



Private School Choice Programs Fiscal Management Training

June 2020

The handouts are available at <https://dpi.wi.gov/sms/choice-programs/school-registration/new-schools>.

*You must have the web meeting call your computer or dial in to hear audio:
1-877-820-7831, passcode 720972*

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Administrative

- All participants have been muted.
- If you have a question during the meeting, please use the Q&A button at the top of the screen.
- If you have any technical issues, please send a chat.



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Participation Requirements

- Individuals must participate for the full training.
- Individuals must answer the questions throughout the training.
- Please enter the following in the chat now. Participants may be required to enter this information throughout the training.
 - Your name
 - School name and school city

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Choice Statutes & Rules

- The Choice program is governed by Wis. Stat. § 119.23 and 118.60, as well as Wis. Admin. Codes PI 35 and 48.
- This training is based on the above statutes and administrative rules. Provisions of this training module are subject to statutory and rule changes.

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Schedule 4: Non-Choice Revenues

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Schedule 4-1: Tuition, Fees and Govt Assistance Revenues

Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	REVENUE DETAIL			E Total Revenue	F Offsetting Revenue
		B Average Received per Pupil	C Number of Pupils	D Number of Days Served		
1	Tuition from Non-Choice Pupils				-	
2	Tuition from 9-12 Grade Choice Pupils				-	
3	Food Service Fees from Individuals				-	
4	Other Fees Charged to Non-Choice Pupils				-	
5	Other Fees Charged to Choice Pupils				-	
6	Daycare/Preschool Tuition & Fees				-	
7	Other Fees Charged					
8	TOTAL TUITION AND FEES				-	

- Insert the average amount of revenue expected to be **received** for tuition and fees per pupil (after any discounts or reductions).
- Insert the number of pupils that tuition and fees are received from.

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Schedule 4-1: Tuition, Fees and Govt Assistance Revenues (cont)

2	Tuition from 9-12 Grade Choice Pupils					-	
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- **Tuition Charged to Choice Pupils:**
 - Generally no tuition revenue should be included for Choice pupils.
 - Revenue from the department for students participating in the Choice and SNSP programs are automatically included in the budget and should not be included in this schedule. (This is based on pupil counts included on Schedules 2-1 and 2-2.)
 - Tuition may only be charged to Choice pupils in 9-12th grade if the student has income above 220% of the federal poverty level. See the Tuition and Fees Bulletin for additional requirements to charge tuition.
 - Since new WPCP participants must have income at or below 220% of the federal poverty level, schools will generally not be able to charge WPCP pupils tuition in the first year it participates in the program.

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Schedule 4-1: Tuition, Fees and Govt Assistance Revenues (cont)

5	Other Fees Charged to Choice Pupils					-	
6	Daycare/Preschool Tuition & Fees					-	

- **Other Fees Charged to Choice Pupils:** The fees that can be charged to Choice pupils are limited. See the Tuition and Fees Bulletin for information on what could be charged to Choice pupils.
- **Daycare/Preschool Fees:** This line should include any tuition and fees charged for care of children outside of K-12 educational programming. This includes:
 - Before/after care for K-12 educational programming pupils
 - Daycare
 - Summer care
 - Preschool for K3
 - Preschool for kindergarten age children if the school determines the care is not educational programming (i.e. it is determined to not be four year old kindergarten or five year old kindergarten).

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Knowledge Check

The school's handbook indicates it charges \$3,000 per pupil for tuition. The school provides a \$500 tuition discount for all pupils. The school has additional tuition waivers that average \$25 per pupil. How much should be included as the tuition per pupil in the budget?

- a. \$3,000
- b. \$500
- c. \$2,500
- d. \$2,475

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Schedule 4-1: Tuition, Fees, and Govt Assistance Revenues

Line	A Line Description	B Tuition & Fees	C Government Assistance
18	Total 2021-22 Revenues	-	-
19	June 30, 2021 Deferred Revenue		
20	June 30, 2021 Accounts Receivable		
21	TOTAL AMOUNT TO BE RECEIVED	-	-
22	July 2021 Cash Receipts		
23	August 2021 Cash Receipts		
24	September 2021 Cash Receipts		
25	October 2021 Cash Receipts		
26	November 2021 Cash Receipts		
27	December 2021 Cash Receipts		
28	January 2022 Cash Receipts		
29	February 2022 Cash Receipts		
30	March 2022 Cash Receipts		
31	April 2022 Cash Receipts		
32	May 2022 Cash Receipts		
33	June 2022 Cash Receipts		
34	TOTAL CASH RECEIPTS	-	-
35	JUNE 30, 2022 Deferred Revenue		
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	-	-

- Total revenues will automatically fill in from the top of the schedule (line 18).
- Insert the Deferred Revenue & Accounts Receivable (lines 19 & 20).
 - Deferred Revenues are amounts that are received but are related to a future time period.
 - Accounts Receivables are amounts owed to the school for that school year that the school has not received.
- The Total Amount To Be Received will be calculated on Line 21.

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Schedule 4-1: Tuition, Fees, and Govt Assistance Revenues

Line	A Line Description	B Tuition & Fees	C Government Assistance
18	Total 2021-22 Revenues	-	-
19	June 30, 2021 Deferred Revenue		
20	June 30, 2021 Accounts Receivable		
21	TOTAL AMOUNT TO BE RECEIVED	-	-
22	July 2021 Cash Receipts		
23	August 2021 Cash Receipts		
24	September 2021 Cash Receipts		
25	October 2021 Cash Receipts		
26	November 2021 Cash Receipts		
27	December 2021 Cash Receipts		
28	January 2022 Cash Receipts		
29	February 2022 Cash Receipts		
30	March 2022 Cash Receipts		
31	April 2022 Cash Receipts		
32	May 2022 Cash Receipts		
33	June 2022 Cash Receipts		
34	TOTAL CASH RECEIPTS	-	-
35	JUNE 30, 2022 Deferred Revenue		
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	-	-

- Insert when the cash will be received in lines 22-33. This is based on when the cash is received, no matter what year it relates.
- If Deferred Revenue will be outstanding at the end of the year, complete line 35.
- June 30, 2022 Accounts Receivable (line 36) will be calculated as: Cash Amount To Be Received (line 21) less Total Cash Receipts (line 34) plus Deferred Revenue (line 35).
- Review the June 30, 2022 Accounts Receivable (line 36) to ensure it appears correct.

Pupil Counts

24	Number of non-Choice pupils charged tuition on Schedule 4-1 exceeds the non-Choice pupils	OK
25	Number of 9-12 grade Choice pupils on Schedule 4-1 exceeds the 9-12 Choice pupils	OK
26	Number of non-Choice pupils charged fees on Schedule 4-1 exceeds the non-Choice pupils	OK
27	Number of Choice pupils charged fees on Schedule 4-1 exceeds the total Choice pupils	OK

- The school will receive errors if the number of pupils on Schedule 4-1 exceed the number of pupils identified on Schedule 2-1.

In Class Activity – Complete Schedule 4-1 using the following information.

Revenue Item Description	Average Received Per Pupil	Number of Pupils	Annual Amount Earned	Cash Receipts Timing
2021-22 Tuition from non-Choice pupils (published rate is \$2,700 per pupil)	\$2,000	10	\$20,000	½ of the tuition (\$10,000) is received prior to start of 2021-22 school year. The other ½ (\$10,000) is received in August 2021.
2021-22 Food Service Charges	\$100	30	\$3,000	Fees of \$375 are received from October 2021-July 2022 (for 2020-21 food service and field trips)
2021-22 Non-Choice Pupil Charge for Field Trips	\$50	15	\$750	
2021-22 Non-Choice Pupil Charge for Registration	\$100	15	\$1,500	All received in May 2021
2021-22 Daycare Tuition	\$4,000	12	\$48,000	Daycare cash receipts are \$4,000 per month from July 2021-June 2022
2021-22 Public Paying Admission to Sporting Events	N/A	N/A	\$450	Fees of \$50 are received from October 2021-June 2022
2022-23 Tuition from Non-Choice Pupils	N/A	N/A	N/A	\$15,000 received in May 2022

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Schedule 4-1: In Class Activity Answer

Line	A Item Description	REVENUE DETAIL			E Total Revenue	F Offsetting Revenue
		B Average Received per Pupil	C Number of Pupils	D Number of Days Served		
1	Tuition from Non-Choice Pupils				-	
2	Tuition from 9-12 Grade Choice Pupils				-	
3	Food Service Fees from Individuals				-	
4	Other Fees Charged to Non-Choice Pupils				-	
5	Other Fees Charged to Choice Pupils				-	
6	Daycare Tuition & Fees				-	
7	Other Fees Charged				-	
8	TOTAL TUITION AND FEES				-	

Revenue Item Description	Average Received Per Pupil	Number of Pupils	Annual Amt Earned
2021-22 Tuition from non-Choice pupils (published rate is \$2,700 per pupil)	\$2,000	10	\$20,000
2021-22 Food Service Charges	\$100	30	\$3,000
2021-22 Non-Choice Pupil Charge for Field Trips	\$50	15	\$750
2021-22 Non-Choice Pupil Charge for Registration	\$100	15	\$1,500
2021-22 Daycare Tuition	\$4,000	12	\$48,000
2021-22 Public Paying Admission to Sporting Events	N/A	N/A	\$450
2022-23 Tuition from Non-Choice Pupils	N/A	N/A	N/A

Schedule 4-1: In Class Activity Answer (cont)

REVENUE DETAIL						
Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	B Average Received per Pupil	C Number of Pupils	D Number of Days Served	E Total Revenue	F Offsetting Revenue
1	Tuition from Non-Choice Pupils	2,000	10		20,000	
2	Tuition from 9-12 Grade Choice Pupils				-	
3	Food Service Fees from Individuals	100	30		3,000	
4	Other Fees Charged to Non-Choice Pupils	150	15		2,250	
5	Other Fees Charged to Choice Pupils				-	
6	Daycare/Preschool Tuition & Fees	4,000	12		48,000	
7	Other Fees Charged				450	
8	TOTAL TUITION AND FEES				73,700	

CASH FLOWS			
Line	A Line Description	B Tuition & Fees	C Government Assistance
18	Total 2021-22 Revenues	73,700	
19	June 30, 2021 Deferred Revenue		
20	June 30, 2021 Accounts Receivable		
21	TOTAL AMOUNT TO BE RECEIVED	73,700	-

- The total tuition and fees flow to the cash flow section, Line 18. In this section, you must indicate the Deferred Revenue, Accounts Receivable, and cash receipts during the school year.

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Schedule 4-1: In Class Activity Answer (cont)

- Determine if there is any Deferred Revenue or Accounts Receivable as of June 30, 2021 (lines 19 & 20).
 - The school expects to receive an average of \$2,000 of tuition per pupil from 10 non-Choice pupils. Half of this is received prior to the start of the school year. = \$10,000.
 - 15 Non-Choice pupils are charged \$100 for registration fees. The registration fees are received in May before the start of the school year. = \$1,500.

Line	A Line Description	B Tuition & Fees
18	Total 2021-22 Revenues	73,700
19	June 30, 2021 Deferred Revenue	
20	June 30, 2021 Accounts Receivable	
21	TOTAL AMOUNT TO BE RECEIVED	73,700

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Schedule 4-1: In Class Activity Answer (cont)

Line	A Line Description	B Tuition & Fees
18	Total 2021-22 Revenues	73,700
19	June 30, 2021 Deferred Revenue	11,500
20	June 30, 2021 Accounts Receivable	
21	TOTAL AMOUNT TO BE RECEIVED	62,200
22	July 2021 Cash Receipts	
23	August 2021 Cash Receipts	
24	September 2021 Cash Receipts	
25	October 2021 Cash Receipts	
26	November 2021 Cash Receipts	
27	December 2021 Cash Receipts	
28	January 2022 Cash Receipts	
29	February 2022 Cash Receipts	
30	March 2022 Cash Receipts	
31	April 2022 Cash Receipts	
32	May 2022 Cash Receipts	
33	June 2022 Cash Receipts	
34	TOTAL CASH RECEIPTS	-
35	JUNE 30, 2022 Deferred Revenue	
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	62,200

Determine the monthly cash payments:

- 2021-22 school year:
 - Daycare cash receipts are \$4,000 per month from July-June.
 - Fees of \$425 are paid from October-June. (\$375 for food service and field trips and \$50 for athletic events).
 - \$10,000 of the tuition is received in August.
- 2022-23 school year:
 - Tuition for 2022-23 of \$15,000 is received in May.

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Schedule 4-1: In Class Activity Answer (cont)

Line	A Line Description	B Tuition & Fees
18	Total 2021-22 Revenues	73,700
19	June 30, 2021 Deferred Revenue	11,500
20	June 30, 2021 Accounts Receivable	
21	TOTAL AMOUNT TO BE RECEIVED	62,200
22	July 2021 Cash Receipts	4,000
23	August 2021 Cash Receipts	14,000
24	September 2021 Cash Receipts	4,000
25	October 2021 Cash Receipts	4,425
26	November 2021 Cash Receipts	4,425
27	December 2021 Cash Receipts	4,425
28	January 2022 Cash Receipts	4,425
29	February 2022 Cash Receipts	4,425
30	March 2022 Cash Receipts	4,425
31	April 2022 Cash Receipts	4,425
32	May 2022 Cash Receipts	19,425
33	June 2022 Cash Receipts	4,425
34	TOTAL CASH RECEIPTS	76,825
35	JUNE 30, 2022 Deferred Revenue	
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	(14,625)

- Determine if there is any deferred revenue as of June 30, 2022. If so, insert it into Line 35.
- The \$15,000 must be included in deferred revenue as of June 30, 2022.

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Schedule 4-1: In Class Activity Answer (cont)

Line	A Line Description	B Tuition & Fees
18	Total 2021-22 Revenues	73,700
19	June 30, 2021 Deferred Revenue	11,500
20	June 30, 2021 Accounts Receivable	
21	TOTAL AMOUNT TO BE RECEIVED	62,200
22	July 2021 Cash Receipts	4,000
23	August 2021 Cash Receipts	14,000
24	September 2021 Cash Receipts	4,000
25	October 2021 Cash Receipts	4,425
26	November 2021 Cash Receipts	4,425
27	December 2021 Cash Receipts	4,425
28	January 2022 Cash Receipts	4,425
29	February 2022 Cash Receipts	4,425
30	March 2022 Cash Receipts	4,425
31	April 2022 Cash Receipts	4,425
32	May 2022 Cash Receipts	19,425
33	June 2022 Cash Receipts	4,425
34	TOTAL CASH RECEIPTS	76,825
35	JUNE 30, 2022 Deferred Revenue	15,000
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	375

- Review the Accounts Receivable balance to ensure it is correct (line 36).
- The Accounts receivable balance should be \$375 for the July payment of food services and field trip fees.

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Questions?



If you have a question,
please use the Q&A button
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Questions after the training may be
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Schedule 4-1: Government Assistance

Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	B Average Received per Pupil	C Number of Pupils	D Number of Days Served	E Total Revenue	F Offsetting Revenue
9	Government Food Service-Lunch		-	-	-	-
10	Government Food Service-Breakfast		-	-	-	-
11	Government Food Service-Milk		-	-	-	-
12	School District Transportation Payments				-	-
13	School District Partnership Revenue					
14	{Insert description of government assistance}					
15	{Insert description of government assistance}					
16	{Insert description of government assistance}					
17	TOTAL GOVERNMENT ASSISTANCE				-	-

- Any government assistance received must be included in this section.
- If the school is receiving food service assistance or transportation payments, insert the average received per pupil.
- The number of pupils and number of days for Lines 9-11 automatically fill in from Schedule 1. If the number should be less, it can be updated.

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Schedule 4-1: School District Partnership Revenue

Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	B Average Received per Pupil	C Number of Pupils	D Number of Days Served	E Total Revenue	F Offsetting Revenue
9	Government Food Service-Lunch		-	-	-	-
10	Government Food Service-Breakfast		-	-	-	-
11	Government Food Service-Milk		-	-	-	-
12	School District Transportation Payments				-	-
13	School District Partnership Revenue					
14	{Insert description of government assistance}					
15	{Insert description of government assistance}					
16	{Insert description of government assistance}					
17	TOTAL GOVERNMENT ASSISTANCE				-	-

- If you receive school district revenue for providing educational programming for pupils enrolled in a public school district, include it in Line 13.
 - Any expenses for these students should not be included as eligible.
 - These pupils must be excluded from the all pupil counts and Choice pupil counts.
 - Pupils enrolled in the public school district are not eligible for a Choice payment.
 - You will need to provide the contract with the public school district with the budget.

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Schedule 4-1: Government Assistance

Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	B Average Received per Pupil	C Number of Pupils	D Number of Days Served	E Total Revenue	F Offsetting Revenue
9	Government Food Service-Lunch	-	-	-	-	-
10	Government Food Service-Breakfast	-	-	-	-	-
11	Government Food Service-Milk	-	-	-	-	-
12	School District Transportation Payments	-	-	-	-	-
13	School District Partnership Revenue	-	-	-	-	-
14	{Insert description of government assistance}	-	-	-	-	-
15	{Insert description of government assistance}	-	-	-	-	-
16	{Insert description of government assistance}	-	-	-	-	-
17	TOTAL GOVERNMENT ASSISTANCE	-	-	-	-	-

- If you receive any other government assistance, insert the amount and a description of the assistance received in lines 14-16.
- The most common example of other government assistance is E-rate grants.

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Offsetting Revenue

- Offsetting revenue is revenue that decreases the amount of Choice eligible education expenses for the school.
- Offsetting Revenue includes:
 - Government assistance for educational programming expenses.
 - Insurance proceeds for educational programming expenses.
 - If the school received insurance proceeds, enter the amount that is offsetting in Schedule 10
 - Fundraising revenue

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Offsetting Revenue (cont)

Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	B Average Received per Pupil	C Number of Pupils	D Number of Days Served	E Total Revenue	F Offsetting Revenue
9	Government Food Service-Lunch	-	-	-	-	-
10	Government Food Service-Breakfast	-	-	-	-	-
11	Government Food Service-Milk	-	-	-	-	-
12	School District Transportation Payments					-
13	School District Partnership Revenue					-
14	{Insert description of government assistance}					-
15	{Insert description of government assistance}					-
16	{Insert description of government assistance}					-
17	TOTAL GOVERNMENT ASSISTANCE					-

- Complete Column F based on the amount of the government assistance that is offsetting.
- If any of the government food service revenue in Lines 9-11 are payments for pupils not enrolled in K4-12 educational programming, it would not be included in offsetting revenue.
- If any revenue is included on Lines 14-16, identify the offsetting revenue, if any, in Column F. If any amount is not included as offsetting revenue, ensure the description is sufficient to determine that it should not be offsetting.

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Knowledge Check

What government assistance is included as offsetting revenue (a decrease to the eligible education expenses)?

- All government assistance received.
- Government assistance received for educational programming.
- Government assistance received for educational programming up to the related eligible education expense.

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Knowledge Check

The school has K4 kindergarten students attending the school who are enrolled in the public school district. Which of the following is true?

- a. The cost for these pupils are included as an eligible education expense in the budget.
- b. These pupils are included in the all pupil count.
- c. The revenue received from the public school district for these pupils is offsetting revenue.
- d. The cost for these pupils must be determined, using allocations as needed for general expenses. These costs must be excluded from eligible education expenses.

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Questions?



If you have a question,
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Schedule 4-1: Food Program Revenue Example

- The school will participate in the USDA food program. The number of pupils and days served is the same for the revenue as it was for the expense. The anticipated average amount the school will receive per pupil is: \$2.50 for lunch, \$1.00 for breakfast, and \$0.20 for milk.
- The USDA food program revenue is related to meals served from September through June and the revenue will be received evenly from October through July.
- Complete Schedule 4-1 using the information above.

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Schedule 4-1: Food Program Revenue Example (cont)

Line	A Item Description <i>Do not include revenue from the Choice program or SNSP.</i>	REVENUE DETAIL			E Total Revenue	F Offsetting Revenue
		B Average Received per Pupil	C Number of Pupils	D Number of Days Served		
9	Government Food Service-Lunch		200	180	-	-
10	Government Food Service-Breakfast		50	180	-	-
11	Government Food Service-Milk		200	180	-	-
12	School District Transportation Payments				-	-
13	{Insert description of government assistance}				-	-
14	{Insert description of government assistance}				-	-
15	{Insert description of government assistance}				-	-
16	{Insert description of government assistance}				-	-
17	TOTAL GOVERNMENT ASSISTANCE				-	-

- The school will participate in the USDA food program. The number of pupils and days served is the same for the revenue as it was for the expense. The anticipated average amount the school will receive per pupil is: \$2.50 for lunch, \$1.00 for breakfast, and \$0.20 for milk.

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Schedule 4-1: Food Program Revenue Example (cont)

Line	A Line Description	B Tuition & Fees	C Government Assistance
18	Total 2021-22 Revenues	73,700	106,200
19	June 30, 2021 Deferred Revenue	11,500	
20	June 30, 2021 Accounts Receivable		
21	TOTAL AMOUNT TO BE RECEIVED	62,200	106,200
22	July 2021 Cash Receipts	4,000	
23	August 2021 Cash Receipts	14,000	
24	September 2021 Cash Receipts	4,000	
25	October 2021 Cash Receipts	4,425	
26	November 2021 Cash Receipts	4,425	
27	December 2021 Cash Receipts	4,425	
28	January 2022 Cash Receipts	4,425	
29	February 2022 Cash Receipts	4,425	
30	March 2022 Cash Receipts	4,425	
31	April 2022 Cash Receipts	4,425	
32	May 2022 Cash Receipts	19,425	
33	June 2022 Cash Receipts	4,425	
34	TOTAL CASH RECEIPTS	76,825	-
35	JUNE 30, 2022 Deferred Revenue	15,000	
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	375	106,200

- The USDA food program revenue is related to meals served from September through June.
- The USDA revenue will be received evenly from October through July.

Offsetting Revenue - Fundraising

- The amount that is offsetting for fundraising revenue is the lesser of:
 - Fundraising revenue, or
 - The amount of non-administrative fundraising expenses included in eligible education expenses. Administrative expenses include expenses for: school personnel, mailings, copying, and fixed assets used for other school purposes.

	Example 1	Example 2
Fundraising Revenue	\$15,000	\$25,000
Non Administrative Fundraising Expenses	25,000	10,000
Administrative Fundraising Expenses	40,000	30,000
Offsetting Fundraising Revenue		

The budget file takes care of calculating this impact on Schedule 10, line 7.

Knowledge Check

The school receives \$225,000 of fundraising revenue. The school has \$250,000 of fundraising costs included in eligible education expense. The fundraising expenses include \$150,000 of non-administrative expenses and \$100,000 of administrative expenses. How much fundraising revenue must be offsetting?

- a. \$225,000
- b. \$250,000
- c. \$150,000
- d. \$100,000

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Questions?



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Schedule 4-2: Revenue from Contributions, Non-Govt Grants, Fundraising & Offerings

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/20 Actual	6/30/21 Actual/Budget	Receivable as of 6/30/21	6/30/22 Budget	Written	Fund-raising
1							
2							
3							

- On the top of Schedule 4-2, insert any external contributions from individuals or unrelated organizations, non government grants, or fundraising if the school had:
 - Any amount the school received in the past two years,
 - Has an outstanding receivable as of 6/30/21, or
 - The school is budgeting to receive an amount in 2021-22.
- Include the actual amount received for the prior year and the expected amount for the current and the next budget.
- If the school will have any receivables outstanding, insert the amount that will be outstanding as of 6/30/21 in Column D.

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Schedule 4-2: Revenue from Contributions, Non-Govt Grants, Fundraising & Offerings (cont)

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/19 Actual	6/30/20 Actual/Budget	Receivable as of 6/30/20	6/30/21 Budget	Written	Fund-raising
1							
2							
3							
4							

- If the organization has a written agreement, indicate “Yes” in Column F.
- If the amount is from fundraising, including money raised through fundraising drives, indicate “Yes” in column G.
- *Columns F & G must be answered or the organization will receive an error.**

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Sch 4-2: External contributions, non govt grants or fundraising

• New private school based on Wis. Stat. 118.60 or 119.23 or schools in their first year of operation:

- The school must have a written agreement to support any amount over \$1,000.
- The source of all funds or description of all activities must be identified.

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Sch 4-2: External contributions, non govt grants or fundraising (cont)

- The written agreement must include the following:
 - who will provide the funds
 - that the funds will be provided to the school
 - the amount that will be provided
 - when the funds will be provided, **and**
 - an indication that the amounts do not need to be paid back

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Schedule 4-2: Revenues & Church Offerings

Line	A Line Description	B Revenue From Above	C Church Offerings
20	Total 2021-22 Revenues	-	
21	June 30, 2021 Deferred Revenue		
22	June 30, 2021 Accounts Receivable	-	
23	TOTAL AMOUNT TO BE RECEIVED	-	-
24	July 2021 Cash Receipts		
25	August 2021 Cash Receipts		
26	September 2021 Cash Receipts		
27	October 2021 Cash Receipts		
28	November 2021 Cash Receipts		
29	December 2021 Cash Receipts		
30	January 2022 Cash Receipts		
31	February 2022 Cash Receipts		
32	March 2022 Cash Receipts		
33	April 2022 Cash Receipts		
34	May 2022 Cash Receipts		
35	June 2022 Cash Receipts		
36	TOTAL CASH RECEIPTS	-	-
37	JUNE 30, 2022 Deferred Revenue		
38	JUNE 30, 2022 ACCOUNTS RECEIVABLE	-	-

- Revenues in Column B will fill in from above.

- Church Offerings should be included in Column C, if any.

Schedule 4-2: Revenues Received Example

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A Name of Source or Description of Fundraising	B 6/30/20 Actual	C 6/30/21 Actual/Budget	D Receivable as of 6/30/21	E 6/30/22 Budget	F Written	G Fund-raising
1							
2							
3							
4							

The school anticipates receiving the following:

- \$10,000 through a benefit dinner on 10/1/21. The school did a benefit dinner in the 2020-21 school year that raised \$9,500.
- \$40,000 written pledge raised through a fundraising drive received from Matthew Gibbs in May 2021. The amount will be paid to the school in annual installments of \$10,000 beginning December 2021.

Schedule 4-2: Revenues Received Example (cont)

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING					
Line	A Name of Source or Description of Fundraising	B 6/30/20 Actual	C 6/30/21 Actual/Budget	D Receivable as of 6/30/21	E 6/30/22 Budget
1	Benefit Dinner		9,500		10,000
2	Matthew Gibbs		40,000	40,000	
19	TOTAL	-	49,500	40,000	10,000

CASH FLOWS			
Line	A Line Description	B Revenue From Above	C Church Offerings
20	Total 2021-22 Revenues	10,000	
21	June 30, 2021 Deferred Revenue		
22	June 30, 2021 Accounts Receivable	40,000	
23	TOTAL AMOUNT TO BE RECEIVED	50,000	-

- The total revenue and Accounts Receivable will automatically flow from the top of Schedule 4-2 to Line 20 and 22 of the cash flow section.

Schedule 4-2: Revenues Received Example (cont)

Line	A Line Description	B Revenue From Above
20	Total 2021-22 Revenues	10,000
21	June 30, 2021 Deferred Revenue	
22	June 30, 2021 Accounts Receivable	40,000
23	TOTAL AMOUNT TO BE RECEIVED	50,000
24	July 2021 Cash Receipts	
25	August 2021 Cash Receipts	
26	September 2021 Cash Receipts	
27	October 2021 Cash Receipts	
28	November 2021 Cash Receipts	
29	December 2021 Cash Receipts	
30	January 2022 Cash Receipts	
31	February 2022 Cash Receipts	
32	March 2022 Cash Receipts	
33	April 2022 Cash Receipts	
34	May 2022 Cash Receipts	
35	June 2022 Cash Receipts	
36	TOTAL CASH RECEIPTS	-
37	JUNE 30, 2022 Deferred Revenue	
38	JUNE 30, 2022 ACCOUNTS RECEIVABLE	50,000

The school anticipates receiving the following:

- \$10,000 through a benefit dinner on 10/1/21. The school did a benefit dinner in the 2020-21 school year that raised \$9,500.
- \$40,000 written pledge raised through a fundraising drive received from Matthew Gibbs in May 2021. The amount will be paid to the school in annual installments of \$10,000 beginning December 2021.

Schedule 4-2: In Class Activity

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A Name of Source or Description of Fundraising	B 6/30/20 Actual	C 6/30/21 Actual/Budget	D Receivable as of 6/30/21	E 6/30/22 Budget	F Written	G Fund-raising
1	Benefit Dinner		9,500		10,000	No	Yes
2	Matthew Gibbs		40,000	40,000		Yes	Yes
3							
4							

Revenue Source	6/30/20 Actual Revenue	6/30/21 Actual/Budget Revenue	Expected 6/30/22 Revenue	2021-22 Expected Payments	Written Agreement?
Grantor's Foundation	\$12,000	\$12,000	\$12,000	\$12,000 Expected payment in June 2022	Written grant for 2021-22 not yet received. Have written grant from 2020-21.
10 \$1,000 Pledges from various church members	\$0	\$10,000	\$0	\$5,000 on Dec 2021 and \$5,000 Dec 2022.	Written pledges received May 2021 that were generated through a fundraising drive.
Church offerings	\$120,000	\$120,000	\$120,000	\$10,000 each month	No

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Schedule 4-2: In Class Activity (cont)

Line	A Line Description	B Revenue From Above	C Church Offerings
20	Total 2021-22 Revenues	10,000	
21	June 30, 2021 Deferred Revenue		
22	June 30, 2021 Accounts Receivable	40,000	
23	TOTAL AMOUNT TO BE RECEIVED	50,000	-
24	July 2021 Cash Receipts		
25	August 2021 Cash Receipts		
26	September 2021 Cash Receipts		
27	October 2021 Cash Receipts	10,000	
28	November 2021 Cash Receipts		
29	December 2021 Cash Receipts	10,000	
30	January 2022 Cash Receipts		
31	February 2022 Cash Receipts		
32	March 2022 Cash Receipts		
33	April 2022 Cash Receipts		
34	May 2022 Cash Receipts		
35	June 2022 Cash Receipts		
36	TOTAL CASH RECEIPTS	20,000	-
37	JUNE 30, 2022 Deferred Revenue		
38	JUNE 30, 2022 ACCOUNTS RECEIVABLE	30,000	-

- The school expects that Grantor's Foundation will give \$12,000 in June 2022.
- 10 \$1,000 Pledges from various church members that will be received \$5,000 on Dec 2021 and \$5,000 Dec 2022.

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Schedule 4-2: In Class Activity (cont)

Line	A Line Description	B Revenue From Above	C Church Offerings
20	Total 2021-22 Revenues	22,000	
21	June 30, 2021 Deferred Revenue		
22	June 30, 2021 Accounts Receivable	50,000	
23	TOTAL AMOUNT TO BE RECEIVED	72,000	-
24	July 2021 Cash Receipts		
25	August 2021 Cash Receipts		
26	September 2021 Cash Receipts		
27	October 2021 Cash Receipts	10,000	
28	November 2021 Cash Receipts		
29	December 2021 Cash Receipts	15,000	
30	January 2022 Cash Receipts		
31	February 2022 Cash Receipts		
32	March 2022 Cash Receipts		
33	April 2022 Cash Receipts		
34	May 2022 Cash Receipts		
35	June 2022 Cash Receipts	12,000	
36	TOTAL CASH RECEIPTS	37,000	(Ctrl) -
37	JUNE 30, 2022 Deferred Revenue		
38	JUNE 30, 2022 ACCOUNTS RECEIVABLE	35,000	-

- The organization also receives \$10,000 each month of church offerings, for a total of \$120,000 in church offerings.

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Schedule 4-3: Endowments & Investments

ENDOWMENT FUND & OTHER INVESTMENT INCOME					
Line	A Income Type	B Payment Frequency	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
1	Endowment Fund Income				
2	Other Investment Income				

- Include the amount of revenue received from endowment fund income and investment income on lines 1 and 2.
- Payment frequency for these payments and the church/school subsidies is based on how often the school expects to receive a payment.
- If the school has endowment fund income or any endowment funds that are held by the legal entity of the school, the school will be required to provide:
 - The documents establishing the endowment fund.
 - Bank statements showing the balance of the endowment fund.

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Schedule 4-3: Endowments & Investments (cont)

- The threshold for what to include on a separate line is the same as Schedule 4-2.
- **This schedule may not include subsidies from part of the legal entity of the school.**

RELATED PARTY ORGANIZATION CONTRIBUTIONS					
Line	A Name of Organization Providing Subsidy	B Payment Frequency	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	TOTAL RELATED PARTY ORGANIZATION CONTRIBUTIONS		-	-	-

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Schedule 4-3: Endowments & Investments (cont)

- The school will be required to provide an income statement, balance sheet, and bank statements for each related party organization providing a contribution above the threshold.
- The related party definition is on the second tab of the instructions under Step 6. In addition, the related party definition will be covered as part of Schedule 6: Debt.

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Schedule 4-3: Endowments & Investments (cont)

RELATED PARTY ORGANIZATION CONTRIBUTIONS					
Line	A Name of Organization Providing Subsidy	B Payment Frequency	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
3					
4					
5					

- If the school would like the DPI to make a selection of organizations, the school must provide a completed Schedule 4-3, Lines 3-12 to the DPI auditors at least two weeks in advance of the budget due date. If a sample of organizations is selected by a DPI auditor, then upload the email from the DPI auditor with the selection to Kiteworks.

- Note: Kiteworks is a secure content communication platform that DPI utilizes. It will be discussed in the later part of the presentation.

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Schedule 4-3: Endowments & Investments (cont)

CASH FLOWS				
Line	A Line Description	B Related Party Organization Contributions	C Endowment Fund Income	D Other Investment Income
14	Total 2021-22 Revenues	-	-	-
15	June 30, 2021 Deferred Revenue			
16	June 30, 2021 Accounts Receivable			
17	TOTAL AMOUNT TO BE RECEIVED	-	-	-
18	July 2021 Cash Receipts			
19	August 2021 Cash Receipts			
20	September 2021 Cash Receipts			
21	October 2021 Cash Receipts			
22	November 2021 Cash Receipts			
23	December 2021 Cash Receipts			
24	January 2022 Cash Receipts			
25	February 2022 Cash Receipts			
26	March 2022 Cash Receipts			
27	April 2022 Cash Receipts			
28	May 2022 Cash Receipts			
29	June 2022 Cash Receipts			
30	TOTAL CASH RECEIPTS	-	-	-
31	JUNE 30, 2022 Deferred Revenue			
32	JUNE 30, 2022 ACCOUNTS RECEIVABLE	-	-	-

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Schedule 4-3: Example

Revenue Source	6/30/20 Actual Revenue	6/30/21 Actual/ Budget Revenue	Expected 6/30/22 Revenue	2021-22 Expected Payments	Asset Balance as of June 30, 2021	Schedule 4-3 Line?
Clark Kent Endowment Fund	\$4,000	\$4,000	\$6,000	January 2021	\$500,000	
Bruce Wayne Endowment Fund	\$2,500	\$2,500	\$3,000	January 2021	\$1 million	
Other investment interest	\$2,000	\$2,000	\$1,200	\$300 in July, October, January and April	\$25,000	
St. James-related party who is separate legal entity	\$10,000	\$10,000	\$10,000	\$2,500 in July, October, January, and April	N/A	
St. Mary-related party who is separate legal entity	\$10,000	\$10,000	\$10,000	\$2,500 in July, October, January, and April	N/A	

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Schedule 4-3 : In Class Activity

		ENDOWMENT FUND & OTHER INVESTMENT INCOME			
Line	A Income Type	B Payment Frequency	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
1	Endowment Fund Income				
2	Other Investment Income				

Revenue Source	6/30/20 Actual Revenue	6/30/201 Actual/ Budget Revenue	Expected 6/30/22 Revenue
Clark Kent Endowment Fund	\$4,000	\$4,000	\$6,000
Bruce Wayne Endowment Fund	\$2,500	\$2,500	\$3,000
Other investment interest	\$2,000	\$2,000	\$1,200

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Schedule 4-3 : In Class Activity

		RELATED PARTY ORGANIZATION CONTRIBUTIONS			
Line	A Name of Organization Providing Subsidy	B Payment Frequency	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
3					
4					

Revenue Source	6/30/20 Actual Revenue	6/30/21 Actual/ Budget Revenue	Expected 6/30/22 Revenue
St. James-related party who is separate legal entity	\$10,000	\$10,000	\$10,000
St. Mary-related party who is separate legal entity	\$10,000	\$10,000	\$10,000

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Schedule 4-3: In Class Activity

Line	A Line Description	B Related Party Organization Contributions	C Endowment Fund Income	D Other Investment Income
14	Total 2021-22 Revenues	20,000	9,000	1,200
15	June 30, 2021 Deferred Revenue			
16	June 30, 2021 Accounts Receivable			
17	TOTAL AMOUNT TO BE RECEIVED	20,000	9,000	1,200
18	July 2021 Cash Receipts			
19	August 2021 Cash Receipts			
20	September 2021 Cash Receipts			
21	October 2021 Cash Receipts			
22	November 2021 Cash Receipts			
23	December 2021 Cash Receipts			
24	January 2022 Cash Receipts			
25	February 2022 Cash Receipts			
26	March 2022 Cash Receipts			
27	April 2022 Cash Receipts			
28	May 2022 Cash Receipts			
29	June 2022 Cash Receipts			
30	TOTAL CASH RECEIPTS	-	-	-
31	JUNE 30, 2022 Deferred Revenue			
32	JUNE 30, 2022 ACCOUNTS RECEIVABLE	20,000	9,000	1,200

Revenue Source	2021-22 Expected Payments
Clark Kent Endowment Fund	\$6,000 in January 2021
Bruce Wayne Endowment Fund	\$3,000 in January 2021
Other investment interest	\$300 in July, October, January and April
St. James-related party who is separate legal entity	\$2,500 in July, October, January, and April
St. Mary-related party who is separate legal entity	\$2,500 in July, October, January, and April

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Schedule 4-4: Other Revenues

Line	A Type of Revenue Explanation <i>e.g. rental revenue</i>	B Name(s) of Source(s) <i>If related to rent or property sales, identify the location being rented or sold</i>	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
1					
2					

- If the school has any other type of revenue, include it in Schedule 4-4.
- If the school is receiving rental income, include the location being rented.
- If the school sells fixed assets, include the proceeds from the sale of the fixed assets on this schedule.
- The description must be completed and be sufficient for the DPI to understand the source of the revenue. If it is not completed, the school will receive an error.

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Schedule 4-4: Other Revenues

Line	A LINE DESCRIPTION	B	C	D	E	F	G TOTAL OTHER REVENUE
6	Total 2021-22 Revenues						-
7	June 30, 2021 Deferred Revenue						-
8	June 30, 2021 Accounts Receivable						-
9	TOTAL AMOUNT TO BE RECEIVED	-	-	-	-	-	-
10	July 2021 Cash Receipts						-
11	August 2021 Cash Receipts						-
12	September 2021 Cash Receipts						-
13	October 2021 Cash Receipts						-
14	November 2021 Cash Receipts						-
15	December 2021 Cash Receipts						-
16	January 2022 Cash Receipts						-
17	February 2022 Cash Receipts						-
18	March 2022 Cash Receipts						-
19	April 2022 Cash Receipts						-
20	May 2022 Cash Receipts						-
21	June 2022 Cash Receipts						-
22	TOTAL CASH RECEIPTS	-	-	-	-	-	-
23	JUNE 30, 2022 Deferred Revenue						-
24	JUNE 30, 2022 ACCOUNTS RECEIVABLE	-	-	-	-	-	-

- The description for the other revenue will show in the top line of the cash flow section once the top section is completed.

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Schedule 4-4: Other Revenues

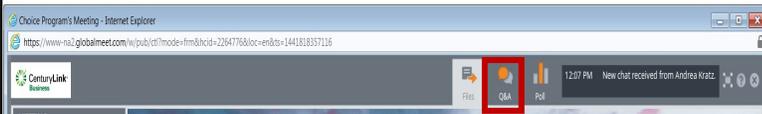
- The school leases their location to Weight Watchers every month for \$100 per month.
- Weight Watchers pays \$1,200 in July for the whole school year.
- The school received \$1,200 from the Weight Watchers for the last two years.

OTHER REVENUE EXPLANATION					
Line	A Type of Revenue Explanation <i>e.g. rental revenue</i>	B Name(s) of Source(s) <i>If related to rent or property sales, identify the location being rented or sold</i>	C 6/30/20 Actual	D 6/30/21 Actual/Budget	E 6/30/22 Budgeted
1	Rental Revenue	Weight Watchers, 100 E. Main St.	1,200	1,200	1,200

Line	A LINE DESCRIPTION	B Rental Revenue
6	Total 2021-22 Revenues	1,200
7	June 30, 2021 Deferred Revenue	
8	June 30, 2021 Accounts Receivable	
9	TOTAL AMOUNT TO BE RECEIVED	1,200
10	July 2021 Cash Receipts	1,200
11	August 2021 Cash Receipts	
12	September 2021 Cash Receipts	
13	October 2021 Cash Receipts	
14	November 2021 Cash Receipts	
15	December 2021 Cash Receipts	
16	January 2022 Cash Receipts	
17	February 2022 Cash Receipts	
18	March 2022 Cash Receipts	
19	April 2022 Cash Receipts	
20	May 2022 Cash Receipts	
21	June 2022 Cash Receipts	
22	TOTAL CASH RECEIPTS	1,200
23	JUNE 30, 2022 Deferred Revenue	
24	JUNE 30, 2022 ACCOUNTS RECEIVABLE	-

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Schedule 7-1: Current & Long Term Receivables

Line	A Item	ASSETS			E June 30, 2022
		B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	
1	Cash				1,200
2	Short-Term Investments (A)				-
3	Current Receivables				-
4	Prepaid Expenses	-			-
5	Total Current Assets	-			1,200
6	Fixed Assets	-			-
7	Accumulated Depreciation	-			-
8	Operating/Finance Lease Right of Use Assets	-			-
9	Long Term Receivables	-			-
10	Long Term Investments (A)				-
11	Other Assets (A)				-
12	TOTAL ASSETS	-	-	-	1,200

- The receivables balance will automatically default to Long Term Receivables on line 9 (meaning the amount will not be received for more than a year).
- If anything will be received within the next year, it should be included in Current Receivables on Line 3. This will automatically update the long term portion on Line 9.
- This must be done as of June 30, 2021 and June 30, 2022.
- All receivables must be on Schedule 4-1 through 4-4 in the correct category. They cannot be directly added to Schedule 7-1. If Line 9 is negative, the school will receive an error.

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Schedule 7-1: Current & Long Term Receivables Example

- \$40,000 written pledge by Matthew Gibbs in May 2021. The amount will be paid to the school in annual installments of \$10,000 beginning December 2020.

	June 30, 2021	June 30, 2022
Current	\$10,000	\$10,000
Long Term	\$30,000	\$20,000

- The school has 10 \$1,000 pledges from various members of the church. The written pledges were received in May 2021. The amount will be paid to the school in two equal installments on December 2021 and December 2022.

	June 30, 2021	June 30, 2022
Current	\$5,000	\$5,000
Long Term	\$5,000	\$0

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Schedule 4-1: Current & Long Term Receivables Example

Line	A Line Description	B Tuition & Fees	C Government Assistance
18	Total 2021-22 Revenues	73,700	106,200
19	June 30, 2021 Deferred Revenue	11,500	
20	June 30, 2021 Accounts Receivable		
21	TOTAL AMOUNT TO BE RECEIVED	62,200	106,200
22	July 2021 Cash Receipts	4,000	
23	August 2021 Cash Receipts	14,000	
24	September 2021 Cash Receipts	4,000	
25	October 2021 Cash Receipts	4,425	10,620
26	November 2021 Cash Receipts	4,425	10,620
27	December 2021 Cash Receipts	4,425	10,620
28	January 2022 Cash Receipts	4,425	10,620
29	February 2022 Cash Receipts	4,425	10,620
30	March 2022 Cash Receipts	4,425	10,620
31	April 2022 Cash Receipts	4,425	10,620
32	May 2022 Cash Receipts	19,425	10,620
33	June 2022 Cash Receipts	4,425	10,620
34	TOTAL CASH RECEIPTS	76,825	95,580
35	JUNE 30, 2022 Deferred Revenue	15,000	
36	JUNE 30, 2022 ACCOUNTS RECEIVABLE	375	10,620

- The other accounts receivables were tuition and fees and government assistance that the school expects to receive during 2022-23, so they are also current.

Schedule 7-1: Current & Long Term Receivables Example

Current Portion of Receivables

	June 30, 2021	June 30, 2022
Matthew Gibbs	\$10,000	\$10,000
10 \$1,000 pledges	\$5,000	\$5,000
Tuition & Fees	\$0	\$375
Government Assistance	\$0	\$10,620
Total	\$15,000	\$25,995

Long Term Portion of Receivables

	June 30, 2021	June 30, 2022
Matthew Gibbs	\$30,000	\$20,000
10 \$1,000 pledges	\$5,000	\$0
Total	\$35,000	\$20,000

Schedule 7-1: Current & Long Term Receivables Example

		ASSETS			
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash				211,065
2	Short-Term Investments (A)				-
3	Current Receivables				
4	Prepaid Expenses	3,350			3,350
5	Total Current Assets	3,350			214,415
6	Fixed Assets	-			-
7	Accumulated Depreciation	-			-
8	Operating/Finance Lease Right of Use Assets	-			-
9	Long Term Receivables	50,000			45,995
10	Long Term Investments (A)				-
11	Other Assets (A)				-
12	TOTAL ASSETS	53,350	-	-	260,410

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Schedule 7-1: Receivables & Bad Debt Expense

		ASSETS	
Line	A Item	B June 30, 2021	C Uncollectable Accounts
1	Cash		
2	Short-Term Investments (A)		
3	Current Receivables	15,000	
4	Prepaid Expenses	3,350	
5	Total Current Assets	18,350	
6	Fixed Assets	-	
7	Accumulated Depreciation	-	
8	Operating/Finance Lease Right of Use Assets	-	
9	Long Term Receivables	35,000	2,000
10	Long Term Investments (A)		
11	Other Assets (A)		
12	TOTAL ASSETS	53,350	2,000

- If the school included anything in bad debt expense on Schedule 3-2, the uncollectable amount must be included in Column C in the respective category.
- If the amount in Schedule 7-1, column C doesn't match the bad debt expense on Schedule 3-2, the school will receive an error.

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Knowledge Check

Where in the budget should the school include anticipated Choice revenue?

- a. It should be included in Schedule 4-1, Line 2.
- b. It should be included on Schedule 4-2 in the first section.
- c. The school should not include the anticipated Choice revenue in the budget. The anticipated Choice revenue is automatically calculated based on the number of Choice pupils on Schedule 2-1 and summer school on Schedule 2-2.

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General Revenue Errors for Sch 4-1 thru 4-4

[?]	30	The cash receipts section in Schedules 4-1, 4-2, and/or 4-3 are not completed	ERROR
[?]	31	The ending accounts receivable balance cannot be negative in Schedules 4-1, 4-2, 4-3, and/or 4-4	OK

- The cash receipts section at the bottom of Schedules 4-1, 4-2, 4-3 & 4-4 must be completed for all schedules with revenue.
- The school will only receive an error if none of the 4-1, 4-2, 4-3 & 4-4 have any cash receipts.
- The school should ensure that each schedule has the cash receipts included.
- The ending accounts receivable balance at the bottom of Schedules 4-1, 4-2, 4-3 & 4-4 cannot be negative.
- Adjust the cash flow receipts, deferred revenue or prior year accounts receivable to remove any negative ending accounts receivable balance.

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Revenue Reminders for Schedules 4-1 thru 4-4

- Include all revenues for the legal entity.
- State paid Choice revenue is already included based on Choice pupils on Schedule 2-1.
- Read instructions at the top of each schedule and in the instructions tab.
- Make sure the cash flow by month is completed for each column that includes revenue.
- Reflect accounts receivable and deferred revenues - check the June 30, 2022 accounts receivable balance for each column that includes revenue and make sure the amount is reasonable.
- Provide supporting documentation as required based on instructions and Required Attachment tab.

***Make sure all errors on the schedules and on the Error tab are OK.**

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Break

- When you return from the break, please enter the following in the chat.
 - Your name
 - School name and school city

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SCHEDULE 5-1, 5-2 & 5-3: FIXED ASSETS

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Fixed Assets General Requirements

- Create a capitalization policy that specifies:
 - The useful life that will be applied to assets within each category.
 - The monetary threshold that will be used to determine if an asset is capitalized.
 - Information on what asset groups, if any, will be used for capitalization purposes.
- See Appendix 1 in the PSCP Eligible Education Expense Bulletin for an example capitalization policy.

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Fixed Assets General Requirements

- Only the cost for fixed assets may be included as an eligible expense. If an asset is donated, for example, it is not an eligible cost.
- In order to include a fixed asset as eligible, the school must be able to provide their external auditor with:
 - Support for the original purchase price.
 - Evidence that the school paid for the fixed asset purchase.
- The cost of the fixed asset will be recorded on the budget, not the fair value of the fixed asset.
- See the Financial Audit and PSCP/SNSP Reserve Balance Bulletin for additional information.

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Depreciation

- Our examples will use the straight line depreciation method. This means depreciation is calculated by taking the total cost of the asset divided by the number of years the asset will be used (useful life).
- Depreciation for fixed assets begins when the asset is placed in service.
- The depreciation is included as an eligible education expense based on the percentage of the asset used for educational programming.

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Depreciation Calculation Example

- A school purchases a smartboard for \$5,000. The school's useful life for the smartboard is 5 years. The depreciation expense per year is calculated as follows:

$$\frac{\$5,000}{5 \text{ years}} = \$1,000 \text{ of depreciation per year}$$

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Fixed Asset Categories

- The next slides show categories the school may use.
- These categories will be used in the budget.
- The school may choose the categories that it will use for the financial audit based on what is most appropriate for the school. The only exception is that land must be included as a category if the school owns any land and will include it in the budget/financial audit.

78

Fixed Asset Types

- Educational media
 - Instructional and administrative items that are expected to serve their principal purposes for more than a year.
 - Media includes items such as text and reference books, audio-visual materials, and computer software.
- Equipment
 - Classroom, office, and other equipment that is expected to serve its principal purposes for more than a year.
 - This includes items such as desks, furniture, freestanding lockers, computers, copiers, and vehicles.
- The useful life is typically 5-7 years for these assets.

79

Fixed Asset Types (cont)

- Land: Land and land preparation expenses for its intended purpose. This includes demolition of an existing building and other site preparation and site improvements (other than buildings) that ready the land for its intended use.
 - If the school has any owned land and will include it in the budget/financial audit, this is a required fixed asset category.
 - Useful life for land is not applicable because land may not be depreciated per Generally Accepted Accounting Principles.
 - The Choice program allows for the school to include the cost of land as an eligible education expense in the first year it is used for educational programming purposes, to the extent it is used for educational programming in that year.
 - If a new school to the Choice program decides to include land in the financial audit, it must include the cost of land that is being used for educational programming as an eligible education expenses in its first financial audit.

80

Fixed Asset Types (cont)

- Buildings: Building and building components such as lighting fixtures, built-in lockers, heating, ventilating and wiring systems.
- Land Improvements: Improvements that add functionality to the land. Examples include sidewalks, fencing, installed playground equipment, and landscaping.
- For purposes of this budget, these categories are combined.

The useful life is typically 15-30 years.

81

Fixed Asset Types (cont)

- Leasehold improvements
 - Improvements to a leased facility that will stay with the facility even if the school no longer leases the facility.
 - Useful life is typically the current lease term.

82

Assets Owned as of June 30, 2021

- If the school purchases assets for the upcoming school year and will not use the assets until the school year starts, the assets should be in the “Construction in Progress” category as of June 30, 2021.
- If the school owns assets that are already being used as of June 30, 2021, the school will need to determine the original cost of the fixed assets that will be included and the accumulated depreciation (the total depreciation expense taken for the asset as of June 30, 2021).
- The school can choose to include none, some, or all of the fixed assets they own as of June 30, 2021 in the budget and financial audit. Any assets purchased after the school starts participating in the program must be included in the financial audit.

83

Knowledge Check

The school purchases a bus in May 2022. The school will first use the bus in the 2022-23 school year. When should the depreciation on this asset begin?

- a. In 2021-22 because that is when the bus was purchased.
- b. In 2022-23 because that is when the bus will first be used.

84

True or False

Question	True or False
If a church member donates a vehicle, the school may include the fair market value of the vehicle as an eligible cost.	
The school may not include fixed assets if it does not have supporting documentation for the original cost.	

85

Knowledge Check

Which of the following is acceptable supporting documentation for an asset to be included as eligible for Choice program purposes?

- The information from the accounting system showing the asset and the amount recorded for the asset in the school's accounting system.
- The invoice or payment request for the asset.
- The canceled check or other documentation showing payment for the asset.
- Both b and c are required supporting documentation for Choice program purposes.

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Questions?



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Schedule 5-1: Fixed Asset Rollforward

FIXED ASSET ROLLFORWARD

Column C is the total cost for any fixed assets owned by the legal entity of the school as of June 30, 2021. The entity may choose to include all of the fixed assets it expended cash for, some of the fixed assets it expended cash for, or none of its fixed assets. Donated assets may not be included in this schedule since these are not eligible education expenses. See the Instructions tab for an explanation of what should be included in each category. Column B should be the number of years that the assets are depreciated. For leasehold improvements, Column B should equal the remaining term of the lease as of June 30, 2021.

Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		-	-	-	-

•Years of service:

- General assets-The useful life of the asset.
- Leasehold Improvements-The number of years remaining in the lease term as of the beginning of the school year.

Schedule 5-1: Fixed Asset Rollforward

FIXED ASSET ROLLFORWARD						
Column C is the total cost for any fixed assets owned by the legal entity of the school as of June 30, 2021. The entity may choose to include all of the fixed assets it expended cash for, some of the fixed assets it expended cash for, or none of its fixed assets. Donated assets may not be included in this schedule since these are not eligible education expenses. See the Instructions tab for an explanation of what should be included in each category. Column B should be the number of years that the assets are depreciated. For leasehold improvements, Column B should equal the remaining term of the lease as of June 30, 2021.						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		-	-	-	-

- Column C should include the total costs for the assets as of June 30, 2021.
- Column D should include the expected purchases during the 2021-22 school year.

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Schedule 5-1: Fixed Asset Rollforward

FIXED ASSET ROLLFORWARD						
Column C is the total cost for any fixed assets owned by the legal entity of the school as of June 30, 2021. The entity may choose to include all of the fixed assets it expended cash for, some of the fixed assets it expended cash for, or none of its fixed assets. Donated assets may not be included in this schedule since these are not eligible education expenses. See the Instructions tab for an explanation of what should be included in each category. Column B should be the number of years that the assets are depreciated. For leasehold improvements, Column B should equal the remaining term of the lease as of June 30, 2021.						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media			5,000		5,000
5	Leasehold Improvements					-
6	Construction in Progress		5,000		5,000	-
7	TOTAL		5,000	5,000	5,000	5,000

- Construction in Progress is the cost of any fixed assets that the school is not yet using. In the year the school starts using them, the school should include them as a disposal (in Column E) and a purchase (in Column D) in the applicable category.
- For example, if a school purchased \$5,000 of books in June 2021 but doesn't start using them until the 2021-22 school year, the schedule would look like the above.

90

Schedule 5-1: Accumulated Depreciation

ACCUMULATED DEPRECIATION ROLLFORWARD						
Line	A Item Description	B % School	C June 30, 2021 Balance	D Additional Depreciation	E Depreciation for Disposals	F June 30, 2022 Balance
8	Land			-		-
9	Buildings & Land Improvements					-
10	Equipment					-
11	Educational Media					-
12	Leasehold Improvements					-
13	TOTAL		-	-	-	-

- % School must be based on the portion of the asset used for educational programming purposes. If it is less than 100%, an allocation method must be used.
- Insert the Accumulated Depreciation balance for the asset as of June 30, 2021.
- Additional depreciation is the current year depreciation for the assets. If the asset is not fully depreciated, this must be greater than 0 or the school will receive an error for every category except land.
- If the school disposes of any asset, Column E must include the total depreciation for the asset in Column C and D.

Schedule 5-1 Errors

FIXED ASSET ROLLFORWARD						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment		1,000			1,000
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		1,000	-	-	1,000

ACCUMULATED DEPRECIATION ROLLFORWARD						
Line	A Item Description	B % School	C June 30, 2021 Balance	D Additional Depreciation	E Depreciation for Disposals	F June 30, 2022 Balance
8	Land					-
9	Buildings & Land Improvements					-
10	Equipment					-
11	Educational Media					-
12	Leasehold Improvements					-
13	TOTAL		-	-	-	-

Missing Yrs of Service		
ERROR		
1		

Missing % School	Missing Accumulated Depreciation	Missing Additional Depreciation
	ERROR	ERROR
0	1	1

- For any fixed asset lines with balances, insert the Years of Service, % School, June 30, 2021 Balance (beginning accumulated depreciation balance), and Additional Depreciation in Lines 8-12.
- The columns to the right of the schedule will identify which lines and cells are incomplete.

Schedule 5-1: Cash Flow

CASH FLOW

Enter the Accounts Payable balance at the beginning of the year in Line 15. Line 16 will then indicate the amount to be paid during the school year. Enter in the cash payments in lines 17-28. Finally, review the Accounts Payable balance at the end of the year on Line 30 to determine if it is correct.

Line	A Line Description	B Payments for Assets
14	Total 2021-22 Payments	-
15	June 30, 2021 Accounts Payable	
16	TOTAL AMOUNT TO BE PAID	-
17	July 2021 Cash Payments	
18	August 2021 Cash Payments	
19	September 2021 Cash Payments	
20	October 2021 Cash Payments	
21	November 2021 Cash Payments	
22	December 2021 Cash Payments	
23	January 2022 Cash Payments	
24	February 2022 Cash Payments	
25	March 2022 Cash Payments	
26	April 2022 Cash Payments	
27	May 2022 Cash Payments	
28	June 2022 Cash Payments	
29	TOTAL CASH PAYMENTS	-
30	JUNE 30, 2022 ACCOUNTS PAYABLE	-

- If any assets are purchased, include the payments in Column B.

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Leasehold Improvements Example

	July 2020	2021-22
Cost		
Years of Depreciation		
Depreciation Expense Per Year		
Accumulated Depreciation as of June 30, 2021		

- The school leases a building that is used by the school and daycare.
- The lease is from 7/1/20 to 6/30/25 (5 year lease).
- In July 2020 the school completed renovations that cost \$10,000 and began using the building.
- The school plans on adding lockers in the 2021-22 school year that will be permanently affixed to the walls. The anticipated cost is \$4,000. The school anticipates paying for this in May 2022.
- The school occupies 10,000 square feet for 10 months of the year and the daycare occupies 5,000 square feet for 12 months of the year.

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Leasehold Improvements Example-Allocation Calculation

The school leases a building that is used by the school and daycare. The school occupies 10,000 square feet for 10 months of the year and the daycare occupies 5,000 square feet for 12 months of the year.

	Square Feet	Months	Total
Daycare			
School			
Total			

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Leasehold Improvements Example

FIXED ASSET ROLLFORWARD						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		-	-	-	-

ACCUMULATED DEPRECIATION ROLLFORWARD						
Line	A Item Description	B % School	C June 30, 2021 Balance	D Additional Depreciation	E Depreciation for Disposals	F June 30, 2022 Balance
8	Land				-	-
9	Buildings & Land Improvements					-
10	Equipment					-
11	Educational Media					-
12	Leasehold Improvements					-
13	TOTAL		-	-	-	-

	July 2020	2021-22
Cost		
Years of Depreciation		
Depreciation Expense Per Year		
Accumulated Depreciation as of June 30, 2021		

96

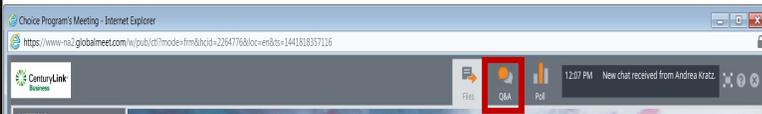
Leasehold Improvements Example (cont)

- The school plans on adding lockers in the 2021-22 school year that will be permanently affixed to the walls. The anticipated cost is \$4,000. The school anticipates paying for this in May 2022.

Line	A Line Description	B Payments for Assets
14	Total 2021-22 Payments	4,000
15	June 30, 2021 Accounts Payable	
16	TOTAL AMOUNT TO BE PAID	4,000
17	July 2021 Cash Payments	
18	August 2021 Cash Payments	
19	September 2021 Cash Payments	
20	October 2021 Cash Payments	
21	November 2021 Cash Payments	
22	December 2021 Cash Payments	
23	January 2022 Cash Payments	
24	February 2022 Cash Payments	
25	March 2022 Cash Payments	
26	April 2022 Cash Payments	
27	May 2022 Cash Payments	
28	June 2022 Cash Payments	
29	TOTAL CASH PAYMENTS	-
30	JUNE 30, 2022 ACCOUNTS PAYABLE	4,000

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Building Example

Total Building Cost	
Useful Life (Years of Service)	
Depreciation Expense Per Year	
Years of Depreciation as of 6/30/21	
Accumulated Depreciation as of 6/30/21	

- The school has a building that they purchased in July 2015 that cost \$1,500,000. The useful life (years of service) is 15 years. It is only used by the school.

99

Building Example-Answer

Total Building Cost	
Useful Life (Years of Service)	
Depreciation Expense Per Year	
Accumulated Depreciation as of 6/30/21	

FIXED ASSET ROLLFORWARD						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		-	-	-	-
ACCUMULATED DEPRECIATION ROLLFORWARD						
Line	A Item Description	B % School	C June 30, 2021 Balance	D Additional Depreciation	E Depreciation for Disposals	F June 30, 2022 Balance
8	Land			-		-
9	Buildings & Land Improvements					-
10	Equipment					-
11	Educational Media					-
12	Leasehold Improvements					-
13	TOTAL		-	-	-	-

100

Land Example

FIXED ASSET ROLLFORWARD						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		-	-	-	-

ACCUMULATED DEPRECIATION ROLLFORWARD						
Line	A Item Description	B % School	C June 30, 2021 Balance	D Additional Depreciation	E Depreciation for Disposals	F June 30, 2022 Balance
8	Land			-		-
9	Buildings & Land Improvements					-
10	Equipment					-
11	Educational Media					-
12	Leasehold Improvements					-
13	TOTAL		-	-	-	-

- The school purchased land in 2016 for \$200,000. The school plans on building an additional school at this location in the future.
- If the land is not yet being used for educational programming, remove the additional depreciation from Column D.

101

Equipment Example

- As of June 30, 2021, the school has \$40,000 of equipment that has \$30,000 of Accumulated Depreciation. The equipment includes a van used only by the church that was purchased for \$12,000. The remaining equipment is for the school. Depreciation for this equipment per year is \$6,000.
- In the 2021-22 school year the school will purchase \$10,000 of equipment that includes \$2,000 of school equipment and \$8,000 of daycare equipment. The school will pay for the equipment in September 2021.
- The useful life (years of service) for equipment is 5 years.

	Total Amount	School related	Non School Related
Owned as of June 30, 2021	40,000		
Purchased in 2021-22	10,000		
Total	50,000		
School Use Percentage			

102

Equipment Example-Answer

FIXED ASSET ROLLFORWARD						
Line	A Item Description	B Years of Service	C June 30, 2021 Balance	D Purchases	E Disposals	F June 30, 2022 Balance
1	Land					-
2	Buildings & Land Improvements					-
3	Equipment					-
4	Educational Media					-
5	Leasehold Improvements					-
6	Construction in Progress					-
7	TOTAL		-	-	-	-

ACCUMULATED DEPRECIATION ROLLFORWARD						
Line	A Item Description	B % School	C June 30, 2021 Balance	D Additional Depreciation	E Depreciation for Disposals	F June 30, 2022 Balance
8	Land				-	-
9	Buildings & Land Improvements					-
10	Equipment					-
11	Educational Media					-
12	Leasehold Improvements					-
13	TOTAL		-	-	-	-

- As of June 30, 2021, the school has \$40,000 of equipment that has \$30,000 of Accumulated Depreciation.
- Depreciation for this equipment per year is \$6,000.
- In the 2021-22 school year the school will purchase \$10,000 of equipment.
- The useful life (years of service) for equipment is 5 years.

103

Equipment Example-Answer

- In the 2021-22 school year the school will purchase \$10,000 of equipment that includes \$9,000 of school equipment and \$1,000 of daycare equipment. The school will pay for the equipment in September 2021.

Line	A Line Description	B Payments for Assets
14	Total 2021-22 Payments	14,000
15	June 30, 2021 Accounts Payable	
16	TOTAL AMOUNT TO BE PAID	14,000
17	July 2021 Cash Payments	
18	August 2021 Cash Payments	
19	September 2021 Cash Payments	
20	October 2021 Cash Payments	
21	November 2021 Cash Payments	
22	December 2021 Cash Payments	
23	January 2022 Cash Payments	
24	February 2022 Cash Payments	
25	March 2022 Cash Payments	
26	April 2022 Cash Payments	
27	May 2022 Cash Payments	4,000
28	June 2022 Cash Payments	
29	TOTAL CASH PAYMENTS	4,000
30	JUNE 30, 2022 ACCOUNTS PAYABLE	10,000

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Schedule 5-2

LOCATIONS						
List all building locations of the school or the same legal entity of the school. All columns must be completed. All locations of the school must be listed. All addresses listed on the school's Intent to Participate must be included below.						
Line	A Building Address & City	B What will this building be used for?	C Owner of Building	D Relationship Between School and Owner	E If Related Party, Explain the Relationship	F Debt Outstanding? (see comment)
1						
2						

- Include the detail for all locations that the legal entity uses in Schedule 5-2.
- This must include all school locations on the Intent to Participate.
- This includes locations used but not owned by the school.
- If the school has not identified at least one location, it will receive an error message.
- If the school has not determined where it will be located by the time the budget is submitted to DPI, insert TBD in Columns A and C-E. Column F should indicate No.

Locations Required Attachments

- One of the following must be provided for all locations on Schedule 5-2:
 - A printscreen from the City assessor office showing the owner of the location.
 - If unavailable, property deed showing the owner.
- The address on the printscreen or deed must exactly match the address in Schedule 5-2.
- Contact the department in advance of the budget due date if you have questions on how to obtain this.
- If the school does not have a location at the time of budget submission and Schedule 5-2, Line 1 indicates a location is TBD, the requirement for this attachment is automatically waived (Attachment 7).

107

Schedule 5-2

INSUFFICIENT EDUCATIONAL MEDIA & EQUIPMENT		
11	The budget does not include any cost or very little cost for equipment. Explain how the school will be equipped with pupil desks, administrative desks and other equipment.	NOT REQUIRED
12	The budget does not include any cost or very little cost for books and other educational media. Explain how pupils will be provided with books and other educational media.	REQUIRED

- If the amount of educational media or equipment is less than \$5,000 each, the school must explain how these items will be provided.
- If either of these questions are required, but not answered, the school will receive an error message.

108

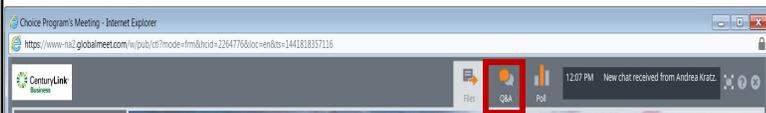
Knowledge Check

Which of the following locations must be included on Schedule 5-2?

- a. Church building owned by the legal entity of the school.
- b. School building owned by the legal entity of the school.
- c. Building the legal entity of the school rents for their daycare operations.
- d. All of the above.

109

Questions?



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110

Schedule 5-3: Leases

LEASE INFORMATION						
Identify any leases that the legal entity of the school currently has or expects to have for the 2021-22 school year and the name of the lessor in Columns A and B. Then, identify whether the lease is for renting a location in C. Finally, identify the required lease payments to be made based on the lease in Columns D-F. The amount in these columns should be the cash payments required. A copy of all leases for renting a location and any other leases that have total remaining payments of \$10,000 or more in Columns D-F must be provided with the budget.						
Line	A Name of Organization Leasing to School	B Description of Item Being Leased <i>If lease is for a location, identify address of location being rented</i>	C Is the lease for renting a location?	D Total 2021-22 Payments Per Lease	E Total 2022-23 Payments Per Lease	F Total Payments Per Lease After 2022-23
1						
2						

- All leases of the school must be included in this schedule. The most common leases are leasing a building and copier leases.

111

Schedule 5-3: Leases (cont)

LEASE INFORMATION						
Identify any leases that the legal entity of the school currently has or expects to have for the 2021-22 school year and the name of the lessor in Columns A and B. Then, identify whether the lease is for renting a location in C. Finally, identify the required lease payments to be made based on the lease in Columns D-F. The amount in these columns should be the cash payments required. A copy of all leases for renting a location and any other leases that have total remaining payments of \$10,000 or more in Columns D-F must be provided with the budget.						
Line	A Name of Organization Leasing to School	B Description of Item Being Leased <i>If lease is for a location, identify address of location being rented</i>	C Is the lease for renting a location?	D Total 2021-22 Payments Per Lease	E Total 2022-23 Payments Per Lease	F Total Payments Per Lease After 2022-23
1						
2						

- Insert the name of the lessor in Column A. If this is not known, insert TBD.
- Describe the item being leased in Column B. For example, a building or copier. If it is a building, indicate the address of the building.
- In Column C answer whether or not the lease is for a building.

112

Rental Requirements

- Rent may only be included if the organization is a separate legal entity from the landlord. The organizations are **not** different legal entities if:
 - The organizations have the same tax id number and use it for all activities including payroll.
 - The organizations are NOT separately set up with the Department of Financial Institutions.
- A complete signed copy of the rental agreement must be submitted with the budget or the expected date that the school will have a rental agreement must be identified, if not already signed.

113

Schedule 5-3: Leases (cont)

LEASE INFORMATION						
Identify any leases that the legal entity of the school currently has or expects to have for the 2021-22 school year and the name of the lessor in Columns A and B. Then, identify whether the lease is for renting a location in C. Finally, identify the required lease payments to be made based on the lease in Columns D-F. The amount in these columns should be the cash payments required. A copy of all leases for renting a location and any other leases that have total remaining payments of \$10,000 or more in Columns D-F must be provided with the budget.						
Line	A Name of Organization Leasing to School	B Description of Item Being Leased <i>If lease is for a location, identify address of location being rented</i>	C Is the lease for renting a location?	D Total 2021-22 Payments Per Lease	E Total 2022-23 Payments Per Lease	F Total Payments Per Lease After 2022-23
1						
2						

- In Columns D-F insert the actual lease payments that must be paid during the year based on the lease.
- These should be entered based on when the cash is due, not based on the accrual basis of accounting.

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Schedule 5-3: Leases (cont)

CASH FLOWS			
Line	A Line Description	B Rent	C Leases Other Than Rent
10	Total Eligible Education Expenses		
11	Total 2021-22 Payments Per Lease	-	-
12	Lease Payments Due Prior to June 30, 2021 Not Paid as of June 30, 2021		
13	June 30, 2021 Prepaid Expenses		
14	TOTAL AMOUNT TO BE PAID	-	-
15	July 2021 Cash Payments		
16	August 2021 Cash Payments		
17	September 2021 Cash Payments		
18	October 2021 Cash Payments		
19	November 2021 Cash Payments		
20	December 2021 Cash Payments		
21	January 2022 Cash Payments		
22	February 2022 Cash Payments		
23	March 2022 Cash Payments		
24	April 2022 Cash Payments		
25	May 2022 Cash Payments		
26	June 2022 Cash Payments		
27	TOTAL CASH PAYMENTS	-	-
28	JUNE 30, 2022 Prepaid Expenses		

- The bottom of the lease schedule is the cash flow.
- This requires that the school identify the cash flow related items for rent and other leases separately.

115

Schedule 5-3: Leases (cont)

LEASE INFORMATION						
Line	A Name of Organization Leasing to School	B Description of Item Being Leased <i>If lease is for a location, identify address of location being rented</i>	C Is the lease for renting a location?	D Total 2021-22 Payments Per Lease	E Total 2022-23 Payments Per Lease	F Total Payments Per Lease After 2022-23
9	TOTAL			-	-	-

CASH FLOWS			
Line	A Line Description	B Rent	C Leases Other Than Rent
10	Total Eligible Education Expenses		
11	Total 2021-22 Payments Per Lease	-	-
12	Lease Payments Due Prior to June 30, 2021 Not Paid as of June 30, 2021		
13	June 30, 2021 Prepaid Expenses		
14	TOTAL AMOUNT TO BE PAID	-	-
15	July 2021 Cash Payments		
16	August 2021 Cash Payments		
17	September 2021 Cash Payments		
18	October 2021 Cash Payments		
19	November 2021 Cash Payments		
20	December 2021 Cash Payments		
21	January 2022 Cash Payments		
22	February 2022 Cash Payments		
23	March 2022 Cash Payments		
24	April 2022 Cash Payments		
25	May 2022 Cash Payments		
26	June 2022 Cash Payments		
27	TOTAL CASH PAYMENTS	-	-
28	JUNE 30, 2022 Prepaid Expenses		

- The 2021-22 lease payments based on the lease will automatically be included on Line 11.
- Identify the eligible education expenses in Line 10.

116

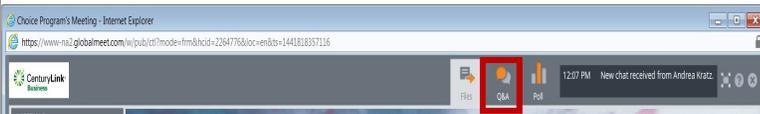
Schedule 5-3: Leases (cont)

CASH FLOWS			
Line	A Line Description	B Rent	C Leases Other Than Rent
10	Total Eligible Education Expenses		
11	Total 2021-22 Payments Per Lease	-	-
12	Lease Payments Due Prior to June 30, 2021 Not Paid as of June 30, 2021		
13	June 30, 2021 Prepaid Expenses		
14	TOTAL AMOUNT TO BE PAID	-	-
15	July 2021 Cash Payments		
16	August 2021 Cash Payments		
17	September 2021 Cash Payments		
18	October 2021 Cash Payments		
19	November 2021 Cash Payments		
20	December 2021 Cash Payments		
21	January 2022 Cash Payments		
22	February 2022 Cash Payments		
23	March 2022 Cash Payments		
24	April 2022 Cash Payments		
25	May 2022 Cash Payments		
26	June 2022 Cash Payments		
27	TOTAL CASH PAYMENTS	-	-
28	JUNE 30, 2022 Prepaid Expenses		

- If there are any lease payments that were due based on the lease but not made, insert them in Line 12.
- Insert any prepaid expenses as of the beginning of the year and the end of the year in Line 13 and Line 28. These are amounts that were paid in advance of the period the payments were for.
- Insert the cash payments in Lines 15-26. These must, at a minimum, be based on the required payments in the lease.

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Questions?



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Lease Example

- The school is renting a building at 123 Main St in Milwaukee from ABC Rental. The lease is from 7/1/20 to 6/30/25. The school is required to pay \$15,000 in June, September, December, and March for an annual lease payment of \$60,000. The lease payment is for the next three months of rent.
- The school plans on paying \$15,000 in June 2021 and then paying the quarterly payments during 2021-22 as required by the lease agreement.
- The eligible education expense is 63% of the rent as we determined earlier.

119

Lease Example-Answer

LEASE INFORMATION						
Line	A Name of Organization Leasing to School	B Description of Item Being Leased <i>If lease is for a location, identify address of location being rented</i>	C Is the lease for renting a location?	D Total 2021-22 Payments Per Lease	E Total 2022-23 Payments Per Lease	F Total Payments Per Lease After 2022-23
1						

The school is renting a building at 123 Main St in Milwaukee from ABC Rental. The lease is from 7/1/20 to 6/30/25. The school is required to pay \$15,000 in June, September, December, and March for an annual lease payment of \$60,000. The lease payment is for the next three months of rent.

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Lease Example-Answer (cont)

Line	CASH FLOWS		
	A Line Description	B Rent	C Leases Other Than Rent
10	Total Eligible Education Expenses		
11	Total 2021-22 Payments Per Lease	60,000	-
12	Lease Payments Due Prior to June 30, 2021 Not Paid as of June 30, 2021		
13	June 30, 2021 Prepaid Expenses		
14	TOTAL AMOUNT TO BE PAID	60,000	-
15	July 2021 Cash Payments		
16	August 2021 Cash Payments		
17	September 2021 Cash Payments		
18	October 2021 Cash Payments		
19	November 2021 Cash Payments		
20	December 2021 Cash Payments		
21	January 2022 Cash Payments		
22	February 2022 Cash Payments		
23	March 2022 Cash Payments		
24	April 2022 Cash Payments		
25	May 2022 Cash Payments		
26	June 2022 Cash Payments		
27	TOTAL CASH PAYMENTS	-	-
28	JUNE 30, 2022 Prepaid Expenses		

- The eligible education expense is 63% of the rent as we determined earlier.
- The school plans on paying \$15,000 in June 2021 and then paying the required quarterly payments in September 2021, December 2021, March 2022, and June 2022.

121

Minimum Rent Amount

- If Schedule 5-2 indicates that the legal entity of the school does not own one of the locations, the school must include a minimum of \$50,000 for each location the school does not own. If the school has a rental agreement or letter indicating the rental amount, the rent must match that amount.
- If the school does not include an amount that is at least as much as the minimum amount, the minimum expense and cash payments to pay for the minimum expense will be added to the budget prior to determining whether the school meets the Choice requirements.

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Questions?



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123

SCHEDULE 6: DEBT

124

Schedule 6: Borrowing

- Include any debt of the school. Debt must include:
 - Lines of credit.
 - Mortgages and other debt agreements.
 - Debt agreements with related parties.
- Unpaid reimbursements due from related parties or employees are not considered debt.

125

Schedule 6: General Information

DEBT PRINCIPAL SUMMARY						
Line	A Lender Name	B Date Incurred	C Maturity Date	D Related Party?	E Related Party Relationship	F Line of Credit
1						
2						
3						
4						
5						
6						

- Include general information on each debt.
- Identify if each lender is a related party. If so, you must explain the relationship in Column E.
- Identify if each debt is a line of credit in Column F.
- If the required information is not included, an error will show on the error report.

126

Who is a Related Party-Individuals

- An owner, director, trustee, officer, or key employee of the school;
- An immediate family member of an owner, director, trustee, officer, or key employee of the school;
- An individual who has a material financial interest in the school;
- An individual that has significant influence over the school;
- Consider:
 - Teachers
 - Office staff
 - Administrators
 - Board of directors
 - Those closely related to these individuals

127

Who is a Related Party-Organizations

- A corporation, trust, or similar entity or organization:
 - in which an individual who is a related party holds a material or controlling interest or serves as an officer or director of the organization;
 - that has a financial interest in the school or in which the school has a financial interest;
 - involved in the day-to-day operations of the school; or
 - existing exclusively or primarily for the benefit of the school.

128

Schedule 6: Principal Rollforward

DEBT PRINCIPAL ROLLFORWARD							
Line	A Lender Name	B % School Related	C June 30, 2021 Balance	D Principal Incurred	E Principal Paid	F Amount Forgiven	G June 30, 2022 Balance
7							-
8							-
9							-
10							-
11							-
12							-
13	TOTAL		-	-	-	-	-

- Include the percent of the debt that was used for school related items. An error will show if this is not included.
- Include the anticipated beginning balance, principal incurred, principal paid, and amount forgiven. Principal incurred is any additional funds the school received during this period.

129

Schedule 6: Interest Rollforward

INTEREST ROLLFORWARD							
Line	A Lender Name	B Interest Rate	C June 30, 2021 Balance	D Interest Owed	E Interest Paid	F Forgiven Interest	G June 30, 2022 Balance
14							-
15							-
16							-
17							-
18							-
19							-
20	TOTAL		-	-	-	-	-

- The June 30, 2021 balance is the amount of interest owed as of June 30, 2021 that has not yet been paid (accrued interest).
- Include any interest owed based on the debt agreement for the remainder of the 2021-22 school year in Column D.
- Include the amount of interest the school anticipates paying in Column E for the school year. This should, at a minimum, be the amount required by the debt agreement.
- The ending balance must equal the amount owed as of the end of the year that has not yet been paid.

130

Schedule 6: Cash Flow

CASH FLOW					
The total cash receipts and payments that must be included in the cash flow are included in Line 21. Line 21 must equal line 34. If the amounts do not match an error message will show at the bottom of the schedule.					
Line	A Line Description	B Principal Incurred	C Principal Paid	D Interest Paid	E Total Principal & Interest Paid
21	TOTAL AMOUNT TO BE RECEIVED OR PAID	100,000	100,000	1,000	101,000
22	July 2021 Cash Receipts & Payments				-
23	August 2021 Cash Receipts & Payments				-
24	September 2021 Cash Receipts & Payments				-
25	October 2021 Cash Receipts & Payments				-
26	November 2021 Cash Receipts & Payments				-
27	December 2021 Cash Receipts & Payments				-
28	January 2022 Cash Receipts & Payments				-
29	February 2022 Cash Receipts & Payments				-
30	March 2022 Cash Receipts & Payments				-
31	April 2022 Cash Receipts & Payments				-
32	May 2022 Cash Receipts & Payments				-
33	June 2022 Cash Receipts & Payments				-
34	TOTAL CASH RECEIPTS & PAYMENTS	-	-	-	-

- Include when new principal will be received by the school and when principal and interest will be paid.
- These amounts must equal the amount per the rollforwards. If they do not, the line on the bottom will show “Balances do not equal” and errors will show on the error report.

Cash payments equal rollforward?

BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL

131

Debt Attachments

- If the school currently has the debt, a current statement from the lender showing the principal balance. This includes a statement for lines of credit that currently have \$0 taken out.
- A current debt agreement or evidence the school is obtaining the debt. If the school does not yet have the agreement, the evidence must include:
 - The lender's name,
 - The estimated amount to be provided, and
 - A statement that the lender will provide the funds to the school.

132

Debt Attachments (cont)

- Related parties that are providing debt must also provide:
 - Current bank statement showing the funding is available.
 - Income statement and balance sheet if it is a related party organization.

133

Schedule 11-1 Explanations

- If you have any new debt principal during the school year, you will be required to explain:
 - Where the school is at in the process
 - Who the school plans on obtaining the loan from
 - When the school anticipates receiving the loan
 - The amount that will be provided
 - When it will be provided
 - The expected interest rate
 - If an agreement is already in place

134

Questions?



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135

Debt Example 1

- The school has a line of credit with Associated Bank. The date of the agreement is 6/15/21 and the loan matures 6/15/22. As of June 30, 2021 the school had not taken out any money from the line of credit. The interest rate is 3%. During the 2021-22 school year the school plans on:
 - Taking out \$100,000 (\$50,000 in October and February);
 - Repaying \$100,000 (\$50,000 in December and June); and
 - Owning and paying interest of \$1,000 (\$500 in December and June).

\$80,000 of the line of credit is used for payroll for educational programming.
The remaining \$20,000 is used for the church and daycare payroll.

136

Debt Example 1 Answer

DEBT PRINCIPAL SUMMARY							
Line	A Lender Name	B Date Incurred	C Maturity Date	D Related Party?	E Related Party Relationship	F Line of Credit	
1							
2							
3							
4							
5							
6							
DEBT PRINCIPAL ROLLFORWARD							
Line	A Lender Name	B % School Related	C June 30, 2021 Balance	D Principal Incurred	E Principal Paid	F Amount Forgiven	G June 30, 2022 Balance
7							-
8							-
9							-
10							-
11							-
12							-
13	TOTAL						-
INTEREST ROLLFORWARD							
Line	A Lender Name	B Interest Rate	C June 30, 2021 Balance	D Interest Owed	E Interest Paid	F Forgiven Interest	G June 30, 2022 Balance
14							-
15							-
16							-
17							-
18							-
19							-
20	TOTAL						-

- The school has a line of credit with Associated Bank.
- The date of the agreement is 6/15/21 and the loan matures 6/15/22.
- As of June 30, 2021 the school had not taken out any money from the line of credit.
- The interest rate is 3%. \$1,000 of interest is owed during the year based on the debt agreement.
- During the 2021-22 school year the school plans on:
 - Taking out \$100,000;
 - Repaying \$100,000; and
 - Owning and paying interest of \$1,000.
- \$80,000 of the line of credit is used for payroll for educational programming. The remaining \$20,000 is used for the church and daycare payroll.

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Debt Example 1 Answer (cont)

CASH FLOW					
Line	A Line Description	B Principal Incurred	C Principal Paid	D Interest Paid	E Total Principal & Interest Paid
21	TOTAL AMOUNT TO BE RECEIVED OR PAID	100,000	100,000	1,000	101,000
22	July 2021 Cash Receipts & Payments				-
23	August 2021 Cash Receipts & Payments				-
24	September 2021 Cash Receipts & Payments				-
25	October 2021 Cash Receipts & Payments				-
26	November 2021 Cash Receipts & Payments				-
27	December 2021 Cash Receipts & Payments				-
28	January 2022 Cash Receipts & Payments				-
29	February 2022 Cash Receipts & Payments				-
30	March 2022 Cash Receipts & Payments				-
31	April 2022 Cash Receipts & Payments				-
32	May 2022 Cash Receipts & Payments				-
33	June 2022 Cash Receipts & Payments				-
34	TOTAL CASH RECEIPTS & PAYMENTS	-	-	-	-

Cash payments equal rollforward?

BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL

- Taking out \$100,000 (\$50,000 in October and February);
- Repaying \$100,000 (\$50,000 in December and June); and
- Paying interest of \$1,000 (\$500 in December and June).

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Questions?



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139

Debt Example 2

- The school plans on obtaining a \$6,000 loan on 9/1/21 from Lisa Smith, who is a member of the board.
- The debt agreement requires that the school repay \$2,000 of principal and \$300 of interest each year in June.
- The maturity date is June 15, 2024.
- The school plans on using the loan proceeds only for educational programming.

140

Debt Example 2 Answer

DEBT PRINCIPAL SUMMARY						
Line	A Lender Name	B Date Incurred	C Maturity Date	D Related Party?	E Related Party Relationship	F Line of Credit
1						
2						
3						
4						
5						
6						

DEBT PRINCIPAL ROLLFORWARD							
Line	A Lender Name	B % School Related	C June 30, 2021 Balance	D Principal Incurred	E Principal Paid	F Amount Forgiven	G June 30, 2022 Balance
7							-
8							-
9							-
10							-
11							-
12							-
13	TOTAL		-	-	-	-	-

INTEREST ROLLFORWARD							
Line	A Lender Name	B Interest Rate	C June 30, 2021 Balance	D Interest Owed	E Interest Paid	F Forgiven Interest	G June 30, 2022 Balance
14							-
15							-
16							-
17							-
18							-
19							-
20	TOTAL		-	-	-	-	-

- The school plans on obtaining a \$6,000 loan on 9/1/21 from Lisa Smith, who is a member of the board.
- The debt agreement requires that the school repay \$2,000 of principal and \$300 of interest each year in June.
- The maturity date is June 15, 2024.
- The school plans on using the loan proceeds only for educational programming.

Debt Example 2 Answer (cont)

CASH FLOW					
Line	A Line Description	B Principal Incurred	C Principal Paid	D Interest Paid	E Total Principal & Interest Paid
21	TOTAL AMOUNT TO BE RECEIVED OR PAID	106,000	202,000	25,300	227,300
22	July 2021 Cash Receipts & Payments				-
23	August 2021 Cash Receipts & Payments				-
24	September 2021 Cash Receipts & Payments				-
25	October 2021 Cash Receipts & Payments	50,000			-
26	November 2021 Cash Receipts & Payments				-
27	December 2021 Cash Receipts & Payments		50,000	500	50,500
28	January 2022 Cash Receipts & Payments				-
29	February 2022 Cash Receipts & Payments	50,000			-
30	March 2022 Cash Receipts & Payments				-
31	April 2022 Cash Receipts & Payments				-
32	May 2022 Cash Receipts & Payments				-
33	June 2022 Cash Receipts & Payments		50,000	500	50,500
34	TOTAL CASH RECEIPTS & PAYMENTS	100,000	100,000	1,000	101,000

Cash payments equal rollforward?

BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL

- The school plans on obtaining a \$6,000 loan on 9/1/21 from Lisa Smith, who is a member of the board.
- The debt agreement requires that the school repay \$2,000 of principal and \$300 of interest each year in June.

Debt Example 3

- The school obtained a new loan from US bank for \$1,000,000 on 8/15/19. \$250,000 of the proceeds from the US Bank loan were used for expenses for the church and the other \$750,000 of the proceeds were used for expenses for K-12 educational programming. The debt's maturity date is 8/15/29. The interest rate is 4%.
- As of June 30, 2021 the school anticipates the balance on the loan will be \$850,000 with \$2,000 of interest that was owed but not paid.
- During each year, the debt agreement requires that the school make quarterly payments of \$25,000 principal and \$6,000 interest in August, November, February, and May (for a total of \$100,000 principal repaid and \$24,000 interest paid per year). The amount of interest owed during the year (accrued) was \$24,000.

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Debt Example 3 Answer

DEBT PRINCIPAL SUMMARY						
Line	A Lender Name	B Date Incurred	C Maturity Date	D Related Party?	E Related Party Relationship	F Line of Credit
1						
2						
3						
4						
5						
6						

DEBT PRINCIPAL ROLLFORWARD							
Line	A Lender Name	B % School Related	C June 30, 2021 Balance	D Principal Incurred	E Principal Paid	F Amount Forgiven	G June 30, 2022 Balance
7							-
8							-
9							-
10							-
11							-
12							-
13	TOTAL						-

INTEREST ROLLFORWARD							
Line	A Lender Name	B Interest Rate	C June 30, 2021 Balance	D Interest Owed	E Interest Paid	F Forgiven Interest	G June 30, 2022 Balance
14							-
15							-
16							-
17							-
18							-
19							-
20	TOTAL						-

- The school obtained a new loan from US bank for \$1,000,000 on 8/15/19. \$250,000 of the proceeds from the US Bank loan were used for expenses for the church and the other \$750,000 of the proceeds were used for expenses for K-12 educational programming. The debt's maturity date is 8/15/29. The interest rate is 4%.
- As of June 30, 2021 the school anticipates the balance on the loan will be \$850,000 with \$2,000 of interest that was owed but not paid.
- During each year, the debt agreement requires that the school make quarterly payments of \$25,000 principal and \$6,000 interest in August, November, February, and May (for a total of \$100,000 principal repaid and \$24,000 interest paid per year). The amount of interest owed during the year (accrued) was \$24,000.

144

Debt Example 3 Answer (cont)

CASH FLOW					
Line	A Line Description	B Principal Incurred	C Principal Paid	D Interest Paid	E Total Principal & Interest Paid
21	TOTAL AMOUNT TO BE RECEIVED OR PAID	106,000	202,000	25,300	227,300
22	July 2021 Cash Receipts & Payments				-
23	August 2021 Cash Receipts & Payments				-
24	September 2021 Cash Receipts & Payments	6,000			-
25	October 2021 Cash Receipts & Payments	50,000			-
26	November 2021 Cash Receipts & Payments				-
27	December 2021 Cash Receipts & Payments		50,000	500	50,500
28	January 2022 Cash Receipts & Payments				-
29	February 2022 Cash Receipts & Payments	50,000			-
30	March 2022 Cash Receipts & Payments				-
31	April 2022 Cash Receipts & Payments				-
32	May 2022 Cash Receipts & Payments				-
33	June 2022 Cash Receipts & Payments		52,000	800	52,800
34	TOTAL CASH RECEIPTS & PAYMENTS	106,000	102,000	1,300	103,300

Cash payments equal rollforward?

OK

BALANCES DO NOT EQUAL BALANCES DO NOT EQUAL

- During each year, the debt agreement requires that the school make quarterly payments of \$25,000 principal and \$6,000 interest in August, November, February, and May (for a total of \$100,000 principal repaid and \$24,000 interest paid per year). The amount of interest owed during the year (accrued) was \$24,000.

145

Schedule 7-1: Net Asset Schedule

Line	A Item	LIABILITIES			E June 30, 2022
		B June 30, 2021	C Forgiven Liabilities (A)	D Category Changes (A)	
13	Payroll and Related Benefits	-			-
14	Tax Withholdings and FICA-Medicare	-			-
15	Vendor and Other Accounts Payable	-			-
16	Deferred Revenue	-			-
17	Accrued Interest Expense	-			-
18	Current Portion of Lease Liability	-			-
19	Current Portion of Debt	-			-
20	Total Current Liabilities	-			-
21	Long Term Portion of Lease Liability	-			-
22	Long Term Portion of Debt	-			-
23	Other Liabilities (A)				-
24	TOTAL LIABILITIES	-	-	-	-
25	NET ASSETS	-			-

(A) Include a description of what is included in Schedule 7-2.

- Debt automatically defaults to short term (Line 19). If any is due after a year, it should be included as long term (Line 22). If all of the principal for the debt is due within a year, insert 0 in Line 22.
- Debt must be included on Schedule 6 in the correct category. It cannot be directly added to this schedule. If Line 19 is negative, the school will receive an error.

146

Schedule 7-1: Net Asset Schedule

DEBT PRINCIPAL ROLL FORWARD							
Line	A Lender Name	B % School Related	C June 30, 2021 Balance	D Principal Incurred	E Principal Paid	F Amount Forgiven	G June 30, 2022 Balance
7	Associated Bank	80%		100,000	100,000		-
8	Lisa Smith	100%		6,000	2,000		4,000
9	US Bank	75%	850,000		100,000		750,000
10							-
11							-
12							-
13	TOTAL		850,000	106,000	202,000		754,000

Lender	Date Incurred	Balance Owed as of June 30, 2021	Balance Owed During 2021-22 Based on Agreement	Balance Owed as of June 30, 2022	Balance Owed During 2022-23 Based on Agreement
Associated Bank	6/15/21				
Lisa Smith	9/1/21				
US Bank	8/15/19				

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Schedule 7-1: Net Asset Schedule

LIABILITIES					
Line	A Item	B June 30, 2021	C Forgiven Liabilities (A)	D Category Changes (A)	E June 30, 2022
13	Payroll and Related Benefits	19,400			19,400
14	Tax Withholdings and FICA-Medicare	-			-
15	Vendor and Other Accounts Payable	4,325			27,645
16	Deferred Revenue	11,500			15,000
17	Accrued Interest Expense	2,000			2,000
18	Current Portion of Lease Liability	60,000			60,000
19	Current Portion of Debt	850,000			754,000
20	Total Current Liabilities	947,225			878,045
21	Long Term Portion of Lease Liability	180,000			120,000
22	Long Term Portion of Debt				

Lender	Date Incurred	6/30/2021 Long Term Portion	Balance Owed During 2021-22 (Current Portion)	6/30/2021 Long Term Portion	Balance Owed During 2022-23 (Current Portion)
Associated Bank	6/15/21				
Lisa Smith	9/1/21				
US Bank	8/15/19				
Total					

What are the required attachments?

Required Attachment	Example 1- Line of Credit with Unrelated Bank	Example 2- Debt with Board Member	Example 3- Ten Year Loan with Unrelated Bank
Debt agreement or evidence of obtaining debt	Yes-required for all debt		
Statement from lender showing current balance	Yes	Yes	Yes
Bank statement showing availability of lender debt	No	Yes	No
Financial statements from lender	No	No	No

149

Questions?



If you have a question,
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at the top of the screen.

Questions after the training may be
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150

Break

- When you return from the break, please enter the following in the chat.
 - Your name
 - School name and school city
- There will be a question asking if each of the costs could be designated by the board as an eligible education expense. Please complete this question when you are done with your break.

151

ELIGIBLE EDUCATION EXPENSE REVIEW

152

Could the Board Designate the Following as Eligible Costs?

	Eligible Cost (Yes or No)
Cost for paying a teacher to watch school age students in an after school program.	
Cost of providing lunch for the teachers.	
Purchase of a refrigerator that is paid using DPI food program funds.	
Payment of outstanding Accounts Payable in the subsequent school year.	

153

Could the Board Designate the Following as Eligible Costs?

	Eligible Cost (Yes or No)
Computer for administrative staff person who works 25% on the school and 75% on the church.	
Legal pro-bono work.	
Cost for extra-curricular football supplies.	
Cost for classroom supplies for a grade that does not have choice students in it.	
Salary costs for a pastor that teaches religious education at the school.	

154

Could the Board Designate the Following as Eligible Costs?

	Eligible Cost (Yes or No)
Fair market value of supplies that are donated by the administrator.	
Cost for stage materials for a drama club.	
Scholarship awarded to a student.	
The school and the church are the same legal entity. The church owns the building. The church charges the school rent.	

155

SCHEDULE 7: NET ASSETS

156

Schedule 7-Net Asset Schedule

- This is similar to a Statement of Financial Position (balance sheet)

157

Schedule 7-1: Assets

- The spaces that are white automatically fill in from other schedules.
- The school must fill in the cash, investments, and other assets.
- The June 30, 2022 column is based on the activity included in the budget.

		ASSETS				
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022	
1	Cash				-	
2	Short-Term Investments (A)				-	
3	Current Receivables					
4	Prepaid Expenses	-			-	
5	Total Current Assets				-	
6	Fixed Assets	-			-	
7	Accumulated Depreciation	-			-	
8	Operating/Finance Lease Right of Use Assets	-			-	
9	Long Term Receivables	-			-	
10	Long Term Investments (A)				-	
11	Other Assets (A)				-	
12	TOTAL ASSETS	-	-	-	-	

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Schedule 7-1: Assets (cont)

ASSETS					
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash				-
2	Short-Term Investments (A)				-
3	Current Receivables				
4	Prepaid Expenses	-			-
5	Total Current Assets				-
6	Fixed Assets	-			-
7	Accumulated Depreciation	-			-
8	Operating/Finance Lease Right of Use Assets	-			-
9	Long Term Receivables	-			-
10	Long Term Investments (A)				-
11	Other Assets (A)				-
12	TOTAL ASSETS	-	-	-	-

- As we discussed earlier, all receivables must be on Schedule 4-1 through 4-4 in the correct category. They cannot be directly added to this schedule.
- If the school included anything in bad debt expense on Schedule 3-2, the uncollectable amount must be included in Column C in the respective category.

159

Schedule 7-2: Investment Information

INVESTMENTS					
Include a description of what is included in the investment accounts in Schedule 7-1, Lines 2 and 10. The total for each year must equal the amount on Schedule 7-1, Lines 2 and 10. The description must be sufficient to explain what is included on each line.					
Line	A Name of Fund/Banking Institute	B Endowment Fund	C Restricted?	D June 30, 2021	E June 30, 2022
1					
2					
3					
4					
5					
6					
7	TOTAL INVESTMENTS	-		-	-

- If any amounts are included in current or long term investments, include a list of the investments of the school on the top of Schedule 7-2.
- Identify if each investment is an endowment fund.
- Identify if each investment is restricted, meaning it can only be used for certain purposes. Investments are considered restricted if a donor who provides funds identifies a restriction or there is some other requirement to use the funds for certain purposes. Investments should not be identified as restricted if the restriction is only based on the school internally identifying it will use the money for a certain purpose.
- The total must match Schedule 7-1 or the school will receive an error.

160

Schedule 7-2: Other Assets & Liabilities

OTHER ASSETS

Include a description of what is included in Other Assets in Schedule 7-1, Line 11. The total for each year must equal the amount on Schedule 7-1, Line 11. The description must be sufficient to explain what is included on each line.

Line	A Description	B June 30, 2021	C June 30, 2022
8			
9			
10			
11			
12	TOTAL OTHER ASSETS	-	-

OTHER LIABILITIES

Include a description of what is included in Other Liabilities in Schedule 7-1, Line 23. The total for each year must equal the amount on Schedule 7-1, Line 23. The description must be sufficient to explain what is included on each line.

Line	A Description	B June 30, 2021	C June 30, 2022
13			
14			
15			
16			
17	TOTAL OTHER LIABILITIES	-	-

- The description of any Other Assets or Liabilities must be added to Schedule 7-2.
- The total must match Schedule 7-1 or the school will receive an error.

Schedule 7-1: Category Changes

ASSETS					
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash				
2	Short-Term Investments (A)				
3	Current Receivables				
4	Prepaid Expenses				
5	Total Current Assets				
6	Fixed Assets				
7	Accumulated Depreciation				
8	Operating/Finance Lease Right of Use Assets				
9	Long Term Receivables				
10	Long Term Investments (A)				
11	Other Assets (A)				
12	TOTAL ASSETS				
LIABILITIES					
Line	A Item	B June 30, 2021	C Forgiven Liabilities (A)	D Category Changes (A)	E June 30, 2022
13	Payroll and Related Benefits				
14	Tax Withholdings and FICA-Medicare				
15	Vendor and Other Accounts Payable				
16	Deferred Revenue				
17	Accrued Interest Expense				
18	Current Portion of Lease Liability				
19	Current Portion of Debt				
20	Total Current Liabilities				
21	Long Term Portion of Lease Liability				
22	Long Term Portion of Debt				
23	Other Liabilities (A)				
24	TOTAL LIABILITIES				
25	NET ASSETS				

- If any amounts need to be moved to a different category, include them in the category changes column.
- If anything is included in this column, an explanation of the change must be included in Schedule 7-2.
- The net of the column must be \$0 or the school will receive an error.

Schedule 7-1: Liabilities

Line	A Item	LIABILITIES			E June 30, 2022
		B June 30, 2021	C Forgiven Liabilities (A)	D Category Changes (A)	
13	Payroll and Related Benefits	-			-
14	Tax Withholdings and FICA-Medicare	-			-
15	Vendor and Other Accounts Payable	-			-
16	Deferred Revenue	-			-
17	Accrued Interest Expense	-			-
18	Current Portion of Lease Liability	-			-
19	Current Portion of Debt	-			-
20	Total Current Liabilities	-			-
21	Long Term Portion of Lease Liability	-			-
22	Long Term Portion of Debt				
23	Other Liabilities (A)				-
24	TOTAL LIABILITIES	-	-	-	-
25	NET ASSETS	-			-

- Those spaces that are white automatically fill in from other schedules.
- The school must fill in the other liabilities.
- The June 30, 2022 column is based on the activity included in the budget.
- As we discussed earlier, debt must be included on Schedule 6 in the correct category. It cannot be directly added to this schedule.

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Schedule 7-1: Net Asset Balance Schedule

- Expenses and payments from the other schedules are used in Schedule 7-1 to get to the June 30, 2022 balance.
- If any amounts are inserted in the “Forgiven Liabilities” column, they must be explained in Schedule 7-2.

Line	A Item	LIABILITIES			E June 30, 2022
		B June 30, 2021	C Forgiven Liabilities (A)	D Category Changes (A)	
13	Payroll and Related Benefits	-			-
14	Tax Withholdings and FICA-Medicare	-			-
15	Vendor and Other Accounts Payable	-			-
16	Deferred Revenue	-			-
17	Accrued Interest Expense	-			-
18	Current Portion of Lease Liability	-			-
19	Current Portion of Debt	-			-
20	Total Current Liabilities	-			-
21	Long Term Portion of Lease Liability	-			-
22	Long Term Portion of Debt				
23	Other Liabilities (A)				-
24	TOTAL LIABILITIES	-	-	-	-
25	NET ASSETS	-			-

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Schedule 7-1: Net Current Obligations

		NET CURRENT OBLIGATIONS	
26	Net Current Obligation	-	-
If the net current obligation is less than \$15,000, summarize how the entity plans to fund operations for the months of July, August, and September until the September 2022 Choice/SNSP payment.			
27			REQUIRED

- The net current obligation is the current assets compared to the current liabilities.
- If the amount is less than \$15,000, the school must explain how it will provide funding for the summer months or the school will receive an error.
- Line 26 should be positive.

165

Asset Example-Cash

- The beginning cash balance is \$50,000.

		ASSETS			
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash				16,965

166

Asset Example-Investments

Description	School's Investment?
The school has the Clark Kent endowment fund owned by the legal entity of the school with a balance of \$500,000 as of June 30, 2021 and \$500,000 as of June 30, 2022. The principal on the endowment fund is restricted for emergency use only.	
The school is a beneficiary of the Bruce Wayne endowment fund, which is operated by Bruce Wayne enterprises. The fund has a balance of \$1 million as of June 30, 2021 and June 30, 2022.	
The school has a money market account with US Bank that has a balance of \$25,000 as of June 30, 2021 and \$20,000 as of June 30, 2022. The \$5,000 decrease was money that was used for general cash flows during the school year.	

167

Asset Example-Investments Answer

Line	A Item	ASSETS			E June 30, 2022
		B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	
1	Cash	50,000			66,965
2	Short-Term Investments (A)				-
3	Current Receivables	15,000			25,995
4	Prepaid Expenses	18,350			18,350
5	Total Current Assets	83,350			111,310
6	Fixed Assets	1,750,000			1,764,000
7	Accumulated Depreciation	(632,000)			(743,000)
8	Operating/Finance Lease Right of Use Assets	240,000			180,000
9	Long Term Receivables	35,000	2,000		18,000
10	Long Term Investments (A)				-
11	Other Assets (A)				-
12	TOTAL ASSETS	1,476,350	2,000	-	1,330,310

- The school has the Clark Kent endowment fund owned by the legal entity of the school with a balance of \$500,000 as of June 30, 2021 and \$500,000 as of June 30, 2022.
- The school has a money market account with US Bank that has a balance of \$25,000 as of June 30, 2021 and \$20,000 as of June 30, 2022.

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Asset Example-Investments Answer (cont)

ASSETS					
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash	50,000			66,965
2	Short-Term Investments (A)				-
3	Current Receivables	15,000			25,995
4	Prepaid Expenses	18,350			18,350
5	Total Current Assets	83,350			111,310
6	Fixed Assets	1,750,000			1,764,000
7	Accumulated Depreciation	(632,000)			(743,000)
8	Operating/Finance Lease Right of Use Assets	240,000			180,000
9	Long Term Receivables	35,000	2,000		18,000
10	Long Term Investments (A)				-
11	Other Assets (A)				-
12	TOTAL ASSETS	1,476,350	2,000	-	1,330,310

- The school has a money market account with US Bank that has a balance of \$25,000 as of June 30, 2021 and \$20,000 as of June 30, 2022.
- The \$5,000 decrease was money that was used for general cash flows during the school year.

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Asset Example-Investments Answer (cont)

- The school has the Clark Kent endowment fund owned by the legal entity of the school with a balance of \$500,000 as of June 30, 2021 and \$500,000 as of June 30, 2022. The principal on the endowment fund is restricted for emergency use only.
- The school has a money market account with US Bank that has a balance of \$25,000 as of June 30, 2021 and \$5,000 as of June 30, 2022. The \$20,000 decrease was money that was used for general cash flows during the school year.

INVESTMENTS					
Line	A Name of Fund/Banking Institute	B Endowment Fund	C Restricted?	D June 30, 2021	E June 30, 2022
1					
2					
3					
4					
5					
6					
7	TOTAL INVESTMENTS	-		-	-

Detail Matches Sch 7-1	
June 30, 2021	June 30, 2022
ERROR	ERROR

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Asset Example-Investments Answer (cont)

- The school has the Clark Kent endowment fund owned by the legal entity of the school with a balance of \$500,000 as of June 30, 2021 and \$500,000 as of June 30, 2022. The principal on the endowment fund is restricted for emergency use only.
- The school has a money market account with US Bank that has a balance of \$25,000 as of June 30, 2021 and \$5,000 as of June 30, 2022. The \$20,000 decrease was money that was used for general cash flows during the school year.

INVESTMENTS					
Line	A Name of Fund/Banking Institute	B Endowment Fund	C Restricted?	D June 30, 2021	E June 30, 2022
1	Clark Kent Endowment Fund	Yes	Yes	500,000	500,000
2	US Bank Money Market Account	No	No	25,000	20,000
3					
4					
5					
6					
7	TOTAL INVESTMENTS	1		525,000	520,000

Include a description of what is included in the Investment accounts in Schedule 7-1, Lines 2 and 10. The total for each year must equal the amount on Schedule 7-1, Lines 2 and 10. The description must be sufficient to explain what is included on each line.

Detail Matches Sch 7-1	
June 30, 2021	June 30, 2022
OK	OK

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Asset Example-Investments Answer (cont)

CATEGORY CHANGES & FORGIVEN LIABILITIES			
Line	A Line Effecting (# and Name)	B Source/Description	C Amount
18	Line 1	Moving cash from investments to cash	5,000
19	Line 2	Moving cash from investments to cash	(5,000)
20			
21			
22			
23			
24	TOTAL NON CASH CHANGE OR FORGIVEN LIABILITIES TOTALS		-

Include a description of any entries in Schedule 7-1, the Category Changes Column (Column D) or the Forgiven Liabilities Column (Column C). The description must be sufficient to explain what is included on each line. The amount in Column C must match the forgiven liabilities. Any category changes must net to zero.

- The school has a money market account with US Bank that has a balance of \$25,000 as of June 30, 2021 and \$20,000 as of June 30, 2022. The \$5,000 decrease was money that was used for general cash flows during the school year.

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Asset Example-Other Assets

ASSETS					
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash	50,000		5,000	71,965
2	Short-Term Investments (A)	25,000		(5,000)	20,000
3	Current Receivables	15,000			25,995
4	Prepaid Expenses	18,350			18,350
5	Total Current Assets	108,350			136,310
6	Fixed Assets	1,750,000			1,764,000
7	Accumulated Depreciation	(632,000)			(743,000)
8	Operating/Finance Lease Right of Use Assets	240,000			180,000
9	Long Term Receivables	35,000	2,000		18,000
10	Long Term Investments (A)	500,000			500,000
11	Other Assets (A)				-
12	TOTAL ASSETS	2,001,350	2,000	-	1,855,310

- The school has a rental deposit of \$5,000 outstanding as of June 30, 2021 and June 30, 2022.

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Asset Example-Other Assets (cont)

- The school has a rental deposit of \$5,000 outstanding as of June 30, 2021 and June 30, 2022.

OTHER ASSETS			
Include a description of what is included in Other Assets in Schedule 7-1, Line 11. The total for each year must equal the amount on Schedule 7-1, Line 11. The description must be sufficient to explain what is included on each line.			
Line	A Description	B June 30, 2021	C June 30, 2022
8	Rental Deposit	5,000	5,000
9			
10			
11			
12	TOTAL OTHER ASSETS	5,000	5,000

OK OK

174

Liabilities

- The liability section is already filled in based on the previous procedures.

		LIABILITIES			
Line	A Item	B June 30, 2021	C Forgiven Liabilities (A)	D Category Changes (A)	E June 30, 2022
13	Payroll and Related Benefits	19,400			19,400
14	Tax Withholdings and FICA-Medicare	-			-
15	Vendor and Other Accounts Payable	4,325			27,645
16	Deferred Revenue	11,500			15,000
17	Accrued Interest Expense	2,000			2,000
18	Current Portion of Lease Liability	60,000			60,000
19	Current Portion of Debt	100,000			102,000
20	Total Current Liabilities	197,225			226,045
21	Long Term Portion of Lease Liability	180,000			120,000
22	Long Term Portion of Debt	750,000			652,000
23	Other Liabilities (A)				-
24	TOTAL LIABILITIES	1,127,225	-	-	998,045

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Knowledge Check

		ASSETS			
Line	A Item	B June 30, 2021	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2022
1	Cash				159,781
2	Short-Term Investments (A)				-
3	Current Receivables				
4	Prepaid Expenses	400			400
5	Total Current Assets	400			160,181
6	Fixed Assets	250,000			225,000
7	Accumulated Depreciation	(15,000)			(40,000)
8	Operating/Finance Lease Right of Use Assets	-			-
9	Long Term Receivables	15,000			23,000

How can the school increase the receivable balance in Schedule 7-1 shown above?

- Include the additional receivable amount on Line 3 of Schedule 7-1.
- Include the additional receivable in Schedule 4-1 through 4-4, depending on the type of receivable.
- Include the additional receivable on Line 9 of Schedule 7-1.
- The school cannot add a receivable balance to the budget.

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SCHEDULE 8-1 & 8-2: CASH FLOW

177

Schedule 8-1 & 8-2: Cash Flows

- Schedule 8-1 & 8-2: Anticipated Cash Flows July 2021-June 2022
- This is what your 'check book' will look like. It shows how much is coming in and going out.
- This schedule shows the results of the cash payments and receipts throughout the budget. This will automatically feed from the other schedules.

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Schedule 8-1 & 8-2: Cash Flows

SCHEDULE 8-1: ANTICIPATED CASH FLOWS JULY - DECEMBER

LN		Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Sub Total
1	Beginning Cash And Investment Balance	-	-	-	-	-	-	-
CASH RECEIPTS								
2	Choice State Aid	-	-	-	-	-	-	-
3	Special Needs Scholarship Program	-	-	-	-	-	-	-
4	Tuition and Fees Sch 4-1	-	-	-	-	-	-	-
5	Government Assistance Sch 4-1	-	-	-	-	-	-	-
6	Ext Contributions, Grants & Fundraising Sch 4-2	-	-	-	-	-	-	-
7	Church Offerings Sch 4-2	-	-	-	-	-	-	-
8	Related Party Organization Contributions Sch 4-3	-	-	-	-	-	-	-
9	Endowment Fund Income Sch 4-3	-	-	-	-	-	-	-
10	Other Investment Income Sch 4-3	-	-	-	-	-	-	-
11	Other Revenues Sch 4-4	-	-	-	-	-	-	-
12	Borrowing Sch 6	-	-	-	-	-	-	-
13	TOTAL CASH RECEIPTS	-	-	-	-	-	-	-
14	CASH BALANCE BEFORE PAYMENTS	-	-	-	-	-	-	-
CASH PAYMENTS								
15	Total Payroll Costs Sch 3-1	-	-	-	-	-	-	-
16	Utilities Sch 3-2	-	-	-	-	-	-	-
17	Supplies Sch 3-2	-	-	-	-	-	-	-
18	Non-Eligible Expenses Sch 3-2	-	-	-	-	-	-	-
19	Insurance Sch 3-2	-	-	-	-	-	-	-
20	Services Sch 3-3	-	-	-	-	-	-	-
21	Contractor Sch 3-3	-	-	-	-	-	-	-
22	Other Expenses Sch 3-3	-	-	-	-	-	-	-
23	Fixed Asset Payments Sch 5-1	-	-	-	-	-	-	-
24	Rent Payments Sch 5-3	-	-	-	-	-	-	-
25	Non-Rent Lease Payments 5-3	-	-	-	-	-	-	-
26	Debt Principal & Interest Payments Sch 6	-	-	-	-	-	-	-
27	TOTAL CASH PAYMENTS	-	-	-	-	-	-	-
ENDING CASH BALANCE								
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	-	-	-	-	-	-	-
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	-	-	-	-	-	-	-
ENDING CASH BALANCE WITHOUT SNSP								
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	-	-	-	-	-	-	-

179

Schedule 8-1 & 8-2: Cash Flows

- Ending Cash Balance on line 28 and 29 for each month **MUST BE POSITIVE.**
- If not, either revenue must increase or expenses must decrease:
 - Can you support the amount of revenues?
 - Are the expenses reflected appropriately?
 - Are the salaries reflected in the appropriate months of payment?
 - Is there a loan that will be needed in that month and will it be available?
 - Will the school be forced to back up the payment date of certain bills with a vendor agreement?
 - Will certain purchases need to wait until a later month?
 - How will you be able to pay your bills each month? Where will the money come from?

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Cash Flow Review Activity

Holy Love Church and School								
SCHEDULE 8-1: ANTICIPATED CASH FLOWS JULY - DECEMBER								
LN		Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Sub Total
1	Beginning Cash And Investment Balance	575,000	570,550	533,600	465,950	641,598	562,673	
CASH RECEIPTS								
2	Choice State Aid				164,273		164,273	328,545
3	Special Needs Scholarship Program				-		-	-
4	Tuition and Fees Sch 4-1	4,000	14,000	4,000	4,425	4,425	4,425	35,275
5	Government Assistance Sch 4-1	-	-	-	10,620	10,620	10,620	31,860
6	Ext Contributions, Grants & Fundraising Sch 4-2	-	-	-	10,000	-	15,000	25,000
7	Church Offerings Sch 4-2	10,000	10,000	10,000	10,000	10,000	10,000	60,000
8	Related Party Organization Contributions Sch 4-3	5,000	-	-	5,000	-	-	10,000
9	Endowment Fund Income Sch 4-3	-	-	-	-	-	-	-
10	Other Investment Income Sch 4-3	300	-	-	300	-	-	600
11	Other Revenues Sch 4-4	1,200	-	-	-	-	-	1,200
12	Borrowing Sch 6	-	-	6,000	50,000	-	-	56,000
13	TOTAL CASH RECEIPTS	20,500	24,000	20,000	254,618	25,045	204,318	548,480
14	CASH BALANCE BEFORE PAYMENTS	595,500	594,550	553,600	720,568	666,643	766,990	
CASH PAYMENTS								
15	Total Payroll Costs Sch 3-1	19,400	19,400	49,100	49,100	49,100	49,100	235,200
16	Utilities Sch 3-2	1,700	1,700	1,700	1,700	1,700	1,700	10,200
17	Supplies Sch 3-2	1,125	1,125	1,125	1,125	1,125	1,125	6,750
18	Non-Eligible Expenses Sch 3-2	1,500	1,500	1,500	1,500	1,500	1,500	9,000
19	Insurance Sch 3-2	-	-	3,000	-	-	3,000	6,000
20	Services Sch 3-3	500	500	500	500	500	5,500	8,000
21	Contractor Sch 3-3	-	5,000	5,000	24,320	18,320	18,320	70,960
22	Other Expenses Sch 3-3	725	725	725	725	725	725	4,350
23	Fixed Asset Payments Sch 5-1	-	-	10,000	-	-	-	10,000
24	Rent Payments Sch 5-3	-	-	15,000	-	-	15,000	30,000
25	Non-Rent Lease Payments 5-3	-	-	-	-	-	-	-
26	Debt Principal & Interest Payments Sch 6	-	31,000	-	-	31,000	50,500	112,500
27	TOTAL CASH PAYMENTS	24,950	60,950	87,650	78,970	103,970	146,470	502,960
ENDING CASH BALANCE								
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	570,550	533,600	465,950	641,598	562,673	620,520	
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	70,550	33,600	(34,050)	141,598	62,673	120,520	

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Cash Flow Review Activity

LN		Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Sub Total
1	Beginning Cash And Investment Balance	575,000	570,550	533,600	465,950	641,598	562,673	
CASH RECEIPTS								
2	Choice State Aid				164,273		164,273	328,545
3	Special Needs Scholarship Program				-		-	-
4	Tuition and Fees Sch 4-1	4,000	14,000	4,000	4,425	4,425	4,425	35,275
5	Government Assistance Sch 4-1	-	-	-	10,620	10,620	10,620	31,860
6	Ext Contributions, Grants & Fundraising Sch 4-2	-	-	-	10,000	-	15,000	25,000
7	Church Offerings Sch 4-2	10,000	10,000	10,000	10,000	10,000	10,000	60,000
8	Related Party Organization Contributions Sch 4-3	5,000	-	-	5,000	-	-	10,000
9	Endowment Fund Income Sch 4-3	-	-	-	-	-	-	-
10	Other Investment Income Sch 4-3	300	-	-	300	-	-	600
11	Other Revenues Sch 4-4	1,200	-	-	-	-	-	1,200
12	Borrowing Sch 6	-	-	6,000	50,000	-	-	56,000
13	TOTAL CASH RECEIPTS	20,500	24,000	20,000	254,618	25,045	204,318	548,480
14	CASH BALANCE BEFORE PAYMENTS	595,500	594,550	553,600	720,568	666,643	766,990	

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Cash Flow Review Activity

LN		Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Sub Total
CASH PAYMENTS								
15	Total Payroll Costs Sch 3-1	19,400	19,400	49,100	49,100	49,100	49,100	235,200
16	Utilities Sch 3-2	1,700	1,700	1,700	1,700	1,700	1,700	10,200
17	Supplies Sch 3-2	1,125	1,125	1,125	1,125	1,125	1,125	6,750
18	Non-Eligible Expenses Sch 3-2	1,500	1,500	1,500	1,500	1,500	1,500	9,000
19	Insurance Sch 3-2	-	-	3,000	-	-	3,000	6,000
20	Services Sch 3-3	500	500	500	500	500	5,500	8,000
21	Contractor Sch 3-3	-	5,000	5,000	24,320	18,320	18,320	70,960
22	Other Expenses Sch 3-3	725	725	725	725	725	725	4,350
23	Fixed Asset Payments Sch 5-1	-	-	10,000	-	-	-	10,000
24	Rent Payments Sch 5-3	-	-	15,000	-	-	15,000	30,000
25	Non-Rent Lease Payments 5-3	-	-	-	-	-	-	-
26	Debt Principal & Interest Payments Sch 6	-	31,000	-	-	31,000	50,500	112,500
27	TOTAL CASH PAYMENTS	24,950	60,950	87,650	78,970	103,970	146,470	502,960

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SCHEDULE 9: CURRENT OPERATING BALANCES

184

Schedule 9: Current Operating Balance

- This schedule is similar to the Statement of Activities (income statement).
- This schedule compares the school's revenues to the school's expenses, asset purchases, and debt related payments and receipts.

185

SCHEDULE 9: NET OPERATING BALANCES & NET INCOME/LOSS
Budget for the period from July 1, 2021 to June 30, 2022

NET OPERATING BALANCE

There may not be a negative balance (deficit) on line 21 or net loss on line 29. Participants in the SNSP also may not have a negative balance (deficit) on line 22 or net loss on line 30. If one of these lines is negative, the budget must be adjusted to remove the negative balance.

Line	A Item	B Amount
1	Choice Revenue	-
2	SNSP Revenue	-
3	TOTAL CHOICE & SNSP REVENUE	-
4	Tuition & Fees Sch 4-1	-
5	Government Assistance Sch 4-1	-
6	Contributions, Non-Gvmt Grants, Fundraising, & Church Offerings Sch 4-2	-
7	Related Party Organization Contributions & Investment Income Sch 4-3	-
8	Other Revenues Sch 4-4	-
9	TOTAL NON-CHOICE REVENUE	-
10	TOTAL REVENUE	-
11	Payroll Related Costs Sch 3-1	-
12	Utilities & Supplies Sch 3-2	-
13	Non Eligible Expenses Sch 3-2	-
14	Insurance Sch 3-2	-
15	Services, Contractor & Other Expenses Sch 3-3	-
16	TOTAL OPERATING EXPENSES	-
17	Less: Fixed Asset Purchases & Lease Payments Sch 5-1 & 5-3	-
18	Less: Debt Principal & Interest Payments Owed Sch 6	-
19	Plus: Principal Incurred Sch 6	-
20	TOTAL FIXED ASSET & DEBT USES	-
21	TOTAL BUDGET BALANCE (DEFICIT)	-
22	TOTAL BUDGET BALANCE (DEFICIT) WITHOUT SNSP REVENUE	-

- Ensure there is no budget balance deficit on Line 21.
- If there is, the budget must be adjusted to remove it or the school will not meet the Choice requirements.

186

Budget Balance Deficit

Holy Love Church and School		
SCHEDULE 9: NET OPERATING BALANCES & NET INCOME/LOSS		
Budget for the period from July 1, 2021 to June 30, 2022		
NET OPERATING BALANCE		
Line	A Item	B Amount
1	Choice Revenue	657,090
2	SNSP Revenue	-
3	TOTAL CHOICE & SNSP REVENUE	657,090
4	Tuition & Fees Sch 4-1	73,700
5	Government Assistance Sch 4-1	106,200
6	Contributions, Non-Gvmt Grants, Fundraising, & Church Offerings Sch 4-2	142,000
7	Related Party Organization Contributions & Investment Income Sch 4-3	30,200
8	Other Revenues Sch 4-4	1,200
9	TOTAL NON-CHOICE REVENUE	353,300
10	TOTAL REVENUE	1,010,390
11	Payroll Related Costs Sch 3-1	529,800
12	Utilities & Supplies Sch 3-2	33,900
13	Non Eligible Expenses Sch 3-2	20,000
14	Insurance Sch 3-2	12,000
15	Services, Contractor & Other Expenses Sch 3-3	235,250
16	TOTAL OPERATING EXPENSES	(830,950)
17	Less: Fixed Asset Purchases & Lease Payments Sch 5-1 & 5-3	74,000
18	Less: Debt Principal & Interest Payments Owed Sch 6	227,300
19	Plus: Principal Incurred Sch 6	106,000
20	TOTAL FIXED ASSET & DEBT USES	(195,300)
21	TOTAL BUDGET BALANCE (DEFICIT)	(15,860)
22	TOTAL BUDGET BALANCE (DEFICIT) WITHOUT SNSP REVENUE	(15,860)

The budget balance compares:

- Choice & SNSP revenue and other revenue in Schedule 4.

TO

- Expenses in Schedule 3, fixed asset purchases and lease payments in Schedule 5, and debt in Schedule 6.

187

Net Income/Loss

NET INCOME/LOSS		
23	TOTAL REVENUE Line 10	1,010,390
24	Total Operating Expenses Line 16	830,950
25	Depreciation Expense Sch 5-1	111,000
26	Lease Payments Sch 5-3	60,000
27	Interest Expense Sch 6	25,300
28	TOTAL EXPENSES	1,027,250
29	NET INCOME/LOSS	(16,860)
30	NET INCOME/LOSS WITHOUT SNSP REVENUE	(16,860)

The net income compares:

- Choice & SNSP revenue and other revenue in Schedule 4.

TO

- Expenses in Schedule 3, depreciation expense and lease payments in Schedule 5, and interest expense in Schedule 6.

188

SCHEDULE 10: RESERVE BALANCE

189

Schedule 10: Reserve Balance

- This schedule compares the Choice (and SNSP) revenue the school received to the eligible education expenses and offsetting revenue. It then calculates the Choice (and SNSP) reserve balance.

190

Program Revenue Received

Line	A Line Description	B Choice	C SNSP
1	Prior Year Reserve Balance		
2	Current Year Program Revenue Received	657,090	-
3	Summer School Program Revenue Received	-	-
4	Total Program Revenue Available	657,090	-
5	Eligible Education Expenses	797,676	797,676
6	Less: Government Assistance Received for Eligible Education Expenses	106,200	106,200
7	Less: Fundraising Revenue up to Non-Administrative Fundraising Expenses in Line 5	2,500	2,500
8	Less: Insurance Proceeds Received for Eligible Education Expenses		-
9	Less: Primarily SNSP Expenses	-	-
10	Net Eligible Education Expenses for All Pupils	688,976	688,976
11	Percentage of Pupils in Program	68%	0%
12	Net Eligible Education Expenses for Program Participants	471,405	-

- The Choice and SNSP revenue is included on Lines 2 and 3. The total program revenue is on Line 4.

191

Net Eligible Education Expenses for All Pupils

Line	A Line Description	B Choice	C SNSP
1	Prior Year Reserve Balance		
2	Current Year Program Revenue Received	657,090	-
3	Summer School Program Revenue Received	-	-
4	Total Program Revenue Available	657,090	-
5	Eligible Education Expenses	797,676	797,676
6	Less: Government Assistance Received for Eligible Education Expenses	106,200	106,200
7	Less: Fundraising Revenue up to Non-Administrative Fundraising Expenses in Line 5	2,500	2,500
8	Less: Insurance Proceeds Received for Eligible Education Expenses		-
9	Less: Primarily SNSP Expenses	-	-
10	Net Eligible Education Expenses for All Pupils	688,976	688,976
11	Percentage of Pupils in Program	68%	0%
12	Net Eligible Education Expenses for Program Participants	471,405	-

- The eligible education expenses are based on the educational programming expenses in Schedules 3, 5, and 6.
- The eligible education expenses are decreased by the offsetting revenues in Schedule 4.
- Net eligible education expenses for all pupils at the school are the school's eligible education expenses less any offsetting revenue.

192

Net Eligible Education Expenses for Program Participants

Line	A Line Description	B Choice	C SNSP
1	Prior Year Reserve Balance		
2	Current Year Program Revenue Received	657,090	-
3	Summer School Program Revenue Received	-	-
4	Total Program Revenue Available	657,090	-
5	Eligible Education Expenses	797,676	797,676
6	Less: Government Assistance Received for Eligible Education Expenses	106,200	106,200
7	Less: Fundraising Revenue up to Non-Administrative Fundraising Expenses in Line 5	2,500	2,500
8	Less: Insurance Proceeds Received for Eligible Education Expenses		-
9	Less: Primarily SNSP Expenses	-	-
10	Net Eligible Education Expenses for All Pupils	688,976	688,976
11	Percentage of Pupils in Program	68%	0%
12	Net Eligible Education Expenses for Program Participants	471,405	-

- The net eligible education expenses for all pupils are multiplied by the percent of the pupils participating in the program.
- The percent of the pupils participating in the program is based on the FTEs for the pupils entered in Schedule 2.

193

Primarily SNSP Expenses

- Lines 13-16 represent the costs and related offsetting revenues that are designated as primarily for SNSP pupils. See the SNSP Eligible Education Expenses Bulletin on the SNSP Bulletins webpage for additional information.

12	Net Eligible Education Expenses for Program Participants	471,405	-
13	Plus: Primarily SNSP Expenses		
14	Less: Government Assistance Received for Primarily SNSP Expenses		
15	Less: Fundraising Revenue up to Non-Administrative Fundraising Expenses in Line 13		
16	Less: Insurance Proceeds Received for Primarily SNSP Expenses		
17	Total Net Eligible Education Expenses for Program Participants	471,405	-

194

Reserve Balance

Line	A Line Description	B Choice	C SNSP
1	Prior Year Reserve Balance		
2	Current Year Program Revenue Received	657,090	-
3	Summer School Program Revenue Received		
4	Total Program Revenue Available	657,090	-
5	Eligible Education Expenses	797,676	797,676
6	Less: Government Assistance Received for Eligible Education Expenses	106,200	106,200
7	Less: Fundraising Revenue up to Non-Administrative Fundraising Expenses in Line 5	2,500	2,500
8	Less: Insurance Proceeds Received for Eligible Education Expenses		-
9	Less: Primarily SNSP Expenses	-	-
10	Net Eligible Education Expenses for All Pupils	688,976	688,976
11	Percentage of Pupils in Program	68%	0%
12	Net Eligible Education Expenses for Program Participants	471,405	-
13	Plus: Primarily SNSP Expenses		
14	Less: Government Assistance Received for Primarily SNSP Expenses		
15	Less: Fundraising Revenue up to Non-Administrative Fundraising Expenses in Line 13		
16	Less: Insurance Proceeds Received for Primarily SNSP Expenses		
17	Total Net Eligible Education Expenses for Program Participants	471,405	-
18	June 30, 2022 Reserve Balance	185,685	-

- The Choice revenue received is compared to net eligible education expenses for program participants. This results in the reserve balance.

195

Required Cash & Investment Balance

Line	A Line Description	B Choice	C SNSP
18	June 30, 2022 Reserve Balance	185,685	-
REQUIRED CASH & INVESTMENT BALANCE			
19	Remaining Depreciation on Fixed Assets	1,021,000	
20	TOTAL REQUIRED CASH AND INVESTMENT BALANCE		-
21	Cash & Investment Balance	591,965	
22			

- The reserve is decreased by the remaining depreciation on fixed assets to determine the amount of cash and investments that must be maintained.
- If your cash and investment balance is not at least as much as the amount on line 20, you will be required to increase your cash and investment balance or decrease the reserve. An error will show on the error page until this is resolved.

196

Reserve Requirements

- The school must maintain the reserve balance, if positive, for future eligible education expenses.
- The school carries forward the reserve balance, whether positive or negative, to the next year.
- If the school ceases to participate or is barred from all Choice Programs or the SNSP, the school will be required to repay the reserve balance, if positive, to the DPI.

197

Negative Reserve Balance

- The school has spent more for K-12 educational programming for program pupils than the amount received from the program.
- The school will need to have funding sources other than program funds to pay for the additional costs.

198

Positive Reserve Balance

- The school has spent less on K-12 educational programming for program pupils than the amount received from the program.
- The school has not fully spent the money the department will provide for educational programming for program pupils.
- The school must have an audited year-end cash and investment balance(s) as reported on the statement of financial position that is at least as much as the required cash and investment balance.
- If the school does not maintain the required Choice reserve balance, it must repay the reserve balance to the department.

199

Knowledge Check #1

A school has total eligible education expenses of \$1,050,000. The school receives \$50,000 from the USDA food program, \$500,000 in tuition from non-Choice pupils, and \$10,000 in fees. 10% of the school participates in the Choice programs. What are the school's net eligible education expenses?

Description	Amount
Eligible Education Expenses	
Less: Offsetting Revenue	
Net Eligible Education Expenses	

200

Knowledge Check #2

A school has \$1,000,000 of net eligible education expenses in the 2021-22 school year. 10% of the school's K-12 FTE is participating in the Choice program. What is the school's net eligible education expenses for the Choice program?

Description	Amount
Net Eligible Education Expenses	
Times: Percent of School in Program	
Net Eligible Education Expenses for Choice Pupils	

201

Knowledge Check #3

A school in its first year of participation in the Choice program has \$100,000 of net eligible education expenses for Choice pupils. The school received \$115,000 of Choice program revenue during the year. What is the school's Choice reserve balance at the end of the year?

Description	Amount
Choice Program Revenue	
Less: Net Eligible Education Expenses for Choice Pupils	
Choice Reserve Balance	

202

Knowledge Check #4

The school has a reserve balance of \$15,000. The school has \$10,000 of remaining depreciation on its fixed assets. What is the required cash and investment balance?

- a. \$25,000
- b. \$10,000
- c. \$15,000
- d. \$5,000

203

Knowledge Check #5

A school has a reserve balance of \$20,000. It decides to replace its roof at a cost of \$20,000. 25% of the K-12 FTE at the school participates in the Choice program. Based on the school's capitalization policy, building improvements have a useful life of 10 years. Which of the following is true?

- a) The school can include the full \$20,000 as an eligible education expense for Choice pupils because the school is reducing the reserve balance.
- b) The school can only include \$5,000 as an eligible education expense for Choice pupils because the \$20,000 must be multiplied by the percent of the school participating in the program. The amount will be included as eligible each year as the cost to replace the roof is depreciated.

204

SCHEDULE 11-1 AND 11-2

205

Schedule 11-1

- Based on the answers in previous schedules, the school may be required to provide additional explanations for specific items listed.

206

Schedule 11-2

- Insert the actual pupil counts and average tuition collected per pupil for the past three years.
- The average tuition collected may not include tuition that was covered by scholarships the school provides or discounts.

HISTORICAL PUPIL COUNTS					
Line	A Item Description	B 2018-19 School Year	C 2019-20 School Year	D 2020-21 School Year	E Lowest Count
1	4-Year-Old K/437 Hours				-
2	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach				-
3	5-Year-Old K/5 Day				-
4	5-Year-Old K/3 Day				-
5	5-Year-Old K/4 Day				-
6	5-Year-Old K/Full Day				-
7	Grades 1-8				-
8	Grades 9-12				-
9	TOTAL ALL PUPIL COUNT				-
HISTORICAL AVERAGE TUITION					
Line	A Item Description	B 2018-19 School Year	C 2019-20 School Year	D 2020-21 School Year	E Lowest Tuition Received
10	Average Tuition Received Per Pupil				0
CHOICE PUPIL COUNT					
11	What are the school's plans to reach the number of Choice/SNSP students included in the budget?				REQUIRED
TUITION PAYING PUPILS					
12	If the school did not operate in the 2020-21 school year, what are the school's plans for obtaining tuition paying pupils.				REQUIRED

207

SCHEDULE 12-1 & 12-2: LOW BUDGET

Provide information on the lowest budget at which the school can operate.

208

Schedule 12-1

LOWEST REGULAR SCHOOL YEAR PUPIL COUNTS									
Line	A Item Description	ALL PUPIL COUNT		CHOICE PUPIL COUNT					
		B Average FTE	C FTE Change	D Average MPCP Count	E Average WPCP Count	F Average RPCP Count	G Average FTE	H Sch 2-1 Average FTE	I FTE Change
1	4-Year-Old K-No Outreach	-	-				-	-	-
2	4-Year-Old K + Outreach	-	-				-	-	-
3	5-Year-Old K/5 Day	-	-				-	-	-
4	5-Year-Old K/3 Day	-	-				-	-	-
5	5-Year-Old K/4 Day	-	-				-	-	-
6	5-Year-Old K/Full Day	-	-				-	-	-
7	Grades 1-8	-	-				-	-	-
8	Grades 9-12	-	-				-	-	-
9	TOTAL	-	-	-	-	-	-	-	-
10	Average SNSP Students FTE								
LOWEST SUMMER SCHOOL PUPIL COUNTS									
Line	A Item Description	B Choice	C SNSP Full Scholarship	D SNSP Partial Scholarship					
11	2020 Summer School Grades K-8 Headcount								
12	2020 Summer School Grades 9-12 Headcount								

- Choice Pupil Count, SNSP Pupil Count, and Summer School Choice Pupil Counts: The pupil counts should be the lowest count at which:
 - The school would participate in the program; and
 - The school can operate at a breakeven point.
- This count cannot be lower than the all pupil count in Schedule 2 or the school will receive an error.

209

Schedule 12-1 (cont)

LOWEST REGULAR SCHOOL YEAR PUPIL COUNTS									
Line	A Item Description	ALL PUPIL COUNT		CHOICE PUPIL COUNT					
		B Average FTE	C FTE Change	D Average MPCP Count	E Average WPCP Count	F Average RPCP Count	G Average FTE	H Sch 2-1 Average FTE	I FTE Change
1	4-Year-Old K-No Outreach	-	-				-	-	-
2	4-Year-Old K + Outreach	-	-				-	-	-
3	5-Year-Old K/5 Day	-	-				-	-	-
4	5-Year-Old K/3 Day	-	-				-	-	-
5	5-Year-Old K/4 Day	-	-				-	-	-
6	5-Year-Old K/Full Day	-	-				-	-	-
7	Grades 1-8	-	-				-	-	-
8	Grades 9-12	-	-				-	-	-
9	TOTAL	-	-	-	-	-	-	-	-
10	Average SNSP Students FTE								
LOWEST SUMMER SCHOOL PUPIL COUNTS									
Line	A Item Description	B Choice	C SNSP Full Scholarship	D SNSP Partial Scholarship					
11	2020 Summer School Grades K-8 Headcount								
12	2020 Summer School Grades 9-12 Headcount								

- Lowest All Pupil Count
 - The lowest pupil count from the prior school year (on Schedule 11-2).
 - OR-
 - 5% of non-Choice pupils in Schedule 2-1 plus the Choice pupils in the low budget.

210

Schedule 12-1 (cont)

EXPLANATION OF CHANGES	
13	Will any positions be eliminated if the school has the lower pupil count identified above?
If the answer to 13 is yes, what positions will be eliminated? Who will complete the duties of the eliminated positions?	
14	
Describe any changes in the timing of cash receipts and cash payments.	
15	

- Explain what, if any, positions will be removed in the low budget and how their responsibilities will be covered.
- Describe any changes in the timing of cash receipt and payments.

211

Low Budget

Line	A Item Description	COST CHANGES			E Explanation of Difference <i>If additional space is needed, attach an additional sheet</i>	
		B Low Budget	C Current Budget	D Difference		
1	Salaries <i>Sch 3-1</i>	-	-	-		
2	FICA, Medicare, & Unemployment Taxes <i>Sch 3-1</i>	-	-	-		OK
3	Employer Paid Benefits <i>Sch 3-1</i>	-	-	-		
4	Utilities & Supplies <i>Sch 3-2</i>	-	-	-		OK
5	Non Eligible Expenses <i>Sch 3-2</i>	-	-	-		OK
6	Insurance <i>Sch 3-2</i>	-	-	-		OK
7	Services, Contractor & Other Expenses <i>Sch 3-3</i>	-	-	-		OK
8	Fixed Asset Purchases & Lease Payments <i>Sch 5-18, 5-3</i>	-	-	-		OK
9	TOTAL COSTS	-	-	-		
FINANCING SOURCES REDUCTIONS						
10	Choice Revenue <i>Sch 2 & 12-1</i>	-	-	-		
11	SNRP Revenue <i>Sch 2 & 12-1</i>	-	-	-		OK
12	Tuition & Fees <i>Sch 4-1</i>	-	-	-		OK
13	Government Assistance <i>Sch 4-1</i>	-	-	-		OK
14	Contributions, Non-Govmt Grants, Fundraising, & Church Offerings <i>Sch 4-2</i>	-	-	-		OK
15	Related Party Organization Contributions & Investment Income <i>Sch 4-3</i>	-	-	-		OK
16	Other Revenues <i>Sch 4-4</i>	-	-	-		OK
17	TOTAL FINANCING SOURCES	-	-	-		
DEBT CHANGES						
18	Principal Incurred <i>Sch 6, Col D, Line 18</i>	-	-	-		
19	Principal Paid <i>Sch 6, Col E, Line 19</i>	-	-	-		OK
20	Interest Owed <i>Sch 6, Col D, Line 20</i>	-	-	-		
21	TOTAL DEBT	-	-	-		
22	CURRENT BUDGET BALANCE	-	-	-		0

- The low budget defaults to the current budget except for tuition & fees and government assistance. These must be completed, or the school will receive an error.
- If any changes will be made, include the adjusted amount and an explanation of the difference.

212

Low Budget Changes to Consider

- Expenses:

- Not hire certain individuals. If so, decrease related payroll taxes and benefits.
- Reduction in classroom supplies.
- Reduce anticipated fixed asset purchases.

- Revenues:

- Reduction in tuition and fees.
- Reduction in government assistance (USDA food program revenue).
- Increases in revenues cannot be included in Schedule 12-2, they must be included as contingency funding in Schedule 12-1.

213

Contingency Funding

- The school must have contingency funds identified.
- These funds must be available if the number of pupils that attend the school are less than anticipated. They must be funds not already being used in the budget.
- The contingency funds should be at least as much as the operating deficit in the low budget on Schedule 12-2 plus the greater of 5% of the expected Choice revenue in the low budget or \$20,000.
- The contingency funds must be available beyond 12 months.

214

Contingency Funding (cont)

CONTINGENCY FUNDING		
What are the school's source(s) of contingency funds?		
The school is required to have contingency funding sources. These must be additional funds, other than Choice and SNSP funds (including the reserve fund) not already used in this budget, that are available to the school. The contingency funding must be available for the school year in the budget and the subsequent school year. Contingency funding that must be repaid at the end of the school year in the budget is not sufficient. The contingency funding should be sufficient to cover any budget deficit on Schedule 12-2 PLUS a minimum of 5% of the expected Choice revenue for the low budget or \$20,000, whichever is greater. Complete the Source Type in Column B as follows: <i>"Individual"</i> if a person is providing the funds. <i>"Related Party Organization"</i> if the provider is an organization related to the school. See the instructions in Schedule 6 for additional information on who is a related party. If the operating organization is providing the contingency funds, this should be selected only if the operating organization is a separate legal entity from the school. <i>"Bank or Other Financial Institution Debt"</i> if the funds are debt from a bank or other financial institution. If contingency funding is to be from a line of credit, it must be renewable and the School must demonstrate a history of renewing the line of credit. <i>"Endowment Fund"</i> if the school will use an endowment fund. The name of the endowment fund must be indicated below and match the name on the bank statement provided as support. <i>"Available Cash"</i> if the school has cash available each month as identified on Schedule 8-1 and 8-2, Line 31. The name of source should be the school name. <i>"Unrelated Organization"</i> for all other organizations.		
A Name of Source	B Source Type	C Amount Available for Contingency Funds
<i>General descriptions such as "bank account" are insufficient.</i>		
16		
17		
18		
19		
20		
21	TOTAL	

- Identify the specific source name & type of contingency funding on the bottom of Schedule 12-1.

215

Schedule 12-1 Contingency Funds

Fund Source	Bank Statement	Financial Statements	Written Agreement	Other
Individual	*		*	
Related Party Organization	*	*	*	
Endowment Fund	*			Documents establishing fund
Unrelated Organization			*	
Bank or Other Financial Institution				See slide

- Bank Statement: Must be a statement dated no earlier than 2 months before the budget due date that shows the individual or organization has at least as much money available as identified in the contingency funding section.

216

Schedule 12-1 Contingency Funds (cont)

<i>Fund Source</i>	<i>Bank Statement</i>	<i>Financial Statements</i>	<i>Written Agreement</i>	<i>Other</i>
Individual	*		*	
Related Party Organization	*	*	*	
Endowment Fund	*			Documents establishing fund
Unrelated Organization			*	
Bank or Other Financial Institution				See slide

- Financial Statements: Current balance sheet and year to date income statement dated no earlier than 2 months before the budget due date.

217

Schedule 12-1 Contingency Funds (cont)

<i>Fund Source</i>	<i>Bank Statement</i>	<i>Financial Statements</i>	<i>Written Agreement</i>	<i>Other</i>
Individual	*		*	
Related Party Organization	*	*	*	
Endowment Fund	*			Documents establishing fund
Unrelated Organization			*	
Bank or Other Financial Institution				See slide

- Written Agreement: An agreement specifying who will provide the funds, that it will be provided to the school, the amount that will be provided, when it will be provided, if the amount needs to be paid back and, if so, when it needs to be paid back.

218

Schedule 12-1 Contingency Funds (cont)

- Endowment Funds: Documents establishing the endowment fund.

These documents should indicate:

- How the funds will be managed,
- What funding the endowment fund will provide to the school and the payment frequency (such as the interest on the funds will be provided annually), and
- What the funds may be used for, including any restrictions on the fund's uses.

219

Schedule 12-1 Contingency Funds (cont)

- Bank or Other Financial Institution:

- If the school currently has the debt, a current statement from the lender showing the principal balance. This includes a statement for a line of credit that currently has \$0 taken out.
- A current debt agreement or evidence the school is obtaining the debt. If the school does not yet have the agreement, the evidence must include:
 - The lender's name,
 - The estimated amount to be provided, and
 - A statement that the lender will provide the funds to the school.

220

Available Cash

SCHEDULE 8-1: ANTICIPATED CASH FLOWS JULY - DECEMBER

LN		Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Sub Total
ENDING CASH BALANCE								
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	-	-	-	-	-	-	-
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	-	-	-	-	-	-	-
ENDING CASH BALANCE WITHOUT SNSP								
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	-	-	-	-	-	-	-
AVAILABLE CASH								
31	AVAILABLE CASH*	-	-	-	-	-	-	-

* Schools that participated in the Choice program or SNSP in the 2020-21 school year must reduce the July 2021-May 2022 Available Cash amount by any required cash and investment balance as of June 30, 2021 for the Choice and/or SNSP reserve.

- Review Line 31 on Schedule 8-1 and 8-2.
 - The maximum amount that can be identified as available cash is the lowest amount on Line 31 on Schedule 8-1 and 8-2.
 - If any amounts are negative, available cash cannot be used as a contingency funding source.

221

Knowledge Check 1

The school has a line of credit for \$200,000. The school plans on taking out \$100,000 in September and another \$100,000 in January. The school plans on repaying the \$200,000 in June. How much of the line of credit may be used as contingency funding?

- a. \$200,000
- b. \$0
- c. \$100,000

222

Knowledge Check 2

What is the maximum amount of available cash that can be used as contingency funding in this example?

SCHEDULE 8-1: ANTICIPATED CASH FLOWS JULY - DECEMBER							
LN		Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021
1	Beginning Cash And Investment Balance	-	55,000	45,000	35,000	150,000	150,000
CASH RECEIPTS							
2	Choice State Aid				20,190		20,190
3	Special Needs Scholarship Program				3,110		3,110
ENDING CASH BALANCE							
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	55,000	45,000	35,000	150,000	150,000	173,300
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	55,000	20,000	10,000	125,000	125,000	148,300
ENDING CASH BALANCE WITHOUT SNSP							
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	55,000	45,000	35,000	146,890	146,890	167,080
AVAILABLE CASH							
31	AVAILABLE CASH*	55,000	45,000	35,000	126,700	126,700	126,700

SCHEDULE 8-2: ANTICIPATED CASH FLOWS JANUARY - JUNE							
LN		Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022
1	Beginning Cash & Investment Balance	173,300	100,000	80,000	103,300	80,000	80,000
CASH RECEIPTS							
2	Choice State Aid			20,190			20,190
3	Special Needs Scholarship Program			3,110			3,110
ENDING CASH BALANCE							
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	100,000	80,000	103,300	80,000	80,000	95,000
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	75,000	55,000	78,300	55,000	55,000	78,300
ENDING CASH BALANCE WITHOUT SNSP							
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	93,780	73,780	93,970	67,560	70,670	82,560
AVAILABLE CASH							
31	AVAILABLE CASH*	53,400	33,400	33,400	10,100	10,100	1,800

Complete Schedule 12-1

	MPCP Pupil Count	WPCP Pupil Count
4-Year-Old K/437 Hours	5	0
4-Year-Old K/437 Hours + 87.5 Hrs. Outreach		
5-Year-Old K/.5 Day		
5-Year-Old K/5 Day	10	3
Grades 1-8	32	3
Grades 9-12	10	3

LOWEST PUPIL COUNTS									
Line	A Item Description	ALL PUPIL COUNT		CHOICE PUPIL COUNT					
		B Average FTE	C FTE Change	D Average MPCP Count	E Average WPCP Count	F Average RPCP Count	G Average FTE	H Sch 2-1 Average FTE	I FTE Change
1	4-Year-Old K-No Outreach	-	-				-	-	-
2	4-Year-Old K + Outreach	-	-				-	-	-
3	5-Year-Old K/.5 Day	-	-				-	-	-
4	5-Year-Old K/3 Day	-	-				-	-	-
5	5-Year-Old K/4 Day	-	-				-	-	-
6	5-Year-Old K/Full Day	-	-				-	-	-
7	Grades 1-8	-	-				-	-	-
8	Grades 9-12	-	-				-	-	-
9	TOTAL	-	-	-	-	-	-	-	-

Complete Schedule 12-1 & 12-2

- Remove one teacher who was to be paid a salary of \$44,000. The 7th and 8th grade classroom will be combined.
- The school will purchase \$5,000 less of equipment and \$1,000 less of classroom supplies.
- The school will receive \$10,000 less of tuition and fees.
- The school will receive \$5,000 less of government assistance.
- St. Mary's offers to provide \$35,000 of additional funding if required.
- The Clark Kent Endowment Fund will provide any remaining required contingency funding.

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Example 12-2

Line	A Item Description	COST CHANGES			E Explanation of Difference <i>If additional space is needed, attach an additional sheet.</i>	
		B Low Budget	C Current Budget	D Difference		
1	Salaries <i>Sch 3-1</i>	529,800	529,800	-		
2	FICA, Medicare, & Unemployment Taxes <i>Sch 3-1</i>	-	-	-		OK
3	Employer Paid Benefits <i>Sch 3-1</i>	-	-	-		
4	Utilities & Supplies <i>Sch 3-2</i>	33,900	33,900	-		OK
5	Non Eligible Expenses <i>Sch 3-2</i>	20,000	20,000	-		OK
6	Insurance <i>Sch 3-2</i>	12,000	12,000	-		OK
7	Services, Contractor & Other Expenses <i>Sch 3-3</i>	235,250	235,250	-		OK
8	Fixed Asset Purchases & Lease Payments <i>Sch 5-1 & 5-3</i>	74,000	74,000	-		OK
9	TOTAL COSTS	904,950	904,950	-		
		FINANCING SOURCES REDUCTIONS				
10	Choice Revenue <i>Sch 2-8 2-1</i>	535,448	657,090	(121,642)		
11	SNSP Revenue <i>Sch 2-8 2-1</i>	-	-	-		OK
12	Tuition & Fees <i>Sch 4-1</i>		73,700	(73,700)		ERROR
13	Government Assistance <i>Sch 4-1</i>		106,200	(106,200)		ERROR
14	Contributions, Non-Gvmt Grants, Fundraising, & Church Offerings <i>Sch 4-2</i>	142,000	142,000	-		OK
15	Related Party Organization Contributions & Investment Income <i>Sch 4-3</i>	30,200	30,200	-		OK
16	Other Revenues <i>Sch 4-4</i>	1,200	1,200	-		OK
17	TOTAL FINANCING SOURCES	708,848	1,010,390	(301,542)		
		DEBT CHANGES				
18	Principal Incurred <i>Sch 6, Col D, Line 17</i>	106,000	106,000	-		
19	Principal Paid <i>Sch 6, Col E, Line 17</i>	202,000	202,000	-		OK
20	Interest Owed <i>Sch 6, Col D, Line 20</i>	25,300	25,300	-		
21	TOTAL DEBT	(121,300)	(121,300)	-		
22	CURRENT BUDGET BALANCE	(317,402)	(15,860)	(301,542)		3 EXPLANATIONS STILL NEEDED

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Schedule 12-1 Low Budget

- When reducing the low budget, an explanation is required in column E.
- If any positions are being eliminated, line 14 on schedule 12-1 also needs to be completed.

EXPLANATION OF CHANGES	
13	Will any positions be eliminated if the school has the lower pupil count identified above?
If the answer to 13 is yes, what positions will be eliminated? Who will complete the duties of the eliminated positions?	
14	
Describe any changes in the timing of cash receipts and cash payments.	
15	

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Required Contingency Funding

Line	A Item Description	COST CHANGES		
		B Low Budget	C Current Budget	D Difference
1	Salaries <i>Sch 3-1</i>	485,800	529,800	(44,000)
2	FICA, Medicare, & Unemployment Taxes <i>Sch 3-1</i>	-	-	-
3	Employer Paid Benefits <i>Sch 3-1</i>	-	-	-
4	Utilities & Supplies <i>Sch 3-2</i>	32,900	33,900	(1,000)
5	Non Eligible Expenses <i>Sch 3-2</i>	20,000	20,000	-
6	Insurance <i>Sch 3-2</i>	12,000	12,000	-
7	Services, Contractor & Other Expenses <i>Sch 3-2</i>	235,250	235,250	-
8	Fixed Asset Purchases & Lease Payments <i>Sch 3-1& 3-2</i>	69,000	74,000	(5,000)
9	TOTAL COSTS	854,950	904,950	(50,000)
		FINANCING SOURCES & REDUCTIONS		
10	Choice Revenue <i>Sch 2& 4-1</i>	535,448	657,090	(121,642)
11	SNCF Revenue <i>Sch 2& 4-1</i>	-	-	-
12	Tuition & Fees <i>Sch 4-1</i>	63,700	73,700	(10,000)
13	Government Assistance <i>Sch 4-1</i>	101,200	106,200	(5,000)
14	Contributions, Non-Govt Grants, Fundraising, & Church Offerings <i>Sch 4-2</i>	142,000	142,000	-
15	Related Party Organization Contributions & Investment Income <i>Sch 4-2</i>	30,200	30,200	-
16	Other Revenues <i>Sch 4-4</i>	1,200	1,200	-
17	TOTAL FINANCING SOURCES	873,748	1,010,390	(136,642)
		DEBT CHANGES		
18	Principal Incurred <i>Sch 6, Col D, Line 18</i>	106,000	106,000	-
19	Principal Paid <i>Sch 6, Col E, Line 18</i>	202,000	202,000	-
20	Interest Owed <i>Sch 6, Col D, Line 20</i>	25,300	25,300	-
21	TOTAL DEBT	(44,300)	(121,300)	-
22	CURRENT BUDGET BALANCE	(102,502)	(15,860)	(86,642)

Low Budget Choice Revenue (Sch 12-2, Ln 10, Col B)	535,448
Required Percentage for Contingency Funding	5%
	26,772
Required Funding to Cover Low Choice Revenue -Greater of \$20,000 or 5% of Expected Choice Payments	26,772
Plus: Any Deficit for Low Budget (Sch 12-2, Ln 22, Col B)	102,502
Total Required Contingency Funding	129,274

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Schedule 12-1 Contingency Funding

CONTINGENCY FUNDING			
	A Name of Source <small>General descriptions such as "bank account" are insufficient.</small>	B Source Type	C Amount Available for Contingency Funds
16			NO RESPONSE
17			
18			
19			
20			
21	TOTAL		-

R€

BUDGET REVIEW & SUBMISSION

Final Budget Review

- Complete Step 16 in the instructions prior to submitting the budget to DPI:
 - Review the cash flow schedules (Schedules 8-1 and 8-2) for negative ending cash balances with any restricted investments excluded.
 - Remove any budget deficits or net losses from the Net Operating Balances Schedule (Schedule 9).
- Complete the following for the Net Asset Schedule (Schedule 7-1):
 - Remove any negative net asset balances.
 - Remove any negative net current obligation.

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Budget Requirements

- The budget must show the school meets the following requirements:
 - A positive cash balance in every month (schedule 8)
 - The school does not have an operating deficit (schedule 9)
 - Sufficient contingency funding that is available if enrollment is lower than anticipated (schedule 12-1)

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Complete Budget

- Do not use Google docs when updating the budget.
- The budget must be completed at the legal entity level.
- The budget must be the final version, drafts are not accepted.
- The cover page must be electronically signed and dated by the Choice administrator (the individual indicated on the Intent to Participate).

IV. SIGNATURE	
<p>All schools: I certify that the information contained herein is correct and accurate, and includes all liabilities of the legal entity of the school. I understand the budget MUST MEET ALL OF THE REQUIREMENTS in Section III above. I agree that typing my name below constitutes a legal signature. For new schools participating in the MPCP, RPCP, or WPCP for the 2020-21 school year: I understand that the Department of Public Instruction (DPI) must receive a complete budget, including all required attachments, by the date in the instructions. Failure to provide a complete budget and all attachments by the required date may result in the school being ineligible to participate in the Choice program in the 2020-21 school year.</p>	
Electronic Signature of Choice/SNSP Administrator <i>The Administrator must type his/her name below.</i>	Date Signed

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Complete Budget (cont)

- No budget will be accepted with errors on the error report unless an email from a DPI auditor accepting the error is provided with the budget. Approval for this must be granted via an email from a DPI auditor PRIOR TO the due date of the report.
- The question marks give information on how to address errors.

ERROR REPORT		
Budget for the period from July 1, 2020 to June 30, 2021		
<p>All errors on this page must be removed except if an email from a DPI auditor specifically excusing the error is submitted with the budget. See the comment on the question mark for information on resolving each error. Please be aware certain errors ensure that different amounts match exactly (including with decimal points).</p>		
COVER PAGE		
Line	Item	Result
[?]	COVER PAGE COMPLETE:	ERROR
[?]	The school must complete all yellow cells on the cover page, including indicating all programs it will be participating in.	ERROR
[?]	SCHEDULE 2-1, 2-2, AND 2-3	OK
[?]	4 Prelim, 3rd, 4th, 5th, and/or 6th, 7th, 8th, 9th, 10th, 11th, and 12th Choice and SNSP enrollment is more than the all pupil enrollment	OK

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Requesting Access to Kiteworks

- Submission of the budget is completed using a secure web based platform called Kiteworks.
- Only the Choice administrator will be given access to Kiteworks.
- The Choice administrator, who attended Part 1 and Part 2 of the required Fiscal Management Trainings, must email dpichoicedata@dpi.wi.gov by June 19th with their name, their email address, and the school name.
- We will then give the Choice administrator access to the school's folder in Kiteworks.

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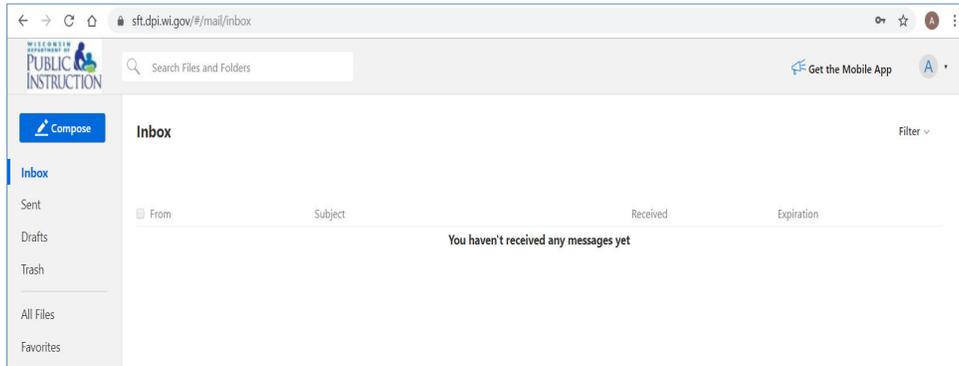
Complete Budget (cont)

- The full budget, including all required attachments, must be uploaded to Kiteworks no later than August 1st. Label each attachment with its number before uploading it.
- The DPI strongly recommends not waiting until the last day to upload the documents in case you have technical difficulties.

GENERAL ATTACHMENTS		
Line	A Attachment Description	B Document Required
1	Current balance sheet for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
2	Current year-to-date income statement for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
3	All cash and investment account bank statements for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
4	June 30, 2020 balance sheet for the legal entity of school. If the school is a current participant in the MPCP, RPCP, WPCP, or SNSP and submitted a standard 2019-20 financial audit (not a modified financial audit) at the legal entity level by October 15, 2020, this balance sheet is not required.	YES
5	Income statement from July 1, 2019 to June 30, 2020 for the legal entity of school. If the school is a current participant in the MPCP, RPCP, WPCP, or SNSP and submitted a standard 2019-20 financial audit (not a modified financial audit) at the legal entity level by October 15, 2020, this income statement is not required.	YES
6	Classroom configurations by classroom that indicates the number of students and their grade(s), number of teachers, and number of teacher's aides in each classroom.	NO

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Submission of the Budget

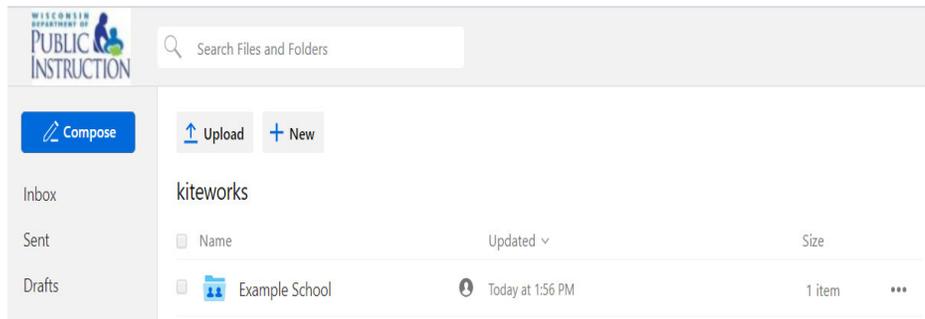


- In Kiteworks, go to “All Files”

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Submission of the Budget (cont)

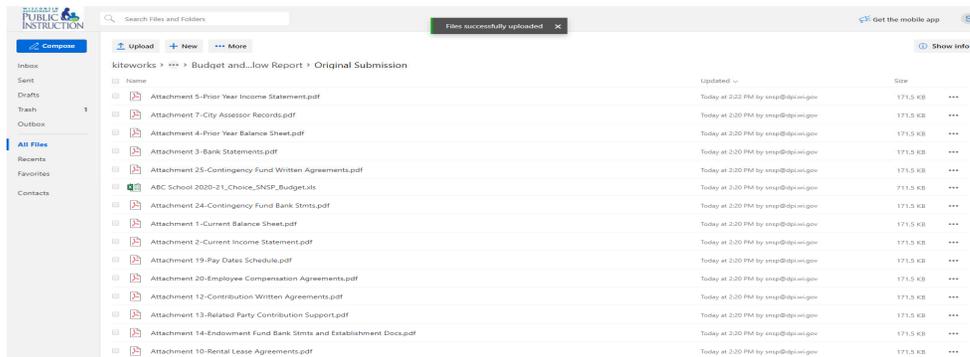
- Click on your school’s folder and then click “Original Submission”.



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Submission of the Budget (cont)

- Click on the Upload button or drag the documents in.



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On Demand Trainings

- Available at <https://dpi.wi.gov/sms/choice-programs/on-demand-training>
- Includes:
 - K4 Parental Outreach (Training 1-3)
 - Student Information System (Training 4-1)
 - Financial Audit Requirements (Training 5)
 - Fiscal & Internal Control Practices (Training 6)
 - Payment Process, Pupil Count Overview, Audit Overview (Training 9-1)
 - Count Reports (Training 9-2 & 9-3)

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Bulletins

- Available at <https://dpi.wi.gov/sms/choice-programs/bulletins>
 - Financial Audit and PSCP/SNSP Reserve Balance Bulletin
 - PSCP Eligible Education Expenses Bulletin
 - K4 Parental Outreach Activities Bulletin
 - Tuition and Fees Bulletin

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QUESTIONS?

**Budget questions should be sent to:
dpichoiceauditreports@dpi.wi.gov**

Andrea Kratz
Andrea.Kratz@dpi.wi.gov
(608) 267-1291

Kendra Neuman
Kendra.Neuman@dpi.wi.gov
(608) 266-2819

Rob Monroe
Robert.Monroe@dpi.wi.gov
(608) 266-2658

General program questions should be sent to:
privateschoolchoice@dpi.wi.gov

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