



Board of Education
School District of Solon Springs
Solon Springs, Wisconsin

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District of Solon Springs (District) as of and for the year ended June 30, 2023, and have issued our report thereon dated November 21, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated June 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by District are described in Note 1 to the financial statements.

The District changed accounting policies related to subscription based information technology (SBITAs) by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, Subscription Based Information Technology (SBITAs), in 2022-23. The guidance requires recognition for certain SBITA assets and liabilities that do not meet the definition of a lease in GASB 87, Leases. No technology contracts were found to have terms requiring disclosure in the financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives for depreciable assets is based on past experience, guidance recommended by DPI and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period, as well as the amount of accumulated depreciation that is reported at the end of the reporting period. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of both the likelihood of employees vesting and the current portion of employee leave accruals are based on past practice and experience. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.
- Actuarial assumptions used for the Wisconsin Retirement System pension items and other postemployment benefits payable and related deferred outflows and inflows of resources are outlined in the notes to the basic financial statements. We evaluated the key factors and assumptions used to develop the pension and OPEB estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 21, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Significant findings or issues that were discussed, or the subject of correspondence, with management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management:

- Lack of Segregation of Duties

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information

With respect to the combining and individual fund statements and schedules, charter school authorization annual report sections VI and VII only, and the schedule of federal expenditures and the schedule of state financial assistance accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 21, 2023.

Other information

The charter school authorization annual report, sections I through V accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

This communication is intended solely for the information and use of the Board of Education and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Rice Lake, Wisconsin
November 21, 2023

Client: **A448003 - School District of Solon Springs**
 Engagement: **AUD-YB2023 - School District of Solon Springs**
 Period Ending: **6/30/2023**
 Trial Balance: **0900 - TB**
 Workpaper: **0921.00 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 3				
PBC - to reclass breakfast aid coded to lunch revenue				
		PBC		
50 R 800 717 257220 000	FOOD SERVICE/FEDERAL FOOD SERVICE AID/PUPIL LUNCH -		3,529.12	
50 R 800 717 257210 000	FOOD SERVICE/FEDERAL FOOD SERVICE AID/BREAKFAST			3,529.12
Total			<u>3,529.12</u>	<u>3,529.12</u>
Adjusting Journal Entries JE # 4				
EMS - to reclass receipt of daycare stabilization funds that were set up as a receivable in Prior Year				
		1381.00		
80 R 500 291 500000 000	Community Fund/Gifts, fund. contrib. Develop/DISTRICT-WIDE		4,685.00	
80 A 715600	DUE FROM FEDERAL GOVERNMENT			4,685.00
Total			<u>4,685.00</u>	<u>4,685.00</u>
Adjusting Journal Entries JE # 5				
PBC - additional adjustments				
		PBC		
10 A 711100	GENERAL/CHECKING ACCOUNT		16.24	
80 L 811200	Community Fund/ACCOUNTS PAYABLE		3,145.00	
98 L 811632	PAYROLL LIABILITIES CLRNG ACCT/DENTAL INSURANCE		16.24	
10 L 811632	GENERAL/DENTAL INSURANCE			16.24
80 E 500 310 393000 000	Community Fund/PERSONAL SERVICES/Day Care			3,145.00
98 A 711100	PAYROLL LIABILITIES CLRNG ACCT/CHECKING ACCOUNT			16.24
Total			<u>3,177.48</u>	<u>3,177.48</u>
Adjusting Journal Entries JE # 6				
PBC - to reclass items out of source 971				
		PBC		
10 R 800 971 500000 000	GENERAL/REFUND OF DISBURSEMENT/DISTRICT-WIDE		361.58	
10 R 800 971 500000 000	GENERAL/REFUND OF DISBURSEMENT/DISTRICT-WIDE		1,129.22	
10 R 800 291 500000 000	GENERAL/GIFTS/DISTRICT-WIDE			1,129.22
10 R 800 970 500000 000	X			361.58
Total			<u>1,490.80</u>	<u>1,490.80</u>
Adjusting Journal Entries JE # 7				
PBC - Fund 80 coding changes				
		PBC - 0990.08		
80 E 500 311 393000 000	NEED DESCRIPTION		13,915.00	
80 R 800 271 500000 000	Community Fund/ADMISSIONS/DISTRICT-WIDE		1,952.00	
80 E 500 305 393000 000	Community Fund/Add. Personal service time/Day Care			13,915.00
80 R 800 272 500000 000	NEED DESCRIPTION			1,952.00
Total			<u>15,867.00</u>	<u>15,867.00</u>
Adjusting Journal Entries JE # 8				
PBC - Day Care Adjustments				
		PBC - 0990.09		
80 E 500 310 393000 000	Community Fund/PERSONAL SERVICES/Day Care		10,607.44	
80 E 500 311 393000 000	NEED DESCRIPTION		1,075.00	
80 R 500 349 500000 000	Community Fund/OTHER PAYMENTS FOR SERVICES/DISTRICT-		30,561.49	
80 R 500 799 500000 000	Community Fund/OTHER FEDERAL REVENUE/DISTRICT-WIDE		4,880.00	
80 E 500 100 393000 000	Community Fund/SALARIES/Day Care			10,607.44
80 E 500 105 393000 000	Community Fund/Additional Pay/Day Care			1,075.00
80 R 500 272 500000 000	Community Service Fees			30,561.49
80 R 500 780 500000 000	Community Fund/Federal Medical aid/DISTRICT-WIDE			4,880.00
Total			<u>47,123.93</u>	<u>47,123.93</u>
Adjusting Journal Entries JE # 9				
PBC - to adjust coding of accounts to match DPI codes				
		PBC		
10 E 800 342 241100 615	GENERAL/EMPLOYEE TRAVEL/SMALL SCHOOLS GRANT		253.65	
10 E 800 386 221300 000	X		300.00	
10 E 800 411 241100 615	GENERAL/GENERAL SUPPLIES/SMALL SCHOOLS GRANT		2,087.46	
10 E 800 522 255000 000	X		76,992.51	
21 E 800 370 450000 000	X		9,725.00	
10 E 800 345 241100 615	GENERAL/PUPIL ROOM & BOARD/SMALL SCHOOLS GRANT			253.65
10 E 800 386 162900 000	GENERAL/PAYMENT TO CESA OR WITC/ATHLETIC DIRECTOR			300.00
10 E 800 470 241100 615	GENERAL/TEXTBOOKS/SMALL SCHOOLS GRANT			2,087.46
10 E 800 520 255000 000	GENERAL/SITE COMPONENT REMODELING/FACILITIES			76,992.51
21 E 800 991 421000 000	GIFTS/DONATIONS/DONATIONS AND GIFTS/TRUST			9,725.00
Total			<u>89,358.62</u>	<u>89,358.62</u>
Adjusting Journal Entries JE # 10				
PBC - to adjust accrued payroll payable for Old balance				
		PBC		
10 L 811800	GENERAL/ACCRUED PAYROLL PAYABLE		217.29	
10 E 800 100 110000 000	GENERAL/SALARIES/UNDIFFERENTIATED CURRICULUM			217.29
Total			<u>217.29</u>	<u>217.29</u>

Client: **A448003 - School District of Solon Springs**
 Engagement: **AUD-YB2023 - School District of Solon Springs**
 Period Ending: **6/30/2023**
 Trial Balance: **0900 - TB**
 Workpaper: **0921.00 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 11		PBC		
PBC - to move SPED costs to match DPI allowable codes				
27 E 702 100 256251 011	SPECIAL ED FUND/SALARIES/PRE-SCHOOL EEN		50.79	
27 E 702 220 256251 011	SPECIAL ED FUND/SOCIAL SECURITY/PRE-SCHOOL EEN		3.89	
27 E 702 411 256600 341	X		110.38	
27 E 702 100 256751 011	SPECIAL ED FUND/SALARIES/EEN CONTRACTED			50.79
27 E 702 220 256751 011	SPECIAL ED FUND/SOCIAL SECURITY/EEN CONTRACTED			3.89
27 E 702 482 256250 341	SPECIAL ED FUND/Non-Capital Tech Equip/Dist Operated			110.38
Total			<u>165.06</u>	<u>165.06</u>