Chapter Tax 16

LOCAL FINANCIAL REPORTING

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Tax 16.01 Purpose. The purpose of this chapter is to establish standards and procedures for the collection of financial information from towns, villages, cities and counties.

History: Cr. Register, February, 1985, No. 350, eff. 3-1-85.

Tax 16.02 Scope. This chapter is applicable to all towns, villages, cities and counties with a population of 25,000 or more according to the latest population estimate made by the state department of administration pursuant to s. 16.96, Stats. Any town, village, city or county whose population declines below 25,000 after December 31, 1986 shall continue to be governed by this chapter.

History: Cr. Register, February, 1985, No. 350, eff. 3-1-85,

Tax 16.03 Definitions. (1) "General purpose financial statements" are those financial statements, including disclosure notes, necessary to fairly present financial position and operating results and changes in financial position of the proprietary fund types in conformity with generally accepted accounting principles. They are listed as follows:

(a) Combined balance sheet - all fund types and account groups.

(b) Combined statement of revenues, expenditures and changes in fund balances - all governmental fund types and similar trust funds.

(c) Combined statement of revenues, expenditures and changes in fund balances - budget and actual - general and special revenue fund types and similar governmental fund types for which annual budgets have been legally adopted.

(d) Combined statement of revenues, expenses and changes in retained earnings or equity - all proprietary fund types and similar trust funds.

(e) Combined statement of changes in financial position - all proprietary fund types and similar trust funds,

(f) Notes to the financial statements.

(2) "Generally accepted accounting principles" means those governmental accounting and financial reporting principles promulgated by the governmental accounting standards board or its successor bodies.

(3) "Generally accepted auditing standards" means those standards approved and adopted by the membership of the american institute of certified public accountants.

(4) "Local aid programs" means the following:

(a) State shared revenues.

(b) Federal revenue sharing.

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(c) Local transportation aids.

(d) State payments for municipal services.

(5) "Local government" means a town, village, city or county.

(6) "Schedules" means a financial presentation used to provide detailed information supporting general purpose financial statements in conformity with the provisions of this chapter.

History: Cr. Register, February, 1985, No. 350, eff. 3-1-85; correction in (2) made under s. 13.93 (2m) (b) 6, Stats., Register, March, 1989, No. 399.

Tax 16.04 Schedules. (1) The governing body of each local government subject to this chapter shall provide for and cause to be prepared the following schedules required by the department for administration of local aid programs and other reporting purposes.

(a) A schedule of revenues and expenditures - all governmental fund types and expendable trust funds.

(b) A schedule of revenues and expenses - all proprietary fund types and similar trust funds.

(c) A schedule of specified receipt, disbursement and other data.

(d) A schedule of allocations.

(e) A schedule of indebtedness.

(2) The required schedules shall be prepared on the forms provided by the department and in accordance with instructions issued by the department. Local governments may elect to submit the required schedules on their own forms so long as those forms meet the specifications established by the department. Local governments electing to submit their own forms shall submit an example of their forms for review and approval by the department prior to December 31 of the year for which the schedules are to be prepared.

(3) The required schedules shall be filed with the department within the time specified under s. 86.303(5)(c) or (d), Stats. Information in the schedules shall be complete and accurate.

(4) The expense of preparing the required schedules shall be the obligation of the local government for which the schedules were prepared.

(5) Upon failure, refusal or neglect of any local government to file the required schedules in compliance with the provisions of this chapter, the department may prepare or cause to be prepared the required schedules at the expense of the local government. The department shall notify the local government of the daily charge for preparing the required schedules prior to the commencement of any work.

(6) Receipt of an audited financial report and schedules submitted pursuant to s. Tax 16.05(4) (e) prior to the due date established by sub. (3) of this section will satisfy the requirements of this section.

History: Cr. Register, February, 1985, No. 350, eff. 3-1-85.

Tax 16.05 Audited financial report and schedules. (1) The governing body of each local government subject to this chapter shall provide for and cause to be prepared an audited financial report of the financial sta-Register, March, 1989, No. 399

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tus and activities of all funds of the local government and the schedules enumerated in s. Tax 16.04 (1) accompanied by an auditor's report.

(2) The audited financial report shall include the following:

(a) Table of contents.

(b) Auditor's report.

(c) The general purpose financial statements.

(d) Combining statements by fund type for all fund types for which more than one fund is reported.

(3) Schedules enumerated in s. Tax 16.04 (1) shall be accompanied by an auditor's report on the supplemental information contained in those schedules. Certain amounts shown on the schedules enumerated in s. Tax 16.04 (1) shall agree with or be reconciled to certain amounts reported in the general purpose financial statements, sub. (2) (c) in accordance with instructions issued by the department.

(4) (a) The governing body of each local government subject to this chapter shall provide for and cause to be conducted an annual audit of all the funds and account groups of the local government.

(b) The annual audit shall be conducted in accordance with generally accepted auditing standards by either a certified public accountant licensed to practice in the state of Wisconsin; or by a licensed public accountant, licensed on or before December 31, 1970 by the Wisconsin accounting examining board.

(c) The auditor's report in the financial report required by sub. (2) shall contain an unqualified opinion with respect to the combined financial statements taken as a whole, or if an unqualified opinion cannot be expressed, a qualified opinion, adverse opinion or a disclaimer of opinion together with an explanation of the reasons therefore. The auditor's report accompanying the schedules required by s. Tax 16.05 (3) shall contain an opinion as to whether the supplemental information submitted as schedules is fairly stated in all material respects in relation to the financial report's combined financial statements taken as a whole. The auditor's opinion, unqualified, qualified, adverse or a disclaimer, with respect to the supplemental information in the schedule shall be at least the equivalent of the auditor's opinion with respect to the combined financial statements in the financial statements in the financial statements in the financial statements in the financial statements of the auditor's opinion with respect to the combined financial statements in the financial report.

(d) The expense of audits required by par. (a) shall be the obligation of the local government for which the audit is made.

(e)The local government shall submit together one copy of its audited financial report and schedules to the department within 30 days after its completion, but not later than July 31 of the year following the year for which the report and schedules were prepared.

(5) Upon failure, refusal or neglect of any local government to file the required financial report and schedules in compliance with the provisions of this chapter, the department may prepare or cause to be prepared the required financial report and schedules at the expense of the local government. The department shall notify the local government of the daily

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charge for preparing the required financial report and schedules prior to the commencement of any work.

History: Cr. Register, February, 1985, No. 350, eff. 3-1-85.

Tax 16.06 Compliance. (1) Compliance with provisions of this chapter will release the unit of local government from any obligation to file the current financial report form authorized under s. 73.10(2)(a), Stats. Reports prescribed by this chapter should be prepared from accounting records maintained by the local government and should relate directly to those records.

(2) The department shall review schedules and financial reports filed pursuant to this chapter to determine compliance with standards and procedures prescribed by this chapter.

(8) The department may inspect and examine or cause an inspection and examination of the records of local government filing schedules or financial reports under this chapter.

(4) The department may review the auditor's workpapers prepared during audits conducted pursuant to this chapter to determine compliance.

History: Cr. Register, February, 1985, No. 350, eff. 3-1-85.

Note 1: Copies of the draft schedules required by s. Tax 16.04 (1) and the specifications referenced in s. Tax 16.04 (2) may be obtained from:

Wisconsin Department of Revenue Division of State/Local Finance 125 South Webster Street P.O. Box 8933 Madison, WI 53708 Telephone (608) 266-1611

These schedules are new forms that substitute for the current annual financial report form filed by governmental units with the department of revenue.

Note 2: Generally accepted accounting principles and generally accepted auditing standards may be examined at the office of the administrator, division of state/local finance, 2nd floor, 125 South Webster Street, Madison. Generally accepted accounting principles may be obtained from:

Governmental Accounting Standards Board High Ridge Park P.O. Box 3821 Stamford, CT 06905-0821

Generally accepted auditing standards may be obtained from:

American Institute of Certified Public Accountants 1211 Avenue of the Americas New York, NY 10036

Note 3: The financial report referenced in s, Tax 16.05 represents the audited financial statements of local government units commonly referred to as an audit report or a comprehensive annual financial report and may include other statements, schedules and statistical information presented at the discretion of the local governmental unit.

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