

# CHARTER NON-INSTRUMENTALITY AUDIT REPORT AND OPINION REQUIREMENTS AND GUIDELINES

## 1 FINANCIAL AUDITS

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### 1.1 Financial Audits are required to be conducted annually

### 1.2 Financial Audits should be submitted to MPS Contracted School Services

1. Due within three (3) months after year-end:
  - a. September 30, 20xx for June 30, 20xx year-end
  - b. March 30, 20xx for December 31, 20xx year-end
2. Deadline can be extended if agency requests and receives written approval from MPS Contracted School Services.

### 1.3 Financial Audit Reports are required to include the following

#### 1.3.1 Financial Statements:

1. Statement of Financial Position
2. Statement of Activities and Changes in Net Assets
3. Statement of Cash Flows
4. Full Footnote Disclosures
5. An opinion that states:
  - a. The Financial Statements are fairly stated in all material respects in conformity with Generally Accepted Accounting Principles (GAAP).
  - b. The audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS).
  - c. The audit was conducted in accordance with Government Auditing Standards (GAS).
  - d. The auditor's report on internal control over financial reporting.
  - e. The auditor's report on compliance with laws, regulations, and provisions of contract or grant agreements.

#### 1.3.2 Schedule of Contract Revenues and Expenses

1. Prepared in a format consistent with the approved budget format attached to the contract as Appendix F.

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2. An opinion that:
  - a. States the schedule is fairly stated in all material respects.
  - b. States the auditor's report on internal control over financial reporting.
  - c. States the auditor's report on compliance with laws, regulations, and provisions of contract or grant agreements.

*Schedule and opinion format are available at MPS Audit Services' WEB page*  
<http://mps.milwaukee.k12.wi.us/en/District/About-MPS/School-Board/Audit-Services/Charter-School-Documents.htm>

### **1.3.3 Single Audit Report**

1. Prepared in accordance with the provisions of US Office of Management and Budget 2 CFR Part 200 OMB Uniform Administrative, Cost Principles, and Audit Requirements, if applicable.

### **1.3.4 Management Letter**

1. All management letters and other reports of an independent auditor transmitting reportable conditions or advice to management must be submitted to MPS within fifteen (15) days of receipt.

## **2 PERFORMANCE AUDITS**

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### **2.1 Performance Audits are required to be conducted annually**

### **2.2 Performance Audits should be submitted to MPS Contracted School Services:**

1. Due to MPS Contracted School Services sixty (60) days after receipt of the Pupil Academic Achievement Report.
2. Deadline can be extended if agency requests and receives written approval from MPS Contracted School Services.

### **2.3 Performance reports required include:**

#### **2.3.1 Report on Compliance with Charter School Contract Provisions**

1. A schedule listing the contract provisions the charter school is required to comply with and management attestation about whether or not the school complied with the requirement. Where noncompliance is noted, the degree of noncompliance should be reported.

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2. An opinion that states:
  - a. Management’s assertion that the charter school complied with the contract requirements listed on the accompanying schedule for the school year ended June 30, 20xx (except for . . . ) is fairly stated in all material respects.
  - b. The audit was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.
  - c. The audit was conducted in accordance with the minimum audit procedures established by the Milwaukee Public Schools.

***Opinion format and MPS minimum audit procedures are available at MPS Audit Services’ WEB page <http://mps.milwaukee.k12.wi.us/en/District/About-MPS/School-Board/Audit-Services/Charter-School-Documents.htm>***

## **2.3.2 Report on Charter School Performance Results**

1. A report listing each of the performance measures listed in the contract and a statement for each measure indicating whether the school met or did not meet the measure. In addition, if a school chooses to use local standards and assessments, these measures must also be included and analyzed in the report. When a measure is determined not applicable to a school, the report needs to indicate the reason(s) the measure does not apply to the school.
2. An auditor’s opinion that states:
  - a. Management’s assertion that the charter school’s results reported in the accompanying Report on Academic Performance for the school year ended June 30, 20xx are accurate, valid, and representative of all students attending the school is fairly stated in all material respects.
  - b. Management’s assertion that the charter school attained (or did not attain) at least 75 percent of the applicable performance criteria for the school year ended June 30, 20xx is fairly stated in all material respects.
  - c. The audit was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.
  - d. The audit was conducted in accordance with the minimum audit procedures established by the Milwaukee Public Schools.

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## 3 PUPIL ELIGIBILITY AUDITS

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### 3.1 Pupil Eligibility Audits are required to be conducted for every year that ends in an odd number

*Note: (Pupil Membership Audits are conducted every other school year ending with an odd number, ex. 2022-23 school year)*

### 3.2 Pupil Eligibility Audits should be submitted to MPS Contracted School Services:

1. Conducted for the 20xx-xx school year.
2. Due to MPS Contracted School Services 60 days after receipt of the Pupil Academic Achievement Report.
3. Deadline can be extended if agency requests and receives written approval from MPS Contracted School Services.

### 3.3 Pupil eligibility reports required include:

1. Separate schedules reporting attendance for each of the two count dates.
2. An opinion that states:
  - a. The membership counts on the separate reports fairly present, in all material respects, the number of students eligible to be counted under the MPS Charter School Program for the purpose of determining student eligibility for contract payments.
  - b. The audit was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.
  - c. The audit was conducted in accordance with the membership audit procedures developed by the Wisconsin Department of Public Instruction.

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