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CERTIFICATE

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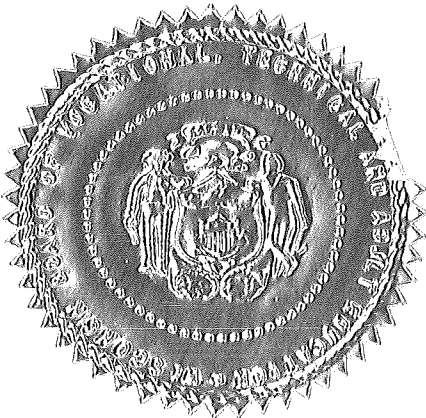
BOARD OF VOCATIONAL, TECHNICAL AND ADULT EDUCATION

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Robert P. Sorensen, State Director of the Wisconsin Board of Vocational, Technical and Adult Education, and custodian of the official records of said Board do hereby certify that the annexed rules relating to Budget, Audit and Finance for Vocational, Technical and Adult Education Districts were duly approved and adopted by this Board on July 27, 1983.

I further certify that said copy has been compared by me with the original on file in this board and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Board at Hill Farms State Office Building in the city of Madison, this 4th day of August 1983.



Robert P. Sorensen

Robert P. Sorensen
State Director

10-1-83

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ORDER OF THE
BOARD OF VOCATIONAL, TECHNICAL
AND ADULT EDUCATION ADOPTING
RULES RELATING TO BUDGET,
AUDIT AND FINANCE

To create Chapter A-V 7 relating to budget, audit and finance for vocational, technical and adult education districts.

ANALYSIS PREPARED BY THE BOARD OF VOCATIONAL, TECHNICAL AND ADULT
EDUCATION

These rules are being proposed by the Board to provide increased fiscal accountability and uniform reporting of fiscal matters by vocational, technical and adult education districts. Section 38.04(11), Stats., as repealed and recreated by Chapter 20, Laws of 1981, requires the Board to adopt rules applicable to all vocational, technical and adult education districts establishing uniform formats and reporting standards for budgets approved by district boards and governing the financing of capital expenditures under s. 38.15, the management of reserve funds and the annual district audit required under s. 38.12(5), Stats.

Section A-V 7.01 sets forth the purpose of these rules and notes the statutory authority for these rules.

Section A-V 7.02 defines certain terms and phrases as used in these rules. While some of these definitions are duplicative of those contained in ch. A-V 1, Wis. Adm. Code, it is the intention of the Board to repeal ch. A-V 1 upon completion of chs. A-V 2, 5, 7, 8, 9 and 10, Wis. Adm. Code.

Section A-V 7.03 adopts by reference "Statement 1, Governmental Accounting and Reporting Principles," published by The National Council on Governmental Accounting, Municipal Finance Officers Association of the United States and Canada. Consent for this incorporation by reference has been obtained from both the Attorney General and the Revisor of Statutes.

Section A-V 7.04 requires vocational, technical and adult education districts to organize and operate its accounting system on a fund bases. This section sets forth the various categories of funds, the fund types within each category and the functions used to classify major activities within each fund type.

Section A-V 7.05 sets forth requirements to be followed by districts in adopting budgets. This section requires the use of a fiscal year commencing July 1st, and requires disclosure of

fund balances, reserve funds, indebtedness of the district and anticipated revenues and expenditures by fund type and function. Rules concerning the establishment and maintenance of reserve funds and certification as to compliance with budget limitations under s. 38.28, Stats., are also contained within this section.

Section A-V 7.06 sets forth accounting and financial reporting requirements related to facilities including accounting and financial reporting related to capital projects, rented and leased property and buildings, repair projects, remodeling and improvement projects and equipment.

Section A-V 7.07 sets forth guidelines for determining the applicability of the \$500,000 threshold for referendums under s. 38.15, Stats. Included within this section are rules concerning what expenditures are subject to this limit.

Section A-V- 7.08 sets forth rules concerning district financial audits required under section 38.12(5), Stats. Contained within this section are requirements that audit services be retained through the bid process or competitively negotiated. Criteria are set forth concerning the selection of an audit firm. Also contained within this section are minimum requirements for the audit contract and engagement letter, and provisions relative to

the location of the audit, examination of systems of internal control, preparation of financial statements and transmittal of audit and management letters produced by the audit firm.

Section A-V 7.09 sets forth when how and by whom aids may be withheld, the procedure for withholding aids and the method for appeal of the decision withholding aids.

Section A-V 7.10 establishes a schedule for the payment of state aids under s. 20.292(1)(d), Stats. Fifteen percent of state aids due each district shall be paid in each of the months of July, August, September, October, November and June and five percent shall be paid in January and February of each fiscal year.

Pursuant to authority vested in the Board of Vocational, Technical and Adult Education by sections 38.04(11) and 227.014(2)(a), Stats., the Board of Vocational, Technical and Adult Education hereby adopts rules interpreting sections 38.04(11), 38.12(5), 38.12(5m), 38.15 and 38.28, Stats., as follows:

1 SECTION 1. Chapter A-V 7 of the Wisconsin

2 Administrative Code is created to read:

3

4

DISTRICT BUDGET, AUDIT AND FINANCE

1 A-V 7.01 PURPOSE. As authorized by ss. 38.04(11) and
2 227.014, Stats., the purpose of this chapter is to
3 administratively interpret ss. 38.04(11), 38.12(5), 38.12(5m),
4 38.15 and 38.28, Stats., relating to uniform formats and
5 reporting for district budgets, minimum requirements for the
6 annual district audit, financing of district capital expenditures
7 under s. 38.15, Stats., the management of reserve funds, payment
8 and withholding of state aids and the district accounting
9 structure.

10
11 A-V 7.02 DEFINITIONS. (1) "Board" means the board of
12 vocational, technical and adult education.

13 (2) "Director" means the person appointed by the board
14 under s. 38.04(2), Stats.

15 (3) "District" means a vocational, technical and adult
16 education district established under ch. 38, Stats.

17 (4) "District board" means the district board in
18 charge of the vocational, technical and adult education schools
19 of a district.

20 (5) "District director" means the person employed by a
21 district board under s. 38.12(3)(a) 1, Stats.

22
23 A-V 7.03 ADOPTION OF STANDARDS BY REFERENCE. (1)
24 Pursuant to s. 227.025, Stats., the attorney general and revisor
25 of statutes have consented to the incorporation by reference of

1 Statement 1, Governmental Accounting and Reporting Principles,
2 The National Council on Governmental Accounting, Municipal
3 Finance Officers Association of the United States and Canada,
4 180 North Michigan Avenue, Chicago, Illinois 60601.

5 (2) Districts shall comply with the standards
6 incorporated under sub. (1).

7 (3) Interim amendments of the standards will have no
8 effect in the state until such time as this section is
9 correspondingly revised to reflect those changes.

10 (4) Standards under sub. (1) may be obtained by
11 contacting the Municipal Finance Officers Association of the
12 United States and Canada, 180 North Michigan Avenue, Chicago,
13 Illinois 60601.

14 (5) Copies of the standards in reference are on file
15 in the office of the board, the secretary of state and the
16 revisor of statutes.

17 Note: Statement 1 Governmental Accounting and
18 Reporting Principles has been interpreted by Governmental
19 Accounting, Auditing and Financial Reporting published November,
20 1980, by the Municipal Finance Officers Association of the United
21 States and Canada, 180 North Michigan Avenue, Chicago,
22 Illinois 60601.

23

24 A-V 7.04 ACCOUNTING SYSTEM AND STRUCTURE. (1) Each
25 district board shall organize and operate its accounting system

1 on a fund basis. The district accounting structure shall use
2 three categories of funds, further divided into fund types, as
3 follows:

4 (a) The governmental fund category composed of:

5 1. The general fund type used to account for all
6 financial activities of the district, except those required to be
7 accounted for in another fund type.

8 2. The special revenue fund type used to account for
9 the proceeds and related financial activity of specific revenue
10 sources that are legally restricted to a specific purpose, except
11 major capital projects and expendable trusts.

12 3. The capital projects fund type used to account for
13 financial resources and related financial activity for capital
14 expenditure projects under A-V 7.06(1), and equipment as required
15 under A-V 7.06(5).

16 4. The debt service fund type used to account for the
17 accumulation of resources for, and the payment of general long
18 term debt and long term lease purchase debt principal and
19 interest.

20 (b) The proprietary fund category composed of:

21 1. The enterprise fund type used to account for
22 district operations where the cost of providing goods or services
23 to students, district staff, faculty or the general public on a
24 continuing basis is financed or recovered primarily through user
25 charges or where the district board has decided that periodic

1 determination of revenues earned, expenses incurred, or net
2 income is appropriate for capital maintenance, public policy,
3 management control, accountability, or other purposes.

4 2. The internal service fund type used to account for
5 the financing and related financial activities of goods and
6 services provided by one department of the district to other
7 departments of the district, or to other governmental units on a
8 cost reimbursement basis.

9 (c) The fiduciary fund category composed of:

10 1. The expendable trust fund type used to record
11 resources and related financial activities where both the
12 principal and earnings may be expended, and where the district
13 board acts as trustee.

14 2. The nonexpendable trust fund type used to record
15 resources and related financial activity where the principal may
16 not be expended, and where the district board acts as trustee.

17 3. The agency fund type used to record resources and
18 related financial activity where the district board acts as an
19 agent.

20 (2) Each district board shall account for and control
21 its general fixed assets and outstanding general long term debt
22 through the use of account groups, as follows:

23 (a) The general fixed assets account group used to
24 record a district's general fixed assets.

25 (b) The general long term debt account group used to

1 record a district's general long term debt composed of unmatured
2 principal not requiring an appropriation or expenditure during
3 the current fiscal year.

4 (3) Each district board shall, for budget and
5 accounting purposes, classify the major activities of each fund
6 type by function, as follows:

7 (a) The instruction function used to record costs
8 related to teaching, academic administration including clerical
9 support, and other activities directly related to the teaching of
10 students, assisting students in educational programs, and
11 coordinating and improving the quality of teaching.

12 (b) The instructional resources function used to
13 record costs related to all learning resource activities,
14 including the learning resources center, library, audio-visual
15 aids center, instructional media center, copy center, and
16 instructional resources administration and clerical support.

17 (c) The student services function used to record costs
18 related to those noninstructional services provided to students,
19 including student recruitment, admissions, registration,
20 counseling including testing and evaluation, health services,
21 financial aids, placement, follow-up, and student services
22 administration and clerical support.

23 (d) The research function used to record costs related
24 to the accumulation and evaluation of statistics, including
25 demographic studies, employer studies of program feasibility,

1 studies related to grants and contracts, and research, planning
2 and development administration and clerical support.

3 (e) The administration function used to record costs
4 related to general administrative functions, including district
5 board, district director and district business office operations,
6 and clerical support services.

7 (f) The general institutional function used to record
8 costs related to services benefitting the entire district,
9 including legal fees, external audit fees, general liability
10 insurance, non-resident tuition, interest on operational
11 borrowing, public information activities, personnel, and
12 employment relations where these items are not reportable under
13 another function.

14 (g) The physical plant function used to record costs
15 related to services required for the operation and maintenance of
16 physical facilities.

17 (h) The auxiliary services function used to record
18 costs for all activities of a commercial nature, including book
19 store, cafeteria and vending machine operations.

20 (i) The public service function used to record costs
21 for activities benefitting the general public, including
22 educational television or cultural events.

23
24 A-V 7.05 DISTRICT BUDGETS AND FINANCIAL DISCLOSURE.

25 (1) FISCAL YEAR. Annually, each district board shall develop

1 and adopt a budget for a fiscal year commencing July 1st and
2 ending the succeeding June 30th. The entire summer session of a
3 district shall be budgeted and accounted for in the fiscal year
4 in which the session terminates.

5 (3) DISTRICT DISCLOSURE OF FUND BALANCES. At the
6 hearing required under s. 65.90, Stats., each district board
7 shall disclose any fund type balance, and shall specify the
8 purposes for which these balances are to be used by fund type.

9 (4) DISTRICT BUDGET ADOPTION. Each district board
10 shall adopt a budget that discloses indebtedness of the district,
11 anticipated revenues, including anticipated fund balances by fund
12 type and revenue source and proposed expenditures by fund type
13 and function as required under this chapter. Adoption of a
14 budget by fund type and function within a fund type shall
15 constitute the appropriations of the district under s. 65.90,
16 Stats.

17 (5) DISTRICT RESERVES. (a) Each district board may
18 establish reserves and segregate a portion of a fund balance for
19 a specific use for a specific period.

20 (b) Prior to the creation of a reserve, a district
21 board shall adopt a resolution creating the reserve. The
22 resolution shall state the specific purpose of the reserve,
23 disclose the maximum amount that this reserve may accumulate to
24 and specify the intended period of time over which the reserve
25 shall exist. Nothing in this section shall preclude a district

1 board from increasing or decreasing the amount of the reserve,
2 provided the district board passes a resolution to this effect.

3 (c) No district board may establish or maintain
4 reserves for contingent purposes.

5 (d) Prior to the adoption of its budget, each district
6 shall disclose all reserves maintained by it, the amount
7 contained in each reserve and the anticipated amount by which
8 each reserve will be increased or decreased during the year for
9 which the budget is adopted.

10 (6) REVIEW OF PROPERTY TAX LEVY. Prior to certifying
11 the property tax levy under s. 38.16(1), Stats., each district
12 board shall recalculate the anticipated amount of financial
13 resources available for district operations, using the most
14 current data available at the district, to determine if the
15 property tax levy should be adjusted.

16 (7) MODIFICATIONS TO BUDGET AFTER ADOPTION. Changes
17 to the budget approved by the district board shall be by fund
18 type or function within a fund type and shall be in accordance
19 with s. 65.90, Stats.

20
21 A-V 7.06 ACCOUNTING AND FINANCIAL REPORTING RELATED TO
22 FACILITIES. (1) CAPITAL EXPENDITURE PROJECTS. Each district
23 board shall budget and account for all capital expenditure
24 projects for the acquisition of sites, purchase or construction
25 of buildings or lease/purchase of buildings in a capital projects

1 fund type.

2 (2) RENTED AND LEASED PROPERTY AND BUILDINGS. (a)
3 Except as provided in par. (b), each district board shall budget
4 and account for all expenditures relating to an operating lease
5 or rental of real or personal property and buildings in a general
6 revenue fund type or a special revenue fund type.

7 (b) Each district board shall budget and account for
8 all expenses relating to an operating lease or rental of real or
9 personal property and buildings, where the property and buildings
10 are used to provide proprietary services, in an internal services
11 fund type or an enterprise fund type.

12 (3) REPAIR PROJECTS RELATED TO PROPERTY AND
13 BUILDINGS. (a) Each district board shall budget and account for
14 all repair projects in a general fund type or a special revenue
15 fund type, except that expenses incurred for repairs of buildings
16 or sites used primarily for proprietary purposes shall be
17 budgeted and accounted for in an internal service fund type or an
18 enterprise fund type.

19 (b) An expenditure or proposed expenditure of a
20 district shall be considered an expenditure for repairs where
21 fixed equipment, buildings or sites of a district are restored to
22 their original condition from a worn, damaged or deteriorated
23 condition.

24 (c) An expenditure or proposed expenditure to restore
25 fixed equipment, buildings or sites to their original condition

1 where the worn, damaged or deteriorated condition occurred prior
2 to the acquisition of the site, purchase of the building or
3 lease/purchase of the building shall be considered a capital
4 expenditure project of the district and shall be budgeted and
5 accounted for in a capital projects fund type.

6 (4) REMODELING AND IMPROVEMENT PROJECTS. (a) Subject
7 to par. (b) a district expenditure or proposed expenditure for
8 the reconstruction of a building that increases its capacity,
9 usefulness, efficiency, lifespan or economy of operation and
10 intended to benefit future years' operations shall be considered
11 a remodeling or improvement project.

12 (b) For a project to be considered a remodeling and
13 improvement project, the project shall be commenced at least 2
14 years following acquisition of the building, shall not increase
15 assignable space through the reconstruction of existing external
16 walls or roof and is not a repair project under sub. (3).

17 (c) A district expenditure or proposed expenditure for
18 the reconstruction of a district owned building or a major
19 portion of a district owned building within 2 years of
20 acquisition of the building by purchase or lease/purchase shall
21 be considered a capital expenditure project under sub. (1).

22 (5) EQUIPMENT. (a) Equipment is:

23 1. "Moveable equipment" if it retains its original
24 shape, appearance and use; is nonexpendable; is not fixed
25 equipment; has a value exceeding \$500 per set or item, and has a

1 life of two years or more.

2 2. "Fixed equipment" if actual annexation to real
3 property occurs; it is applied or adopted to the use or purpose
4 for which the real property is devoted; and there is an intention
5 by the district making the actual annexation to real property to
6 make a permanent accession.

7 3. "Minor equipment" if it is neither moveable nor
8 fixed equipment and is not a disposable supply item.

9 (b) Each district board shall budget and account for
10 all moveable and fixed equipment in a capital projects fund,
11 except that moveable or fixed equipment purchased with
12 enterprise, internal service or agency funds shall be budgeted
13 and accounted for in the appropriate enterprise, internal service
14 or agency fund.

15 (c) Each district board shall budget and account for
16 all minor equipment relating to a proprietary activity of the
17 district in the appropriate enterprise, internal service or
18 agency fund. All other minor equipment purchased or proposed to
19 be purchased by a district shall be budgeted and accounted for in
20 a general expense fund, except that all minor equipment purchased
21 within 2 years of the acquisition of a building shall be budgeted
22 and accounted for in the appropriate capital projects fund.

23
24 A-V 7.07 CAPITAL EXPENDITURE PROJECTS UNDER S. 38.15,
25 STATS. In determining whether capital expenditures for the

1 acquisition of sites, purchase or construction of buildings or
2 the lease/purchase of buildings exceeds \$500,000, the following
3 shall apply:

4 (1) All fixed equipment purchased by a district for
5 installation in or on a site or building acquired by a district
6 by purchase or lease/purchase, or within 2 years of the purchase
7 or lease/purchase, shall be considered part of the capital
8 expenditure project under s. 38.15, Stats.

9 (2) All moveable and minor equipment shall be excluded
10 in determining the amount of the capital expenditure project
11 under s. 38.15, Stats.

12 (3) In determining whether the lease/purchase of an
13 existing building or the lease purchase of a site is subject to
14 the limitations under s. 38.15(1), Stats., the district shall
15 compute the lease purchase costs for the term of the lease,
16 discounted to the amount that would have been paid at the
17 commencement of the lease if the building or site was purchased
18 outright.

19 (4) All district expenditures or proposed expenditures
20 for repair projects under A-V 7.06(3)(c) or remodeling and
21 improvement projects under A-V 7.06(4)(c) shall be considered
22 part of a capital expenditure project under s. 38.15, Stats.

23 (5) All capital expenditures on a single campus site
24 which are bid concurrently or which are approved by the board
25 under s. 38.04(10), Stats., within 2 years shall be considered

1 one capital expenditure project.

2 (6) Annually, the board shall designate what
3 constitutes each single campus site.
4

5 A-V 7.08 DISTRICT FINANCIAL AUDITS. (1) REQUIREMENTS
6 FOR PROCUREMENT OF AUDIT SERVICES. (a) Each district board
7 shall solicit bids or competitively negotiate with a certified
8 public accountant for financial audits required under s.
9 38.12(5), Stats. The department of revenue acting under s.
10 73.10(5), Stats., may be considered a certified public accountant
11 for purposes of this section. The bid specifications shall
12 provide for renegotiation of the scope of the audit.

13 (b) The criteria to be used in selecting a certified
14 public accountant shall include at a minimum the expertise of the
15 staff performing the audit, the cost of the audit, the time frame
16 within which the audit can be performed, and the scope of the
17 audit.

18 (c) No certified public accountant shall be precluded
19 from participating in the procurement process on the basis that
20 the certified public accountant is providing audit services under
21 s. 38.12(5), Stats., at the time of solicitation of bids or
22 competitive negotiation for audit services.

23 (2) AUDIT CONTRACTS. Each district board shall, for
24 annual financial audits under s. 38.12(5), Stats., require the
25 certified public accountant, to conduct the audit in conformance

1 with the audit guide adopted by the board and generally accepted
2 auditing standards.

3 (3) ENGAGEMENT LETTER. For every audit, there shall
4 be an engagement letter that shall include the following:

5 (a) The scope of the audit.

6 (b) An approximate beginning and completion date.

7 (c) The number of reports to be delivered, to whom
8 each report should be delivered, and the date that each report
9 shall be delivered. No report shall be delivered later than
10 December 31, following the end of the fiscal year for which the
11 audit is performed.

12 (d) The extent to which the certified public
13 accountant is responsible for detecting defalcations and other
14 similar matters, and the responsibility of the district to
15 disclose any such matters to the certified public accountant.

16 (e) Terms of compensation, including a provision for
17 possible extended audit procedures not contemplated in the
18 original engagement.

19 (4) CONDUCT OF AUDIT. The audit shall be conducted on
20 district premises at a mutually agreeable time, and the district
21 shall provide adequate space to conduct the examination.

22 (5) EXAMINATION OF INTERNAL CONTROLS. The auditor
23 shall review the adequacy of systems of internal control,
24 including controls over funds from sanctioned district student
25 activities. If material weaknesses are noted, appropriate

1 recommendations shall be reviewed with the appropriate district
2 administrator, and transmitted to the district board by separate
3 management letter or as part of the audit report.

4 (6) PREPARATION OF FINANCIAL STATEMENTS. The district
5 shall prepare appropriate financial statements for all account
6 groups and fund types in accordance with generally accepted
7 accounting principles.

8 (7) TRANSMITTAL OF AUDIT AND MANAGEMENT LETTERS.

9 (a) Each district board shall transmit to the board a copy of
10 any management letter issued to the district as a result of an
11 audit. Board audit staff, the legislative audit bureau, and such
12 persons as mutually determined by the district board and the
13 certified public accounting firm shall be allowed access to and
14 copies of all working papers of the certified public accounting
15 firm conducting the audit.

16 (b) Each district board shall authorize the certified
17 public accountant to communicate directly with the board.

18
19 A-V 7.09 WITHHOLDING OF AIDS DISTRIBUTED BY THE
20 BOARD. (1) REPORTING REQUIREMENTS. Annually, by January 1st,
21 the director shall notify the districts of reports required to be
22 filed with the board during the next fiscal year and the due date
23 for filing each report. The director may extend the due date for
24 filing reports by districts upon good cause.

25 (2) WITHHOLDING, SUSPENSION AND REDUCTION OF AIDS.

1 Subject to sub. (3), the director may withhold, suspend or reduce
2 state or federal aid payments distributed by the board for
3 failure of a district to comply with the reporting requirements
4 under sub. (1), for failure to comply with the requirements of
5 this chapter, or as provided under s. 38.28(2)(d), and (e)
6 Stats. Where a state or federal aid payment or reimbursement has
7 been drawn on the state treasury, but not distributed, the
8 director may redeposit the payment in the treasury.

9 (3) PROCEDURE. All actions of the director
10 withholding, suspending or reducing state aids shall be in
11 writing and shall specify the reasons for the action.

12 (4) APPEALS. Districts may appeal the decision of the
13 director by filing a petition with the board requesting a hearing
14 in accordance with ch. 227, Stats., and ch. A-V 4.

15
16 A-V 7.10 PAYMENT OF STATE AIDS. (1) Subject to sub
17 (2), the board shall pay 15 percent of the aids due each district
18 each year as computed under s. 38.28, Stats., from the
19 appropriation under s. 20.292(1)(d), Stats., during each of the
20 months of July, August, September, October, November and June and
21 5 percent during each of the months of January and February.

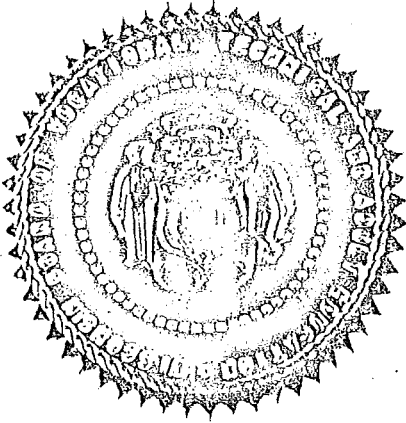
22 (2) Payments under sub. (1) shall be adjusted as
23 required under s. 38.28(2)(b) 4, Stats.

24 (3) Payment of state aids may be withheld, suspended
25 or reduced in whole or in part as provided under A-V 7.09.

The rules contained in this order shall take effect as provided
in s. 227.026(1)(intro.), Stats.

Dated: August 4, 1983

WISCONSIN BOARD OF
VOCATIONAL, TECHNICAL
AND ADULT EDUCATION



Robert P. Sorensen

Robert P. Sorensen, Ph.D.

State Director



State of Wisconsin \

BOARD OF VOCATIONAL, TECHNICAL & ADULT EDUCATION

ROBERT P. SORENSEN, Ph.D.
State Director
4802 Sheboygan Avenue, 7th Floor
P. O. Box 7874
MADISON, WISCONSIN 53707

August 10, 1983

RECEIVED

AUG 12 1983
10:00
Revisor of Statutes
Bureau

Mr. Orlan L. Prestegard
Revisor of Statutes
Room 411 West - State Capitol
Madison, Wisconsin 53702

Dear Mr. Prestegard:

Enclosed for filing is a certified copy of the Order of the Board of Vocational, Technical and Adult Education adopting Chapter A-V 7, Wisconsin Administrative Code (Clearinghouse Rule 82-131), entitled "Budget, Audit and Finance for Vocational, Technical and Adult Education Districts". Also enclosed is an additional copy of the Order for use as printer's copy.

Please note that sec. A-V 7.05(2), Wis. Adm. Code, has been deleted from this final draft due to the fact that the statutory basis for this section has been repealed by the recently enacted Budget Bill. The decision to delete this material was based upon discussions with Messrs. Ronald Sklansky and Russell Whitesel of the Legislative Council. We are leaving the decision concerning renumbering of the remaining paragraphs within that section to your office. Both legislative committees responsible for review of this rule have been notified of our action.

Finally, sec. A-V 7.03 incorporates by reference Statement 1, Governmental Accounting and Reporting Principles, published by the National Council on Governmental Accounting, Municipal Finance Officers Association of the United States and Canada. Incorporation by reference was approved by you and the Attorney General on July 2, 1982. A copy of your letter of approval and a copy of the standards incorporated are enclosed for filing.

Sincerely,

Edward S. Alschuler
Legal Counsel

ESA/mt

cc: Robert P. Sorensen, Ph.D.
John R. Kroll
Edward Chin
Greg Wagner

Enclosures