



*Date:* June 5, 2024  
*To:* School District Audit Firms  
*From:* DPI School Financial Services Team  
*Subject:* Information for 2023-2024 School District Audits

This letter summarizes information on new and updated requirements for fiscal year 2023-2024 audits of Wisconsin public school districts. Please make sure it is available to all individuals within your firm performing school district audits.

### **Auditor Mailings**

We highly recommend subscribing to the SFS auditor listserv in order to receive important communications. To subscribe, visit:

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

### **Audit Manual and Program Updates**

In 2024, the Department of Administration updated the State Single Audit Guidelines to prohibit state agencies from automatically designating programs as Major or Type A. Major program determination should now be determined using the risk-based approach outlined in the State Single Audit Guidelines, Section 3.1. This risk-based approach is also outlined in the Wisconsin School District Audit Manual, Section 1.4.

The 2024 Wisconsin School District Audit Manual is available at:

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

### **GAAP to DPI Regulatory Departures**

The DPI reports must be completed in accordance with generally accepted accounting principles (GAAP) related to fund accounting except for the instances outlined in Section 5.1 of the 2024 Wisconsin School District Audit Manual. In limited circumstances, the DPI allows school districts to depart from GAAP for DPI reporting purposes. If the district is reporting an approved GAAP to DPI Regulatory Departure, the “Regulatory Fund Balance (DPI)” column of the Auditor Fund Balance Report must tie to the District’s Annual Report and the “Fund Statements Fund Balance (GAAP)” column of the Auditor Fund Balance Report must tie to the district’s submitted fund financial statements. Additionally, the Auditor Aid Certification Report would report the regulatory balances as it must tie to the District’s Annual Report.

### **State Single Audit Guidelines**

The Wisconsin State Single Audit Guidelines information is available at:

[https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx)

The Wisconsin State Single Audit Guidelines have been updated and are effective for fiscal years beginning after June 30, 2023. The Summary of Changes can be found on Page v of the State Single Audit Guidelines.

## **Office of Management and Budget (OMB) Compliance Supplement**

The 2024 OMB Compliance Supplement was released on May 29, 2024 and can be found at the following link:

<https://www.whitehouse.gov/omb/office-federal-financial-management/current-compliance-supplement/>

## **Various Program & Payment Information**

### General Aid Payment Information

The aid payment reconciliation worksheet will be posted to the Aid Payment Information webpage. The worksheet summarizes the district's June general aid payments and any additional state aids withheld throughout the fiscal year as a result of open enrollment, choice and charter programs, revenue limit penalties, or other reasons. It is designed to assist with the proper recording of these payments and required adjustments. It will be available at:

<http://dpi.wi.gov/sfs/finances/aids-register/aid-payment-adj-exp>

### Exempt Computer Aid

School districts will receive payments of aid for exempt computers from the Department of Revenue (DOR) on July 22, 2024. These payments are recorded as 2023-2024 Fund 10 revenue under source 691, along with a June 30, 2024 receivable in 715500 Due from State. Payment amounts will be posted when received from DOR at:

<http://dpi.wi.gov/sfs/limits/computer-aid>

### Early College Credit Program

Claims for the Early College Credit Program are open to districts through July 15. Because there are limited funds available for reimbursement, it is not possible for a district to estimate the associated revenue, nor to book a receivable at year end. WUFAR coding for this activity should be source 619 and project 445.

### TEACH Grants

The Wisconsin Department of Administration has TEACH grants available for school districts. These grants are not subject to the State Single Audit and therefore have no State ID Number. Revenues are recorded as source 699 if directly received by the district, or source 315 or 515 if passed through another district or CESA.

Teacher Training Grants should not be recorded in Funds 23 or 93. These were used to account for programs funded by the TEACH Wisconsin Board prior to 2012.

More information is available at:

<http://teach.wisconsin.gov/>

Details on the accounting for these grants, including proper coding, are available at:

<http://dpi.wi.gov/sfs/finances/wufar/accounting-issues-examples>

#### Medicaid School Based Services Program

The Wisconsin Department of Health Services (DHS) will provide a list of payments made between July 1, 2022 and June 30, 2023 for the School Based Services Program sometime after July 1, 2023 on the State Single Audit Guidelines (SSAG) website. This information is used to determine the amount of funding paid to each LEA also serves as a confirmation of payments by DHS. The SSAG website is at:

[https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx)

#### Emergency Connectivity Funds

Emergency Connectivity Fund (ECF) is a part of the American Rescue Plan Act of 2021 and is therefore Federal Funding. This should be coded to source 791, Direct Federal Aid. The funding is subject to federal single audit and the ALN is 32.009.

More information available at:

<https://www.fcc.gov/emergency-connectivity-fund>

### **Self-Funded Insurance Footnote**

Per Wisconsin Statute §120.14, the school district audit shall include information concerning the district's self-insurance plan, as specified by the commissioner of insurance. The Office of the Commissioner of Insurance (OCI) updated the information they would like included in the self-funded insurance footnote in FY20. The updated self-funded insurance footnote template can be found in Section 4.1 of the 2024 Wisconsin School District Audit Manual.

While OCI will no longer require actuarial certification, OCI continues to believe that it is a best practice for self-funded plans to review their program assumptions and soundness on a regular basis. School districts should continue to work with their plan administrators and consultants to ensure their health plans are properly structured.

Any questions related to the self-funded insurance footnote disclosure, contact OCI staff Richard Wicka at [Richard.Wicka@wisconsin.gov](mailto:Richard.Wicka@wisconsin.gov).

### **Wisconsin Retirement System (WRS) GASB 68 and Local Retiree Life Insurance Fund (LRLIF) GASB 75 Information**

The Department of Employee Trust Funds (ETF) will provide information to assist districts and auditors in implementing GASB 68 and 75 requirements for the WRS and LRLIF. This will include employer schedules, model note disclosures, required supplementary information, and model journal entries.

ETF's GASB 68 webpage is at:

<https://etfonline.wi.gov/ETFGASBPublicWeb/gasb68.do>

ETF's GASB 75 webpage is at:

<https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>

## **Schedule of Expenditures of Federal Awards and State Awards**

Pass-through identifying numbers are required to be included on the Schedule of Expenditures of Federal and State Awards. A listing by entity of all federal and state awards paid by DPI with corresponding identifying numbers is available at:

<https://dpi.wi.gov/sfs/aid/grant-programs/overview>

Section 1.7.1 of the 2024 Wisconsin School District Audit Manual includes a requirement that the Schedule of Expenditures of Federal and State Awards include reconciling information on beginning and ending accrued receivables and/or unearned revenue, as well as cash received. While revenue may be reported as unearned for the financial statements due to revenue recognition timing, revenue must be recorded by the district in the same year as the expenditures.

## **WISEgrants Portal**

Budgets and claims for most federal grants administered by DPI are submitted in the WISEgrants web portal. Claims automatically populate with the last approved budget. School districts have the ability to assign auditors user credentials to WISEgrants to review budgets and claims. A WAMS ID is required for WISEgrants access. Once you have a WAMS ID, contact the district about being assigned as a WISEgrants user. WISEgrants is located at:

<https://dpi.wi.gov/wisegrants/web-portal>

## **WISEdata Finance and WiSFiP Reporting**

For fiscal year 2022-23 forward, districts will report their annual financial information by pushing their financial data into WISEdata Finance. Auditors now submit the Auditor Aid Certification and the Auditor Fund Balance Report through WiSFiP. As with all applications hosted through WISEhome/WISEsecure, district access to WISEdata and WiSFiP is granted by the district, through WISEsecure, rather than DPI. Please work with your districts to gain access for reporting.

The following link is to the WISEdata Finance and WiSFiP guidance webpage:

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

## **School Finance Reporting Portal (SAFR) Access**

If there have been changes to the school districts you are auditing this year or in your firm contact information, email us at [dpifin@dpi.wi.gov](mailto:dpifin@dpi.wi.gov) so we can update auditor access to the SAFR reporting portal. While the financial data has been moved, the SAFR portal will be used for non-financial data. SAFR is accessed at:

<https://dpi.wi.gov/sfs/reporting/safr/overview>

## **Individuals with Disabilities Education Act (IDEA) Maintenance of Effort (MOE)**

The Special Education Team has information for reviewing IDEA's MOE requirement and the MOE monitoring utility in WISEgrants at:

<http://dpi.wi.gov/sped/educators/fiscal/maintenance-of-effort>

For questions related to an LEA's MOE compliance, contact Rachel Zellmer on the DPI Special Education Team at [rachel.zellmer@dpi.wi.gov](mailto:rachel.zellmer@dpi.wi.gov).

## **Charter School Authorizer Reporting**

Charter school authorizers are required to submit annually a report to the State Superintendent and the Legislature that includes all of the following:

1. An identification of each charter school operating under contract with the authorizer, each charter school that operated under a contract with the authorizer but had its contract non-renewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate.
2. The academic and financial performance of each charter school operated under contract with the authorizer.
3. The operating costs the authorizer incurred while fulfilling its statutory duties, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles.
4. The services the authorizer provided to the charter schools under contract with the authorizer and an itemized accounting of the cost of the services.

Please note that there is one GAAP based schedule that should be included in the district's audited financial statements. Information for charter school authorizers, including a report template and technical assistance document, is located at:

<https://dpi.wi.gov/sms/charter-schools/information-authorizers>

## **Corrective Action Plans**

A corrective action plan to address each audit finding is required as part of the reporting package. Plans should include the name(s) of those responsible for the corrective action, what action is planned or a detailed listing of mitigating controls, and the plan's anticipated completion date. Corrective action plans are required in order for us to review and address the findings reported. If you or the district were asked for more information during our reviews of 2022-2023 findings reported as of June 30, 2023, please incorporate that information into any findings that reoccur in 2023-2024.

## **Peer Review Letters**

Auditors must undergo an external peer review at least once every three years and make the report available to granting agencies upon request. DPI reviews peer review reports for all firms performing school district audits. If you have not submitted your most recent peer review report to DPI, please email it to [dpiauditreports@dpi.wi.gov](mailto:dpiauditreports@dpi.wi.gov) as soon as possible.

## Important Dates/Timeline

The timeline for 2023-2024 reporting is as follows:

<u>PI # / Report Title</u>	<u>Who Submits</u>	<u>Due Date</u>
<b>Auditor Aid Certification</b>	Auditor	9/13/2024
<b>Auditor Fund Balance Report</b>	Auditor	9/13/2024
<b>Audited Financial Statement Report Package</b>	Auditor	12/15/2024

Audited financial statement report packages are submitted to [dpiauditreports@dpi.wi.gov](mailto:dpiauditreports@dpi.wi.gov). They must include the following:

- Audited Financial Statements
- Single Audit Report, if issued separately
- Corrective Action Plans, if applicable
- Communication with Those Charged with Governance when “Other Matters” are included
- Management Letter, if applicable

Do **NOT** submit Data Collection Forms to DPI. All documents should be **unencrypted, unlocked** and in a **text-searchable PDF format**.

## Conclusion

For technical assistance questions regarding audits or their requirements, [contact a School Financial Services Team Auditor](#).

- The DPI School Financial Services Team