160	-	3,049,586	3,049,586	-
Educator Effective Eval System Grants	255.940	406300-154	51,920	103,680	51,760	-
Per Pupil Aid	255.945	406300-113	-	5,691,882	5,691,882	-
Career & Technical Education Incentive Grants	255.950	406300-152	-	30,690	30,690	-
Assessments of Reading Readiness	255.956	406300-166	-	10,600	10,600	-
Total Wisconsin Department of Public Instruction			164,967	73,357,170	73,217,133	24,930

12

Planning Stage

- The planning stage of a single audit is a very important part of the single audit process

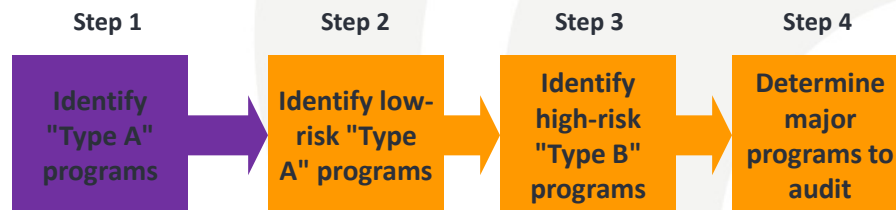
TIME ALLOCATION OF SINGLE AUDIT



13

RISK-BASED APPROACH:

Program Risk Assessment and Major Program Determination



14

Identify Type A Programs

Total Federal Awards Expended	Type A Threshold
≥\$750,000 and ≤ \$25 million	\$750,000
>\$25 million but ≤ \$100 million	Total Federal awards expended times .03
>\$100 million but ≤ \$1 billion	\$3 million
>\$1 billion but ≤ \$10 billion	Total Federal awards expended times .003
> \$10 billion but ≤ \$20 billion	\$30 million
> \$20 billion	Total Federal awards expended times .0015

15



Identify Type A Programs

CLUSTERS

What is a cluster?

- “...a grouping of [closely related](#) federal programs that share [common compliance requirements](#)”

What are some common school district clusters?

- Child Nutrition
- Special Education (IDEA)
- Head Start

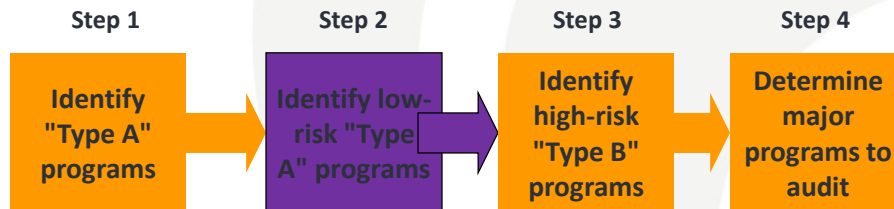
A cluster of programs must be considered as one program for determining major programs

16



RISK-BASED APPROACH:

Program Risk Assessment and Major Program Determination



17



Identify Low-Risk Type A Programs

Uniform Guidance

1. Audited as major in 1 of 2 most recent audit periods
2. No **high risk** audit findings in most recent audit period
 - Modified opinion
 - MW in internal control
 - Known or likely questioned costs exceeding 5% of total program expenditures
3. Auditor considers risks related to:
 - Federal or pass-through entity (PTE) oversight
 - Results of audit follow-up
 - Changes in personnel or systems

18



Identify Low-Risk Type A Programs

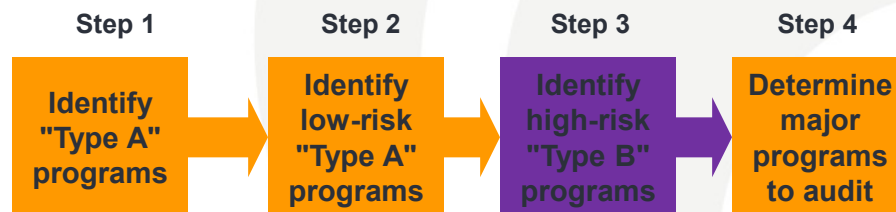
If no low-risk Type A programs...



19

RISK-BASED APPROACH:

Program Risk Assessment and Major Program Determination



20

Identify High-Risk Type B Programs

- * If there are low-risk Type A programs...
 - Perform risk assessments on Type B programs until high-risk B programs have been identified up to at least 1/4th of the number of low-risk A programs
 - Type B de minimis is 25% of Type A Threshold
 - If Type A threshold is \$750,000, Type B de minimis is \$187,500 (no risk assessments under this threshold)

21



Criteria for Type B Federal Program Risk

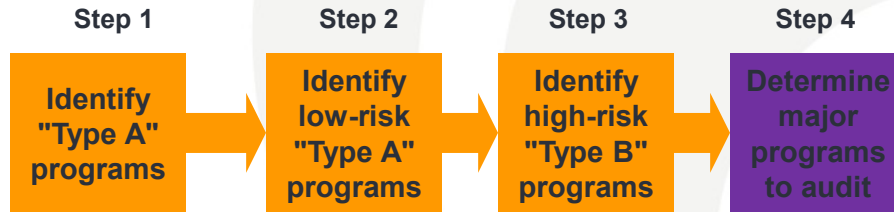
- Criteria for Federal Program risk (§200.519)
 - Current and prior audit experience
 - Oversight exercised by Federal agency or PTE
 - Inherent risk of the Federal program
- Except for known material weakness in internal control or compliance problems, a single risk criterion seldom causes a Type B program to be high risk
- Complexity of the program
- Phase of program in life cycle at Federal agency
- Phase of program in life cycle at Entity
- Type B programs with larger federal awards

22



RISK-BASED APPROACH:

Program Risk Assessment and Major Program Determination



23



Determine Major Programs to Audit

- All "Type A" programs except those identified as low-risk in Step 2
- "Type B" programs identified as high-risk in Step 3
- Such additional programs necessary to comply with 40% rule or 20% if low-risk auditee

24



Auditee Risk Assessment

- Auditee risk determination dictates coverage of SEFA required to be obtained by the auditor
 - Low Risk Auditee = 20%
 - High Risk Auditee = 40%

25



Low or High Risk Auditee?

- Considerations for the two preceding years include:
 - Was a federal single audit performed
 - Unmodified opinion on Financial Statements and SEFA
 - Any material weaknesses noted
 - Any compliance findings that have a material impact on a Type A program.
 - Known/likely question costs > 5% of total awards expended on Type A program
 - The reporting package and data collection form were submitted by the due date to the Federal Audit Clearinghouse

26



Identifying State Programs

- The auditor shall consider the following to determine major state programs:
 - Consider prior audit experience with state programs when assessing whether the auditee is a low risk agency for purposes of the percentage-of-coverage rule for state programs.
 - Generally for programs that are state funded, the threshold for Type A programs is **\$250,000**.
 - Generally for programs that are state funded, the threshold for Type B programs is **\$62,500**.
 - There are no longer any designated Type A or Major State programs

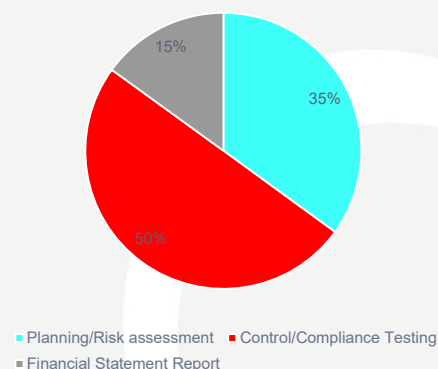
27



Testing Stage

- Control and Compliance testing is based on the rules set forth in the grant agreement and compliance supplement.

TIME ALLOCATION OF SINGLE AUDIT



28



Obtaining an Understanding of Major Programs

- Compliance Supplement – Parts 2, 3, 4, 5 and 7
- Review grant application, award letters, grant budget and signed contract
- Obtain the Expenditure Patterns
 - Wages, benefits, equipment, etc.

29



Compliance Requirements

- Activities Allowed or Unallowed (A)
- Allowable Costs / Cost Principles (B)
- Cash Management (C)
- Eligibility (E)
- Equipment and Real Property Management (F)
- Matching, Level of Effort, Earmarking (G)

30



Compliance Requirements (continued)

- Periods of Performance (H)
- Procurement and Suspension and Debarment (I)
- Program Income (J)
- Reporting (L)
- Sub-recipient Monitoring (M)
- Special Tests (N)

31



Compliance Requirements (continued)

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	Y	Y	N	N	N	Y	Y	Y

32



What is a Direct and Material Compliance Requirement

- What compliance requirements are applicable?
 - Part 2 – Matrix of Compliance Requirements
 - Part 7 – Guidance for Auditing Programs Not Included
- Very subjective, meaning
 - Personal views / auditor judgment
 - Experience
 - Accepted risk
 - Industry expectation
- Qualitative and quantitative factors
 - i.e. materiality >5%

33



Approaching a Compliance Requirement

- Who is responsible for the compliance requirement?
- Analyze internal control using COSO
- Design test of internal control over compliance
 - Sample size
 - Key controls
- Design test of compliance

34



Analyzing Internal Control

- A federal single audit requires us to plan our audit to obtain a “low” control risk
 - That is controls that “operate effectively”
 - Reliable controls
- How do we get to “low” control risk?
 - Document our understanding
 - Test control design and implementation
 - Test control effectiveness
- Clients should have documented policies and procedures in place over grants and grant expenditures.

35



Understanding

- We are required to document our understanding of the client’s internal controls over grant programs using the COSO framework



36



Internal Control Testing

- Test of design and implementation
 - Walkthrough of our understanding
 - Conclusion: Control has been properly designed and implemented
- Test of effectiveness
 - Select a sample and test control attributes
 - Conclusion: Control is effective
- Control must be effective or you should have a finding

37



Compliance Testing

- If controls are effective, sample sizes are similar if not the same for compliance testing
- If controls are not effective, sample sizes need to be significantly increased to determine compliance
- Sample sizes should follow the AICPA Guide on Audit Sampling

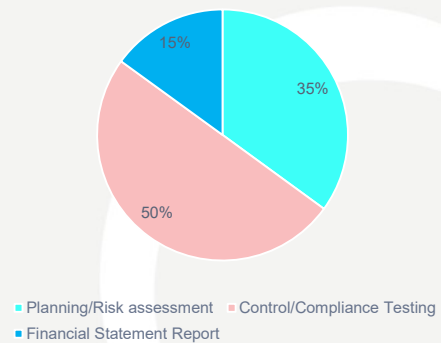
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Reporting Stage

- Preparing the Reports is the last step.
- This step should take the least amount of time.

TIME ALLOCATION OF SINGLE AUDIT



39



Auditor Findings

- Internal Control Findings
 - Deficiency, Significant Deficiency or Material Weakness
- Compliance Findings
 - Material/ Not Material Finding
 - Known Fraud
 - Material Misrepresentation in Client's Status of Prior Year Findings

40



Impact of Findings on Our Clients

- Development of corrective action plan
 - Or, if they disagree, need to explain why
- Communication of corrective action plan to federal and state grantor agencies
 - Current reaction by federal and state agencies
- Subsequent year follow-up, inclusion of status in subsequent year audit report

41



Single Audit Report Components

- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditors' Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; And Report of Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Guidelines
- SEFA and SESA
- Notes to the SEFA and SESA
- Schedule of Findings and Questioned Costs
- Schedule of Prior Year Audit Findings and Corrective Action Plan

42



Data Collection Form

- Electronic template
- Certification of accounting firm
- DCF is available on-line at:
 - [The Federal Audit Clearinghouse](#)

43



Common Wisconsin School District Federal and State Grant Programs that you will come across....

- Federal
 - 10.55X – Child Nutrition Cluster
 - National School Lunch Program
 - 84.010 – Title I
 - 84.425 – Education Stabilization Fund (ESSER)
 - 84.027 – Special Education Cluster
 - IDEA Flow Through
 - 93.778 – Medical Assistance – School Based Services
- State
 - 255.101 – Special Education and School Age Parents
 - 255.103 – Common School Fund Library Aid
 - 255.107 – Pupil Transportation Aid
 - 255.201 – Equalization Aid
 - 255.504 – Achievement Gap Reduction (AGR)

44



National School Lunch Program (NSLP)

- NSLP is a federally assisted meal program operating in over 100,000 schools/child cares
- School districts that take part get cash subsidies and USDA foods for each meal they serve. In return, they must serve lunches that meet Federal requirements and must offer free or reduced prices to eligible children.
- Children from families with incomes at or below 130% and 185% of poverty level are eligible for reduced prices (charged no more than 40 cents)
- Children from families with incomes below 130% of poverty level are eligible for free meals.

45



Title I

- Title I, Part A (Title I) of the Elementary and Secondary Education Act provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards
 - Basic Grants provide funds to LEAs in which the number of children counted in the formula is at least 10 and exceeds 2 percent of an LEA's school-age population.
- For example, funds support extra instruction in reading and mathematics, as well as special preschool, after-school, and summer programs to extend and reinforce the regular school curriculum.

46



IDEA Flow Through

- The Individuals with Disabilities Education Act (IDEA) provides formula grants in meeting the excess costs of providing special education and related services to children with disabilities.
- In order to be eligible for funding, states must serve all children with disabilities between the ages of 3 through 21
- Funds under the IDEA are provided to school districts on an entitlement basis for programs and services to children with disabilities. Funds may be used for....
 - Staffing
 - Educational materials
 - Equipment
 - Other costs to provide special education and related services, as well as supplementary aids and services, to children with disabilities.

47 

Medical Assistance – School Based Services

- The School Based Services (SBS) benefit is designed to provide federal Medicaid funding to Wisconsin schools to help pay for medically-related special education services for children who are eligible for the Medicaid program.
- The Department of Health Services has designated SBS to be a Type A program when 1) auditee has a single audit and 2) the department pays the auditee \$100,000 for SBS during the audit period.
- Covered School Based Services – must be identified in the Child's Individual Education Program (IEP)
 - Developmental testing and assessments
 - Durable medical equipment
 - Nursing
 - Occupational therapy
 - Physical therapy
 - Psychological services, counseling and social work
 - Speech and language pathology
 - Transportation

48 

Special Education and School-Age Parents Aid

- Special Education and School-Age Parents Aid is the major categorical aid program supporting special education in Wisconsin. 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.
- Total costs have greatly exceeded the funding available for many years, and currently about one-fourth of eligible expenses are reimbursed.
- Reimbursable costs— must be identified in the Child's Individual Education Program (IEP) and provided by licensed individual
 - Salaries and employee benefits
 - Contracted, licensed occupational therapists, physical therapists and bus aides
 - Privately-contracted, licensed substitute teachers, aides and providers of instructional audiology, interpreter, orientation and mobility training and pupil transition services
 - Unemployment compensation to former staff up to one year (licensed)
 - Specialized transportation costs
 - Transportation equipment and maintenance

49



Common School Fund Library Aid

- Common School Fund Aid is distributed to school districts for the purchase of instructional media center materials and school library computers and related software
- Allocations are calculated by dividing the total Common School Fund income by the total number of children ages 4 through 20 residing in Wisconsin school districts as reported on the school census. The DPI then apportions such amounts to each school district based on the number of children shown in the district's census.

50



Pupil Transportation Aid

- State transportation aid “**for each pupil so transported**” is determined under the provisions of WI Stats. 121.58. aids paid to LEAs include aid for transporting pupils to non-public schools. Although pupils may be eligible for transportation, the pupil must be **actually transported at least once** during the school year for LEAs to include them on the transportation report for aid.
- Transportation Aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547) and Pupil Transportation Summer (PI-1547-SS). This report collects the number of pupils transported categorized by the distance from the pupils residence to school using the most commonly traveled direct route.

51



Wisconsin State Equalization Aid

- Wisconsin State Equalization Aid is general financial assistance to public school districts for use in funding a broad range of school district operational expenditures. The purposes for which general aid can be used are not restricted as they would be in a categorical aid program. Categorical aids must be used for a specific purpose or category of program, whereas general aid may be used for any expenditure the district deems necessary.
- By October 15 of each year, Equalization Aids for the current fiscal year are computed with the most accurate data available from the prior fiscal year Annual Report, September and January Membership Reports, and equalized property valuations as certified by the Wisconsin Department of Revenue for the prior calendar year. Resulting aid amounts, modified by the prior year final aid eligibility adjustments, are paid to districts during the current fiscal year.
- In June, final current year aid eligibility is computed using audited district information. Differences in computed aid amounts between October and June become the final aid eligibility adjustments and are applied to the September payment in the following fiscal year.

52



Achievement Gap Reduction (AGR)

- The objective of the AGR program is to improve academic performance of low-income pupils in participating schools in grades K-3 through the implementation of one of three strategies or combination of the three strategies. These three strategies are to provide professional development related to small group instruction and reduce class size to no more than 18:1 or no more than 30:2 in a combined classroom having at least 2 regular classroom teachers; data-driven instructional coaching for teachers; and data-informed one-to-one tutoring for students at risk of difficulty with math or reading
- AGR aid is determined pursuant to a contractual agreement between school districts and DPI. School districts participating in the program have 5 year contracts with the State and receive aid for each low-income child in the grades served by the program.

53



Questions?

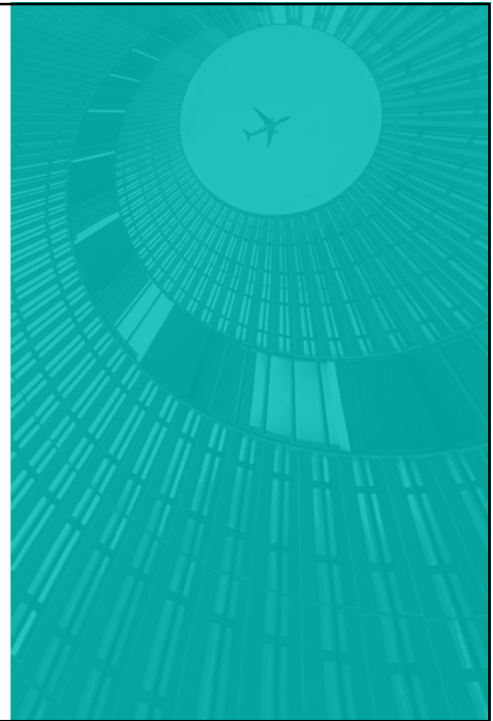


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10:50 – 11:50 a.m.

WISEGrants & WISEData Finance

Lisa Salo, CPA, *Accounting Manager, Kenosha Unified
School District*

WISEgrants, WISEdata Finance, and WiSFIP- A District's Perspective

Lisa M. Salo, CPA, Accounting Manager at
Kenosha Unified School District

Objectives

- Explore how financial and grant reports look in WISEgrants, WISEdata Finance and WiSFIP to a school district.
- How procedures performed or not performed by the District may affect the audit risk assessment regarding grants and annual reporting to DPI.
- What procedures a district may complete throughout the year and at year-end to ensure smooth annual reporting in both WDF and WiSFIP using Kenosha Unified School District as an example.

Terminology

- WISEgrants (WG) – This is the federal grants management system designed by DPI.
- WISEdata Finance (WDF) – This is the financial reporting system for school districts and other local education agencies. **Think of this as what districts used to do in SAFR and the upload of the strip file. Instead of a strip file, the financial data flows directly from the LEA's financial system into the DPI database.**
- Wisconsin School Finance Portal (WiSFIP) – This is the reporting portal for both LEA reports and any Auditor Certifications. **Think of this as the old SAFR System.**

3

WISEgrants

4

WISEgrants - The One Stop Shop for Federal Grants



5

WISEgrants - The One Stop Shop for Federal Grants

- Home Page shows a summary of grant allocations and carryover amounts for the year you are in.
- Under Home Menu
 - Audit shows where the Special Ed No-Valid License Report is entered and submitted by LEA.
 - A link for Fraud Reporting
- Programs Menu will take you to each grant
- Application Menu will show for each grant
 - Grant Plans/Narratives/Indicator Reports
 - Other required End of Year Reports
 - IDEA maintenance of effort calculations
 - LEA's enter grant budget details and amounts
 - LEA's enter grant claims
 - Submission history of reports
 - SF-429 Federal Construction/Remodeling/Acquisition Reports **(NEW)**
- Authorizations Menu is where grant reports (i.e. assurances, claims, budgets and SF-429s) submitted are approved by the District Authorizer
- Reports Menu shows
 - Grant Award Reports
 - Grant Affirmations/Assurances/Certifications
 - Other grant reports

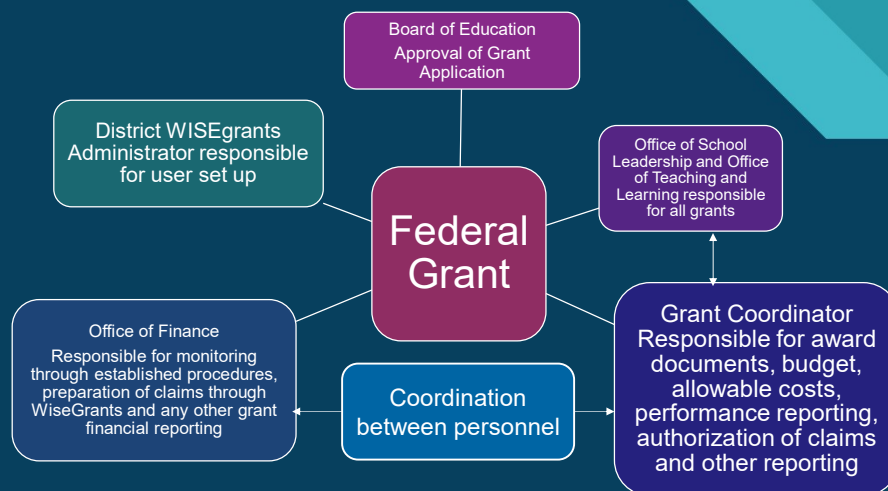
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How May WISEgrants Affect Audit Risk? (Not all-inclusive list)

- IT Questions: Who is the District's WG Administrator? Are they assigning each user to the appropriate grant? Are they limiting WG user access based on user role? Are notifications assigned to the appropriate personnel? Are the answers to these questions change our audit risk?
- Budgets:
 - Budgets in WG are manually entered. Prior year can be rolled over and then modified, or you can start fresh. Budget uploading does not exist at this time. How does the client mitigate clerical errors for the budget? Who prepares or reviews the grant budget before submission?
 - Budgets in WG may not equal client's general ledger until end of year. How does the client monitor differences?
 - Example 1: A teacher may not have an updated license when budget prepared; however, the teacher will have a retroactive license by the end of the year. WG does not allow you to enter that employee until corresponding license is in WG.
 - Example 2: General disbursement budgeted purchases entered into WG must be specific. A program type, type of purchase, purchase detail, object, expense type, number of units, an assurance, amount and objective must be entered for general disbursements. Vendor and general ledger account are optional, but highly recommended. No holding account for remaining unbudgeted amounts exist.
- Claims:
 - Claims in WG can be manually entered or uploaded. Who prepares and reviews claims before submission? How are claims prepared? What documentation is maintained for the audit? How often are claims completed? Are claims completed at minimum, quarterly?
- Other Reporting:
 - Who prepares and reviews reports before submission? How are other reports prepared? What documentation is maintained for the audit?

7

How Do Federal Grants Work at KUSD?



8

How does KUSD Process WG Claims?

- Financial Analyst-Grants prepares grant claim.
 - Financial Analyst – Grants downloads award letters to Finance Drive from WG.
 - Grant expense data is downloaded from Business Plus, sorted and pivoted to create pivot summaries.
 - Pivot summaries are used to create an excel grant claim by the Financial Analyst-Grants.
 - Financial Analyst- Grants contacts grant coordinator if any unbudgeted costs or variances between WG budget and Business Plus budget. Variances are reconciled.
 - Financial Analyst-Grants enters claim in WG.
- Accounting Manager reviews printed grant claim and back up documentation. Signature and date on claim and back up are audit trail of review. (Key Control)
- Financial Analyst-Grants submits claim. *This could be a risk; however, the Accounting Manager reconciles grants to the Aids Register and revenue and expenses monthly.*
- WG authorizer approves claim. (Key Control)
- Wire in from State of WI is recorded by Financial Analyst – Accounting at month end close.
- Accounting Manager reconciles aids register to grants receivables and grants revenue/expenses monthly. (Key Control)

9

Example Claim Preparation

- Prepare Claim Worksheet [144_01_31_25 Claim Prep Worksheet.xlsx](#)
- Reviewed Packet [144_Reviewed Claim and Backup_01_31_25.pdf](#)

10

WISEdata Finance and WiSFIP

11

General Comparison of SAFR to WDF and WiSFIP

SAFR (Old System)

- SAFR was the reporting portal where data was maintained for each separate report.
- The various budget and annual reports pulled data from each other. Some checks and balances between various DPI reports existed.
- Data was uploaded by a strip file or entered manually.
- District was able to correct errors directly in SAFR and updates may have not made it to the general ledger.
- District could zero out the SAFR reports and reupload.
- Programs became outdated.

WDF and WiSFIP (New System)

- WDF is the financial reporting system for school districts and other local education agencies financial data.
- WiSFIP is the reporting portal for both LEA reports and any Auditor Certifications.
- WiSFIP financial reports feed off of data from WDF.
- Data is taken from system and fed by software vendor to DPI (data streaming).
- Data cannot be changed in WDF. Data must be changed in District's accounting system and updated from the accounting system.

12

WISEdata Finance (WDF)

- WDF is the financial reporting system for school districts and other local education agencies.
- WDF validates the District's financial data to the WUFAR and other checks and balances programmed by DPI before actual submission of reports.
- WDF also has the addenda that need to be completed for the various reports in WiSFIP.
- **Think of WDF as what districts used to do in SAFR and the upload of the strip file. Instead of a strip file, the financial data flows (streams) directly from the LEA's financial system into the DPI database.**
- **If errors, data has to be changed in the client's system and re-streamed to DPI.**
- **DPI's database cannot be zeroed out to start over like SAFR.**
- The reporting process takes longer than what we used to do in SAFR. Sometimes not all accounts stream into DPI and the process needs to be completed the next night.

Validation Summary

	2024 - 2025	2023 - 2024
1-1 Validation Count	0	0
Data Format 1-2 Validation Count	0	0
Budget 1-3 Validation Count	0	0
Actual 1-4 Validation Count	0	0
Actual 1-5 Validation Count	0	0
Actual 1-6 Validation Count	0	0
Actual 1-7 Validation Count	0	0
Actual 1-8 Validation Count	0	0
Actual 1-9 Validation Count	0	0
Actual 1-10 Validation Count	0	0
Actual 1-11 Validation Count	0	0
Actual 1-12 Validation Count	0	0
Actual 1-13 Validation Count	0	0
Actual 1-14 Validation Count	0	0
Actual 1-15 Validation Count	0	0
Actual 1-16 Validation Count	0	0
Actual 1-17 Validation Count	0	0
Actual 1-18 Validation Count	0	0
Actual 1-19 Validation Count	0	0
Actual 1-20 Validation Count	0	0
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Actual 1-23 Validation Count	0	0
Actual 1-24 Validation Count	0	0
Actual 1-25 Validation Count	0	0
Actual 1-26 Validation Count	0	0
Actual 1-27 Validation Count	0	0
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Actual 1-100 Validation Count	0	0

Vendor / WISEdata Communication Status

This section provides a list of vendors used by your district that you have approved for integration with WISEdata Finance. The goal is to alert you of the status of the specific vendor's communication to WISEdata Finance. Vendors may be included or excluded depending on whether they are willing to have their data integrated with WISEdata Finance. Vendors are categorized by their communication status.

Vendor / WISEdata Communication Status

Vendor	WISEdata Communication Status
PowerSchool - Benchmark	PowerSchool - Benchmark
WISEdata Finance	WISEdata Finance

13

WiSFIP

- WiSFIP is the reporting portal for both LEA reports and any Auditor Certifications. Think of this as the old SAFR System.
- Data is linked to WDF.
- If possible, clients should create draft reports from their financial system for comparison purposes before uploading to DPI.

Financial Data Reporting

Report	Description
Annual Report	Displays annual finance data submitted via WISEdata Finance and the legacy SAFR PI-1505
Auditor AC Report	Allows auditors to complete reports for aid certification and verifying audited fund balances
Budget Report	Displays budget finance data submitted via WISEdata Finance and the legacy SAFR PI-1504
Debt Schedules	Add, update and manage all district-based debt schedules
Referenda	Add, update and manage all district-based referendum
School Level Reporting	ESSA-required school district budget and annual submission and reporting based on LEA/district
SPED Annual Report	Displays Special Education annual finance data submitted via WISEdata Finance and the legacy JSPP app
Tax Levy Report	Submit tax levy amounts, compare against past two years and generate tax invoice PDFs

14

How May WDF and WiSFIP Affect Audit Risk? (Not all-inclusive list)

- Every District uses a different software. Is the District's set up correct? Who manages software changes?
- Does the District's Chart of Accounts closely mimic the WUFAR? Or does a lot of programming need to be done to make the chart of accounts mimic the WUFAR for upload?
- Who monitors data? How often are data coding checks completed? Who completes them?
- Are reconciliations and appropriate detail available for report preparation?
- Who prepares and reviews reports before submission? How are the reports prepared? What documentation is maintained for the audit?
- Do the personnel preparing and reviewing the reports have the appropriate knowledge and skill set to be completing these reports?
- Is the district able to meet reporting deadlines? Have deadlines been missed in the past? If yes, why? What does this do to the audit risk?

15

What Procedures Does KUSD Complete to Determine Financial Data is Ready for Upload and Reporting in WiSFIP?

- KUSD uses BusinessPlus (Bplus). Every District uses a different software.
- KUSD's chart of accounts mimics WUFAR as closely as possible.
- BPlus allows us to program rules if we need to combine accounts or reclass an account to match WUFAR. We can also set up a rule to be for budget report, annual report or for both.
- BPlus allows us to set up codes to deny or allow certain combinations of functions and objects. This significantly reduces WUFAR combination errors during the year.
- BPlus allows us to run a file and check it for errors before the BPlus DX team takes the file to give to the DX team and upload to DPI.
 - [BP-WI-3166-A-20250411085424.csv](#)
- KUSD runs monthly the file, copies it into an excel workbook and checks for coding errors. KUSD also performs this check several times a year end before auditor's final fieldwork.
 - [FY2025 Actual 03312025.xlsx](#)

16

What Procedures Does KUSD Complete to Determine Financial Data is Ready for Upload and Reporting in WiSFIP?

- KUSD uses the WDF On Record report at year end to ensure DPI's expected accounts and amounts match before data transmission. (under Data Reviews menu in WDF). We download the On Record report to excel and tie it out to Business Plus.
 - [FY2024 ON RECORD KUSD.xlsx](#)
- At year end, KUSD prepares workpapers for the expected addenda in WDF. Many are items you may have already prepared for the audit.
- KUSD prepares a draft 1505AC report with the additional information in the audit workpapers before submission.
- KUSD prepares a draft 1505FB report in the audit workpapers before submission.
- KUSD prepares draft information for the Special Education Annual Report.
- KUSD prepares draft information and a reconciliation from the WDF data for the School Level Reporting Report.
 - [06302024 1505 SLR.xlsx](#)
- Preparing appropriate workpapers that tie to the WiSFIP reports allows for comparability and accuracy.

17

Any Questions?



18



Thank You

12:20 – 2:20 p.m.

Understanding & Mitigating the Ethical Risks of Using Generative AI

John Higgins, CPA, CITP, *Strategic Technology Advisor,
Higgins Advisory, LLC*

Understanding & Mitigating the Ethical Risks of Using Generative AI



Set your browser to
HIGGINS.CNF.IO
For interactive polling
and Q & A

Presented By
John H. Higgins, CPA.CITP
Rochester, Michigan



Learning Goals

- Recognize the ethical dilemmas associated with generative AI applications that CPAs can encounter
- Identify practical guidelines for resolving these ethical dilemmas and mitigating the risks

Set your browser to

HIGGINS.CNF.IO

For interactive polling
and Q & A

Presentation Outline

- Why AI Ethics is an Important Topic
- The Source of AI Usage Ethical Risks
- Review of the CPA Professional Ethics Framework
- AI Ethical Risks and Mitigation
- Guidelines for Using AI Ethically
- Wrap-up

What's
wrong with
this
picture?



WHY AI ETHICS IS AN IMPORTANT TOPIC?



“AI will probably most likely lead to the end of the world, but in the meantime, there'll be great companies.”

Sam Altman
CEO, OpenAI

“The new spring in AI is the most significant development in computing in my lifetime. Every month, there are stunning new applications and transformative new techniques. But such powerful tools also bring with them new questions and responsibilities.”

Sergey Brin

Co-founder Google

“What all of us have to do is to make sure we are using AI in a way that is for the benefit of humanity, not to the detriment of humanity.”

Tim Cook
CEO, Apple

THE SOURCE OF AI USAGE ETHICAL RISKS



The Three Levels of AI

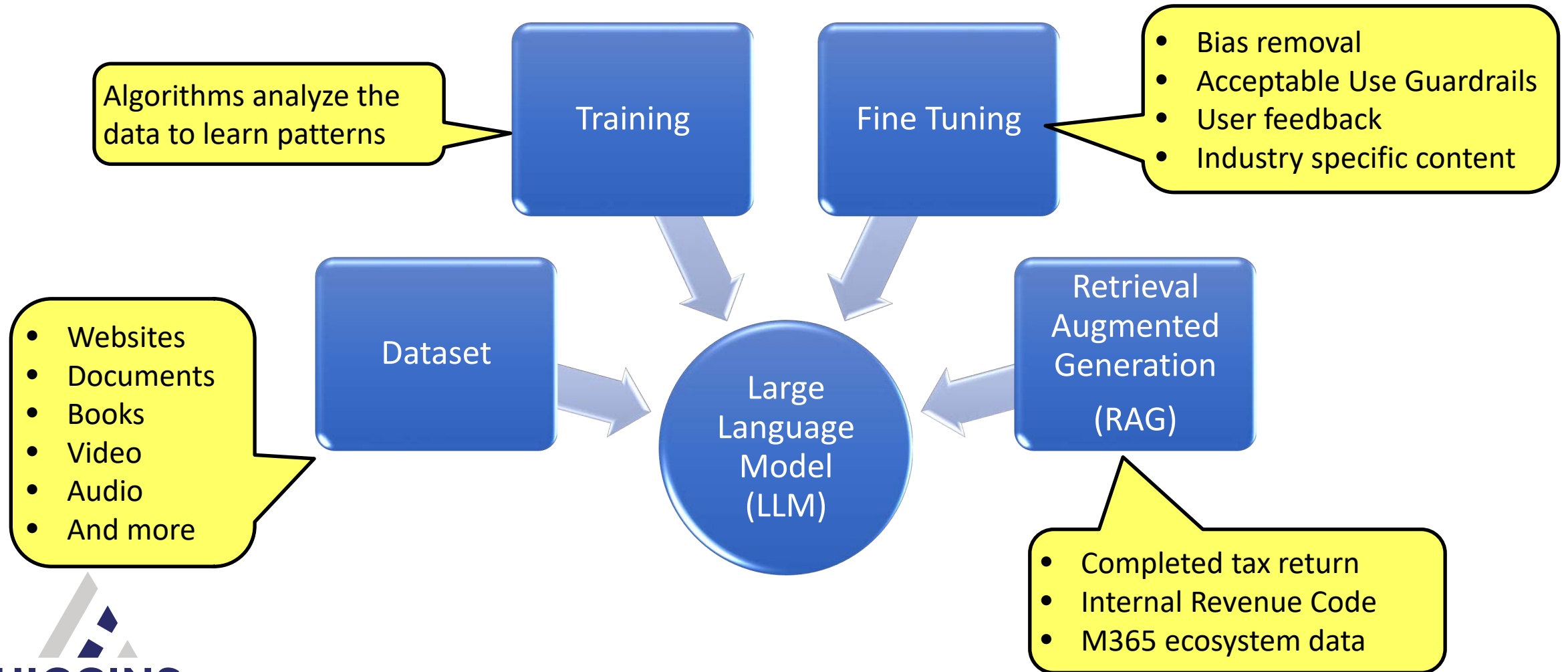
Narrow AI aka Weak AI	General AI aka Strong AI	Super AI aka Artificial Super Intelligence
<ul style="list-style-type: none">• Only form of AI that exists today• Limited to a defined task• Chatbots• ChatGPT	<ul style="list-style-type: none">• AGI – Artificial General Intelligence• Exists in theory only• Can accomplish new tasks without human training• Intellectually on par with humans• Current predictions are around 2030	<ul style="list-style-type: none">• Exists in theory only• Think / reason / learn / make judgements• Cognitive abilities surpassing human beings• Understand human feelings and feel emotions• Develop own beliefs and desires• No consensus prediction on arrival timeline

A Simple Generative AI demo

- ***Prompt:*** What is AGI?
- ***Response:*** AGI stands for Artificial General Intelligence.
- ***Prompt:*** In the context of income taxes.
- ***Response:*** In the context of *income taxes*, AGI refers to *Adjusted Gross Income*.

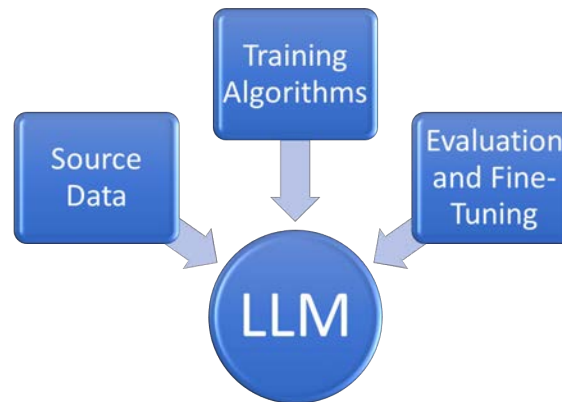


Building a Large Language Model (LLM)



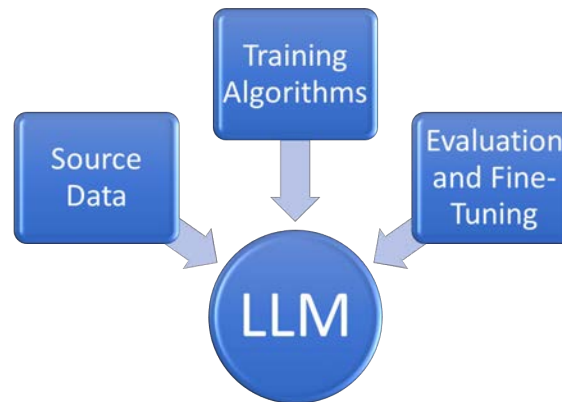
LLM Source Data Ethical Risks

- AI application developer determines the source of the data
- The source data will have inherent biases
- Source data may have copyright issues



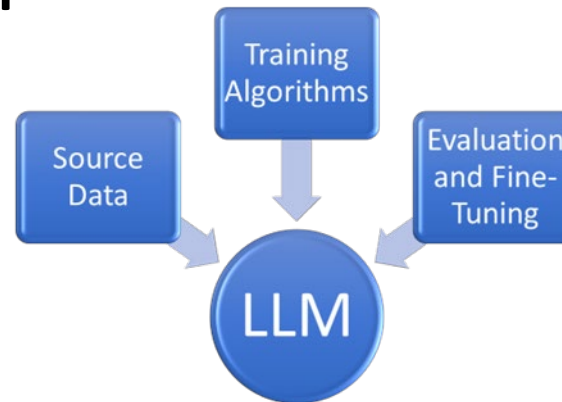
LLM Training Algorithm Ethical Risks

- AI application developer defines the algorithms that train the data
- Different weightings can be assigned to different classifications of data to remove / embed biases



LLM Evaluation and Fine-tuning Ethical Risks

- AI application developer defines the parameters of the “guard rails” to exclude/prevent inappropriate data
- AI developer defines “acceptable use” policies for user prompts



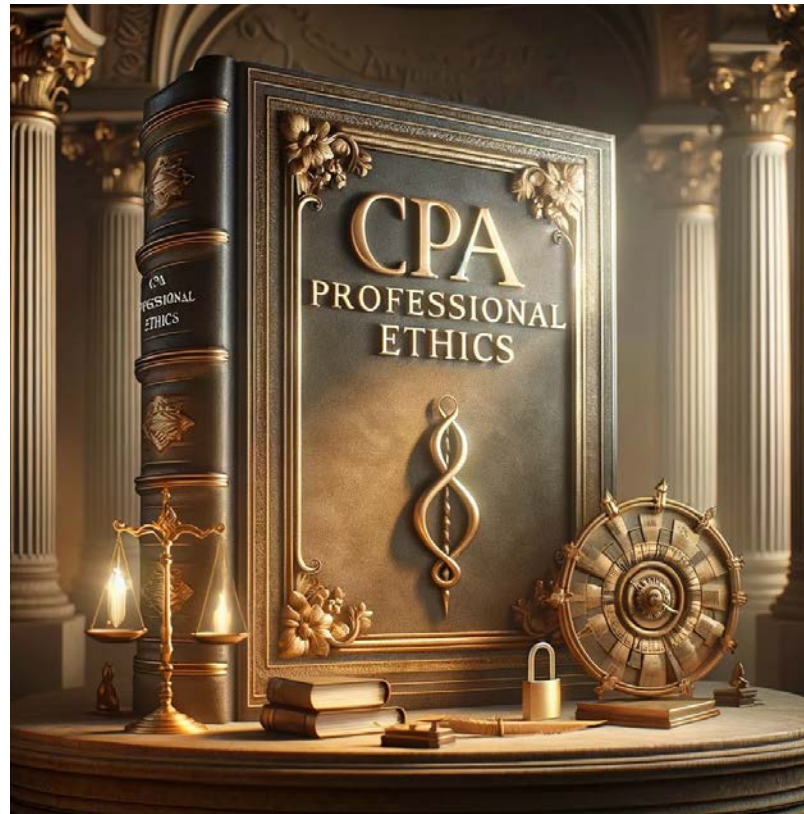
“Artificial intelligence is like electricity; it has application everywhere”

Andrew Ng
Co-founder Google Brain



Generative AI for Everyone

REVIEW OF THE CPA PROFESSIONAL ETHICS FRAMEWORK



AICPA Code of Conduct

- Adopted by members of the AICPA
- Provides guidance and rules for CPAs in their performance of professional responsibilities
- Disciplinary repercussions for failure to comply

Key Principles of Professional Conduct

- Act in the public interest
- Integrity
- Objectivity and Independence
- Due care



AICPA Code of Conduct
Full Text



ChatGPT Summary

Additional Regulatory Entities to Consider

- State Board of Accountancy
- SEC (Securities and Exchange Commission)
- PCAOB (Public Company Accounting Oversight Board)
- DOL (Department of Labor)
- GAO (Government Accountability Office)
- Federal, state and local taxing authorities

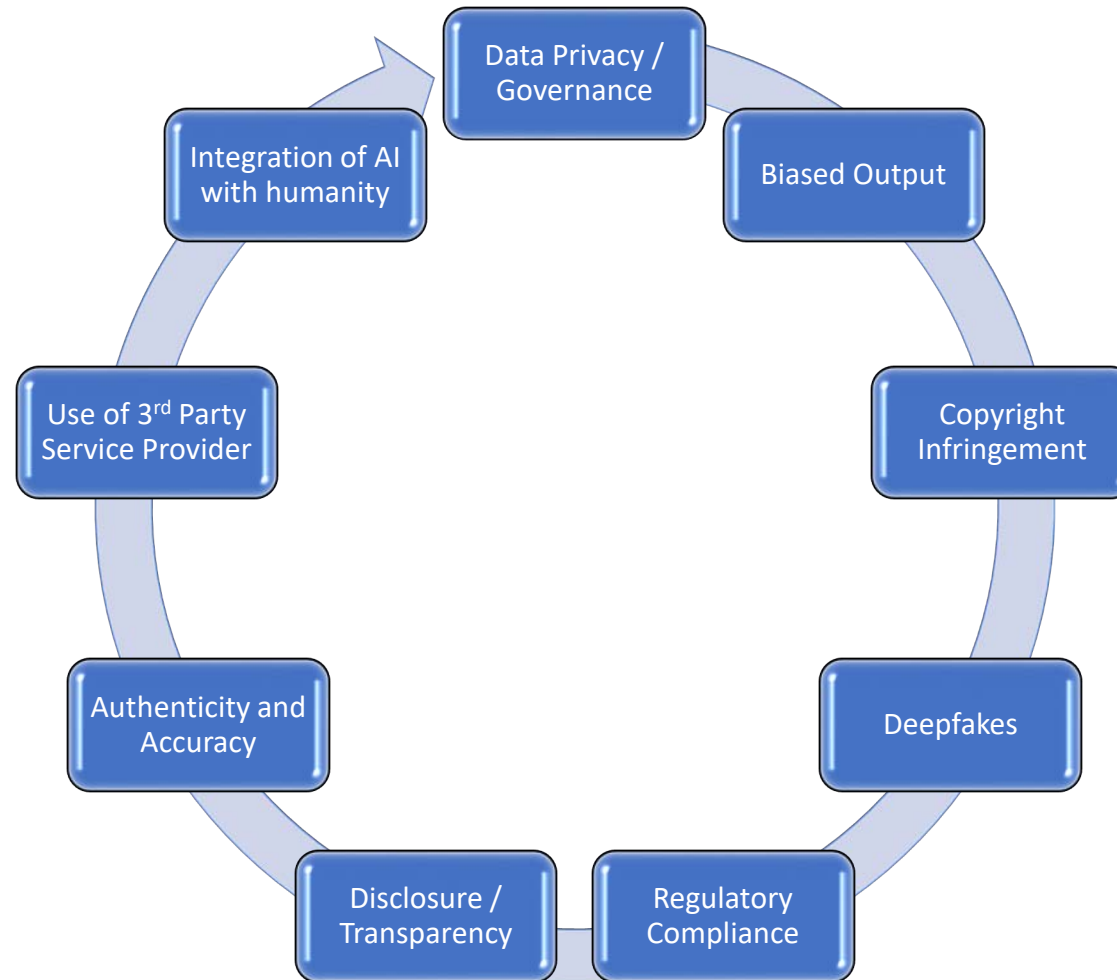
Government Accountability Office (GAO) AI Usage Framework

- [GAO AI usage accountability framework](#)
- *Data* – document sources / ensure reliability
- *Governance* – establish processes to manage, operate and oversee implementation
- *Monitoring* – Continuously monitor performance and document results
- *Performance* – Define metrics and assess performance and outputs

AI ETHICAL RISK AND MITIGATION



AI Ethical Risks



Data Privacy / Governance

Risk

- Prompt data, including RAG, may be passed over to the language model for training purposes
- User may unintentionally access company data for RAG due to weak data access controls

Mitigation

- Anonymize data by removing any entity or personal identifying information
- Audit internal data access controls to ensure users only have access to data they are authorized to access

Biased Output

Risk

- AI generated output may contain biases

Mitigation

- Scrutinize the output for objectivity and independence
- Include prompt data that specifically requests that any specific types of bias be prevented

Copyright Infringement

Risk

- AI generated output may have originated from copyright protected data

Mitigation

- Review the language model developer's policy regarding protections against this
- Investigate indemnification policy regarding copyright infringement litigation

Deepfakes

Risk

- AI generated content, including images, video and audio that convincingly depict real people doing or saying things they never did

Mitigation

- Educate your staff on this risk and how to identify a deep fake
- Establish a “zero-trust” mindset regarding online information
- Investigate deepfake detection tools

Regulatory Compliance

Risk

- Failure to comply with applicable regulatory rules, wittingly or unwittingly

Mitigation

- Identify regulatory and standard setting entities that you are required to comply with
- Monitor these entities continuously to identify applicable compliance requirements

Disclosure / Transparency

Risk

- Potential to impair your professional integrity by presenting AI generated output as if it is your original work

Mitigation

- Rely on your core ethics
- Consider the AICPA Professional Code of Conduct guidelines on integrity
- Stay tuned to professional standard setters for developments in disclosure requirements

Authenticity / Accuracy

Risk

- AI generated content may be inaccurate, or illegitimate content.

Mitigation

- Use your professional knowledge and judgement to assess the veracity of all output.
- Obtain citations or links to source data to gain confidence in the output
- Use alternative process to validate facts and figures, relative to dependence on the information

Use of 3rd Party Service Provider

Risk

- 3rd party may have a data breach, exposing confidential client data
- Clients may not be aware of their data being shared with a 3rd party service provider

Mitigation

- Ensure appropriate contractual terms are in place with 3rd party regarding data privacy
- Conduct appropriate due diligence with 3rd party; competence, history, systems controls (SOC2)
- Disclose 3rd service usage in client engagement letter

Integration of AI & Humanity

Risk

- Over reliance on AI to replace professional judgement
- Employees feel threatened about job security
- Employees lack the skills to use AI effectively and feel left behind

Mitigation

- Provide employees with comprehensive AI education
- Communicate your company's AI strategy clearly and continuously to keep your staff informed
- Develop and communicate an effective AI usage policy

Machines are getting more like humans



Humans are getting more like machines



Current Day Examples

- [Amelia](#)
- [HeyGen](#)
- [Figure 03](#)
- [Neuralink](#)

GUIDELINES FOR USING AI ETHICALLY



Guidelines for Using AI Ethically

Establish an AI usage policy

Educate your staff on AI technology and associated risks

Provide guidelines for submission of confidential and personally identifiable information (PII) into AI applications

Read and understand AI vendor data usage policies

Comply with applicable laws and regulations

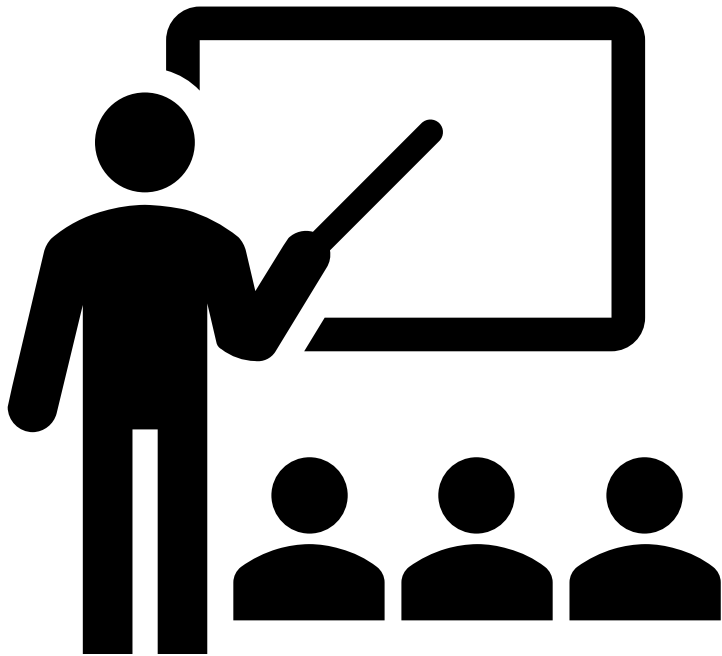
Additional Resources

- [Every company needs a corporate AI policy](#)
- [Sample AI Usage policy from Microsoft Copilot](#)
- [CPA.com generative AI resource center](#)
- [OpenAI Privacy Policy](#)
- [OpenAI Usage Policy](#)



Sample ChatGPT usage policy for
an accounting practice

WRAP-UP



In Summary

- There are many ethical implications associated with using generative AI technology
- Specific standards and regulations are currently limited
- Develop an AI usage policy for your organization
- Educate your staff on the risks of AI
- Stay tuned to regulatory developments and accounting standards
- Use your core ethics as your foundation to guide you!

Questions ?



Thank you!!!

Let's connect on LinkedIn →



2:30 – 3:30 p.m.

Leveraging AI in Public Financial Management

Brock Bowsher, *Principal, Baker Tilly Advisory Group, LP*

Ponce Duran, *Senior Manager, Baker Tilly Advisory Group, LP*



Leveraging AI in public financial management

May 29, 2025 | WICPA School District Audit Conference

Welcome and introduction



Brock Bowsher, M.P.A.

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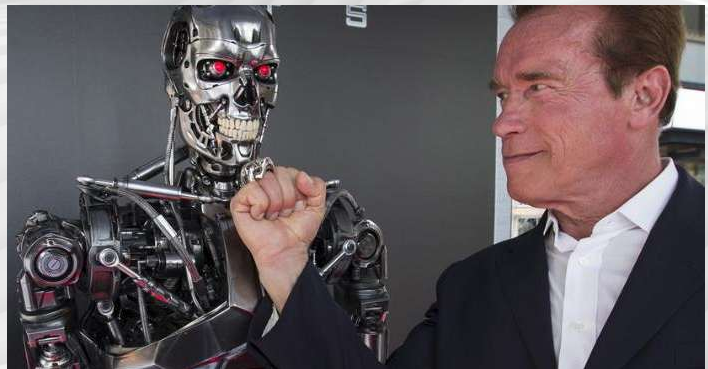
Agenda

- AI essentials
- Applications for AI in the public sector and in public schools
- Benefits and impacts of AI
- Beginning to assess AI readiness

3



AI essentials



Movie star AI after Skynet invasion of 1992

AI is really NOT this at all.

AI nomenclature



Intelligent process automation

IPA is designed to assist human workers by performing tasks that were previously performed by humans

Includes:

- RPA
- DPA
- BPA
- AI



Artificial intelligence

Ability of machines to perform tasks that typically require human intelligence:

- Learning
- Reasoning
- Problem-solving
- Perception
- Language understanding



Machine learning

Algorithms with the ability to learn without being explicitly programmed:

- Supervised
- Unsupervised
- Reinforcement



Deep learning

Neural networks automatically learn patterns and representations from large amounts of data.



Generative AI

creates new content—such as text, images, audio or code—by learning patterns from existing data.

AI quotes

“AI is going to change everything, but it’s going to be a partnership between humans and AI, not a competition.”

— Mark Cuban

“The key to success with AI is not just having the right data, but also asking the right questions.”

— Ginni Rometty

“AI will not replace jobs, but it will change the nature of work.”

— Kai-Fu Lee

“AI will be the most transformative technology since electricity.”

— Eric Schmidt

“By far, the greatest danger of Artificial Intelligence is that people conclude too early that they understand it.”

— Eliezer Yudkowsky

“I’m sorry Dave, I can’t do that.”

— HAL



Applications for AI in the public sector and in public schools

CASE STUDIES: AI IN THE PUBLIC SECTOR

School districts are using AI to solve common problems

Automating tasks

- AI generates complex financial documents
- Analyzing Excel spreadsheets in real-time
- AI agents automating AP/AR, HR and other administrative workflows

Making better decisions with data

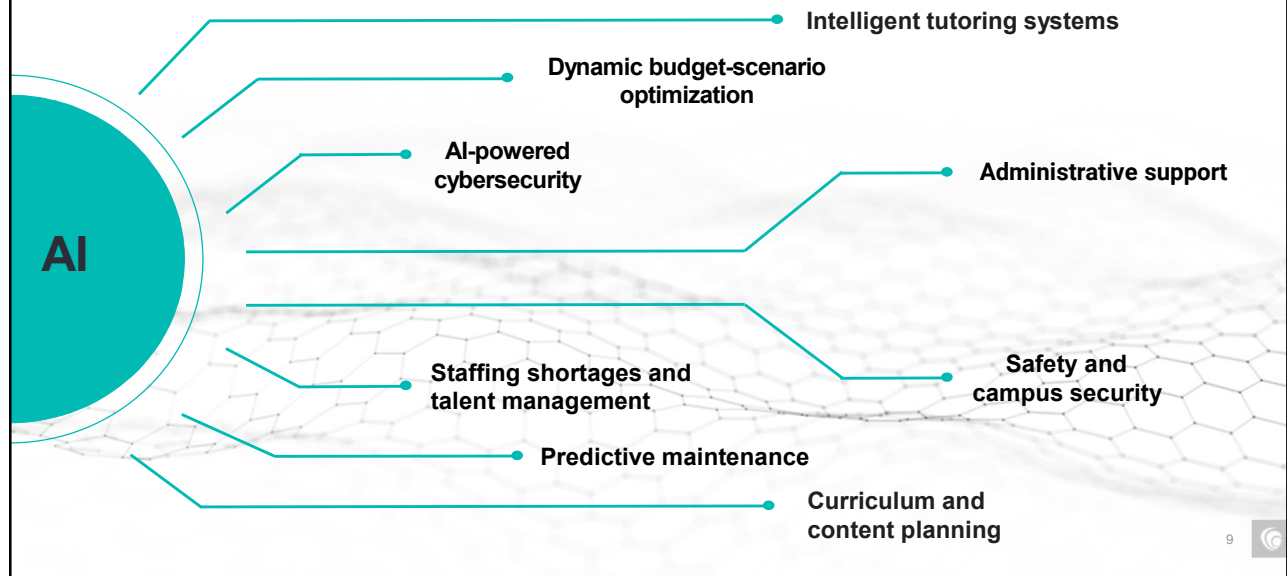
- Predictive AI models spot student needs before problems escalate
- AI-based enrollment and revenue forecasting help leaders decide when to build schools or hire staff
- AI and analytics make budgeting data-driven. By plugging district and state financial data into predictive models, finance teams get instant forecasts.

Enhancing Student Services and Equity and Improving Instructional Support

- Districts are deploying AI-based “counselors” and tutors to support students anytime
- Generative AI bridges language and ability gaps. Districts use AI translators and generators to customize communication and content.
- Teachers are developing creative lesson plans with AI assistance
- AI-powered tutoring platforms tailor learning to each student
- Some districts piloting AI to grade and review student work faster



Artificial intelligence use cases in public schools



Benefits and impacts of AI

CASE STUDY 1

Fulton County Schools (FCS) is the fourth largest school system in Georgia with +10,900 employees, serving 87,000 students across 104 schools.

Summary: Fulton County Schools adopted Microsoft 365 Copilot Chat to enhance student learning and reduce administrative tasks while promoting ethical AI usage and future career readiness.

- FCS formed an AI task force to evaluate +200 potential use cases for AI in education. After thorough evaluation, FCS decided to join a preview for students 13 and older for MS 365 Copilot Chat.
- FCS educators and administrators are also using Copilot Chat for lesson planning, student reports and action plans, as well as streamlining facility maintenance and capital planning.
 - For example, FCS fed facility condition assessments for its buildings into Copilot Chat. The tool helped staff create a prioritization list for the district's long-term capital plan. Copilot Chat condensed a process that typically takes nine to 11 months into only two or three days.

11



CASE STUDY 2

A large public school district faced declining enrollment and increasing operational costs

Challenge: A large public school district faced declining enrollment and increasing operational costs.

- **Strategy:** By adopting a comprehensive budget analysis tool that integrated real-time financial data and predictive analytics, the district identified redundant expenditures and reallocated resources to critical programs such as STEM education.
- **Outcome:** Within two fiscal years, the district reported an overall savings of 12% while still improving educational outcomes.

Source: Numbers Analytics – Smart Budget Analysis for Modern Education

12



CASE STUDY 3

Mt. Lebanon, PA & Spanish Fork, UT using AI-enabled platform to electronically process invoices

Summary: AI-enabled automation is streamlining financial processes in Mt. Lebanon, PA, and Spanish Fork, UT. Mt. Lebanon began using the Stampli platform in April 2022 for invoice coding and electronic processing.

- **Benefits and efficiency gains:** Invoice processing time reduced from a week or longer to just 1-2 days; Spanish Fork tasks from 12 to 1 hour
- **Implementation process:** Implementation started at the approval level to set expectations and clarify roles
- **AI regulation and policy:** Current use of AI in Mt. Lebanon is not for decision-making or full automation
- **Considerations for other municipalities:** Understanding existing enterprise resource planning (ERP) software is crucial when selecting new tools. Not all processes require automation; human insight remains valuable.

Source: *AI-Enabled Automation Streamlines Local Government Finance*, *AI-Enabled Automation Streamlines Local Government Finance*. November 8, 2023.

13



CASE STUDY 4

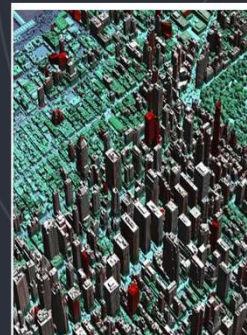
New York City AI action plan

Summary: First of its kind for a major U.S. city, outlines seven key initiatives to responsibly harness AI for public benefit while mitigating potential risks. Through these initiatives, NYC aims to improve government services, operational efficiency and social equity while addressing concerns such as transparency, accountability and potential biases in AI technologies.

7-step initiative includes:

1. Developing a robust governance framework
2. Build external relationships
3. Foster public engagement
4. Build AI knowledge and skills in city government
5. Support AI implementation
6. Enable responsible AI acquisition
7. Ensure ongoing updates and progress reporting

Source: *The New York City Artificial Intelligence Action Plan*, [artificial-intelligence-action-plan.pdf](#)



3D LiDAR-derived image of midtown Manhattan. This image shows change detection of new buildings highlighted in red, using 2010 and 2014 nDSM LiDAR data. Detected changes were used in a Department of Finance pilot program to identify property assessment changes.

Source: NYC Department of Finance

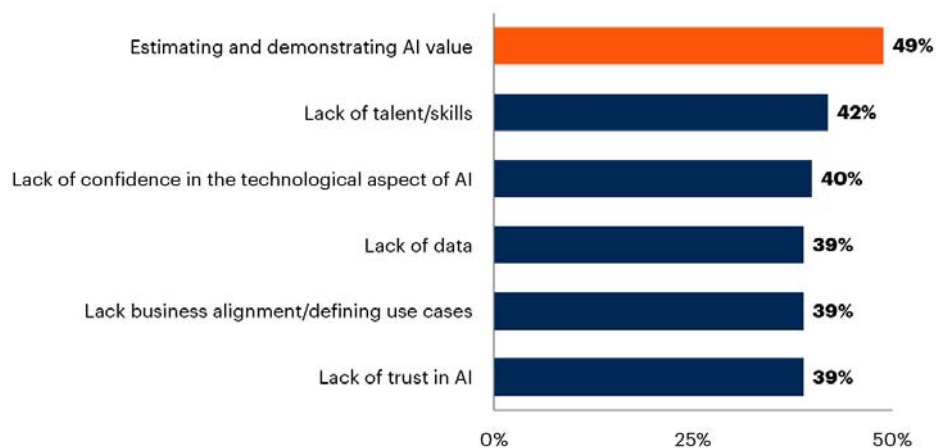
14



Beginning to assess AI readiness

Top barriers to implementing AI techniques

Sum of top three ranks



n = 632, leaders highly involved in AI; excludes "unsure"

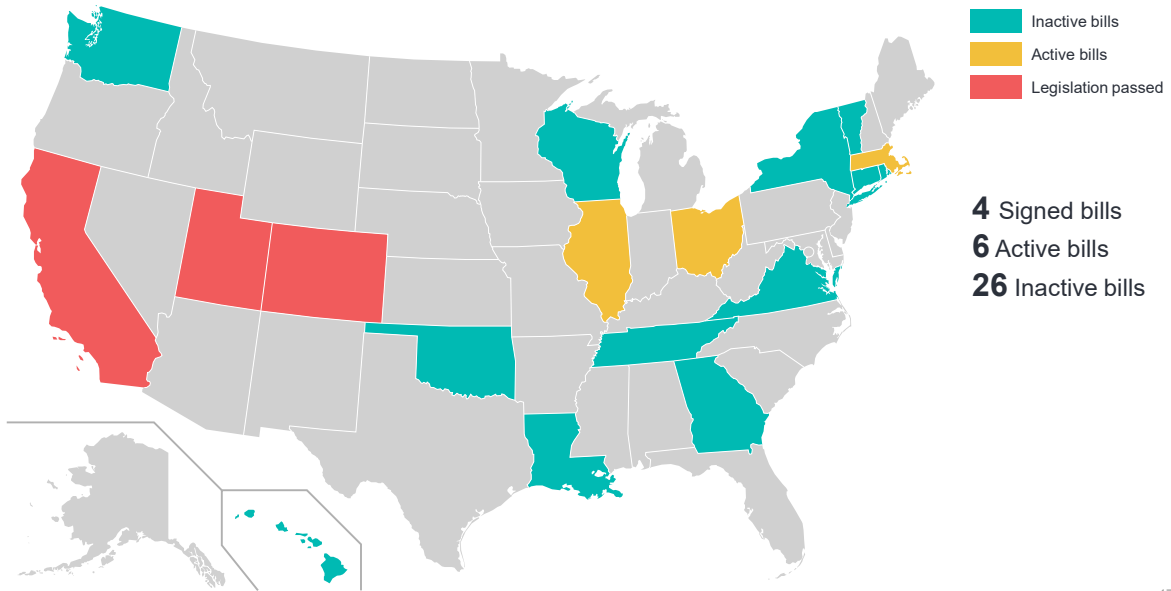
Q. What are or will be the top 3 barriers to the implementation of AI techniques within your organization?

Source: 2023 Gartner AI in the Enterprise Survey

16



AI regulation is expanding



17



AI READINESS

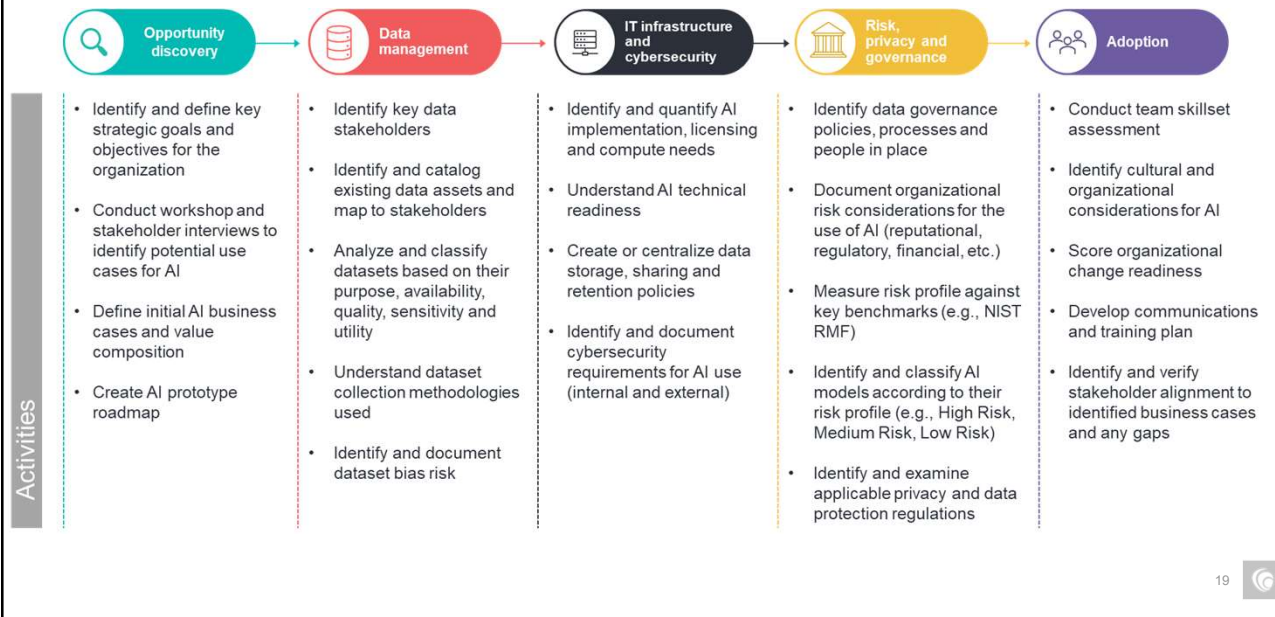
5 dimensions of AI readiness



18



Getting started: AI readiness assessment



19

AI READINESS

Key questions to consider

- Do you possess the necessary financial resources for AI?
- Is there support from leadership for the AI initiative?
- Are there specific needs that AI can effectively address?
- Do you have an IT department capable of managing AI technologies?
- Are your staff/faculty members prepared and willing to implement AI in your organization?
- Is there appropriate governance and cybersecurity established?

20



Calls to action

- What are your organization's needs for AI? Make an AI readiness plan
- Pick clear specific targets for AI to solve and get an AI platform
- Begin pilot programs and pick point person or group
- Refine your AI's use/plan/functions and scale up
- Remember to check with legal and compliance
- Establish AI governance policy framework
 - e.g., City of Kirkland, WA: [Generative AI Use Policy – Kirkland \(2024\)](#)

Source: Harvard Business Review: *How U.S. Cities Are Using AI to Solve Common Problems*, Bitton, Mathis, Haas, Elizabeth and Hirshberg, Peter, *How U.S. Cities Are Using AI to Solve Common Problems*, December 3, 2024.

Questions? Stay in touch



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3:40 – 4:40 p.m.

Legal Update: Hot Topics in School District Legal Obligations

Laura Pedersen, JD, *Associate Attorney, Renning, Lewis & Lacy s.c.*

Chad Wade, JD, *Shareholder, Renning, Lewis & Lacy s.c.*

Legal Update: Hot Topics in School District Legal Obligations

WICPA School District Audit Conference

May 29, 2025

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RENNING
LEWIS & LACY

Hot Topics in School District Legal Obligations

1. Growth of Charter Schools.
2. Potential Impact of Act 10 Reinstatement.
3. A New/Old Title IX Update.
4. Legal Opinions for Loss Contingencies to Auditors.

Growth of Charter Schools

■ President Trump's January 29, 2025, Executive Order, "Expanding Educational Freedom and Opportunity for Families."

- Directs the Secretary of Education to issue guidance on "how States can use Federal formula funds to support K-12 educational choice initiatives."
- Directs the Secretary of Defense to submit a plan detailing how military families can use Defense funds to send their children to choice schools, including public charter schools.
- Directs the Secretary of the Interior to submit a plan detailing how families with students attending the Bureau of Indian Education Schools can use funds to send their children to choice schools, including public charter schools.

■ White House Statement January 30, 2025.

- "President Trump promised during first term to "bring school choice to every family in the Nation."
- Invested \$1.5 billion to develop public charter schools, resulting in 7,500 charter schools, with more than 3 million students.

■ Department of Education Statement January 31, 2025.

- "[I]n accordance with President Trump's Executive Order, the U.S. Department of Education today announced the withdrawal of two burdensome and misaligned Notices Inviting Application (NIA)," which "included excessive regulatory burdens and promoted discriminatory practices."
- "The Department is [] fast-tracking the release of \$33 million in [Charter School Program] grants... that were previously stalled by the Biden administration," to "support the expansion of high-quality educational opportunities for students and families."

■ Financial considerations

- Legal
- Funding source

School Employee Unions

- In 2011, Wisconsin passed significant public sector labor reforms that restricted collective bargaining rights.
- Under Act 10:
 - Collective bargaining is limited to annual total base wage increases/decreases;
 - Public sector unions must recertify annually by secret ballot election;
 - Recertifying unions must receive "yes" votes from 51% of the union's membership.
- Post Act 10, the activity and influence of school employee unions varies significantly across school districts.

Current Act 10 Litigation

- Current litigation was filed by a collection of existing public sector unions
- Alleges that Act 10's distinction between general municipal employees and public safety unions draws an unconstitutional distinction amongst public sector employees and that the unconstitutional provisions cannot be extracted from the law.
- At least some legal pundits believe that the liberal majority of the Wisconsin Supreme Court will overturn Act 10.

Current Act 10 Litigation

- What does that mean for Public Sector School Districts?
 - Certification Elections.
 - The internal systems (school districts) and external systems (WERC) do not have the capacity to recertify and bargain all wage, hours, and working conditions in the short-term.
 - Labor costs (wages and benefits) will undoubtedly increase significantly in the short and long term.

Title IX Changes

January 9, 2025 – District Court in Kentucky issued an order vacating the 2024 Title IX regulations.

- Held that the U.S. Department of Education (DOE) exceeded its authority in expanding the definition of discrimination on the basis of sex to include gender identity and requiring school officials and employees to use “names and pronouns associated with a student’s asserted gender identity.”
- The vacatur permanently set aside the 2024 regulations.

President Trump’s January 20, 2025, Executive Order, “Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.”

- Establishes that the policy of the United States is to recognize two (2) sexes and states that “gender ideology” is not synonymous with “sex.”
- Directs federal agencies to take steps to “end the Federal funding of gender ideology.”
- Directs AG to issue guidance to federal agencies to correct the misapplication of *Bostock v. Clayton County* (2020) (i.e., the United States Supreme Court decision that protects employees under Title VII of the Civil Rights Act of 1964 against discrimination on the basis of sexual orientation and gender identity).

Department of Education Statement January 31, 2025.

- Advised public school districts that the Department’s Office for Civil Rights (OCR) intended to enforce the Trump Administration’s 2020 Title IX Regulations.
- Stated, “[t]he department will be returning to enforcing Title IX protections on the basis of biological sex in schools,” and called “[t]he Biden Administration’s failed attempt to rewrite Title IX [] an unlawful abuse of regulatory power and an egregious slight to women and girls.”

President Trump’s February 5, 2025, Executive Order, “Keeping Men Out of Women’s Sports.”

- States that when educational institutions allow men to compete in women’s sports it is “demeaning, unfair, and dangerous to women and girls, and denies women and girls the equal opportunity to participate and excel in competitive sports.”
- Prevents institutions who receive federal funds under Title IX from “deny[ing] women an equal opportunity to participate” and charges the Secretary of Education with rescinding Title IX funds to such institutions.

Title IX Changes

Seventh Circuit Court of Appeals Case Law.

- *Whitaker v. Kenosha Unified Sch. Dist.* (7th Cir. 2017).
 - Transgender male student required to use a female or gender-neutral restroom.
 - The court held that the school violated Title IX.
- *A.C. by M.C. v. Metro. Sch. Dist. of Martinsville* (7th Cir. 2023).
 - Two school districts denied restroom and locker room access to students that were consistent with their gender identities.
 - The court held that the schools violated Title IX.
 - “Applying *Bostock*’s reasoning to Title IX, [the court] ha[d] no trouble concluding that discrimination against a transgender person is sex discrimination for Title IX purposes, just as it is for Title VII purposes.”

▪ **Wis. Stat. § 118.13(1)** states, “no person may be denied admission to any public school or be denied participation in, be denied the benefits of or be discriminated against in any curricular, extracurricular, pupil services, recreational or other program or activity because of the person’s sex, ... [or] sexual orientation...”

Legal considerations

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

Financial considerations

- Legal
- Support services
- Instructional services
- Administrative services

Loss Contingency Opinion Letters

- Attorneys representing public sector clients are often asked to provide an opinion letter on potential loss contingencies for financial audits.
 - Client consent for disclosure.
 - Legal counsel may limit the scope of the response.
 - The scope of loss contingencies.
 - Limits on the Use of the Response.

Loss Contingency Opinion Letters

- Client Consent
 - The client's consent is required.
 - The letter request may not be sufficient.
 - Responses that require disclosure of client confidence or secrets, or the evaluation of a claim may require further consents.
 - Audit letters are not privileged. Thus, adverse parties may assert that an evaluation of potential liability is an admission.

Loss Contingency Opinion Letters

- Limited Scope of Response.
 - Limitations as to the scope of response must be stated in the opinion letter.
 - As to dates
 - Matters which have been given substantive attention by the lawyer.
 - If a firm, the auditor may assume that the firm asked lawyers currently in the firm who have performed services for the client during the audit period.
 - Matters that are considered material to the presentation of the client's financial statements.

Loss Contingency Opinion Letters

- Definition of Loss Contingencies:
 - overtly threatened or pending litigation, whether or not specified by the client;
 - a contractually assumed obligation which the client has specifically identified and upon which the client has specifically requested, in the inquiry letter or a supplement thereto, comment to the auditor;
 - an unasserted possible claim or assessment which the client has specifically identified and upon which the client has specifically requested, in the inquiry letter or a supplement thereto, comment to the auditor.

Loss Contingency Opinion Letters

- Limitations on audit response use:
 - Unless otherwise stated, the opinion letter is solely for the auditor's information in connection with his/her audit
 - It cannot be quoted or otherwise referred to in any financial or related documents, nor is it to be filed with any governmental agency or other person, without the lawyer's prior written consent.
 - However, it can be provided to a court to defend the auditor against a challenge by the client or a regulatory agency, if the lawyer is given written notice at least 20 days in advance or as far in advance as possible if 20 days is not feasible.

Thank You.

QUESTIONS?