



Mary Taylor, CPA
Auditor of State



Mary Taylor, CPA
Auditor of State

March 16, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
School Breakfast Program	043802 05PU-2005	10.553	\$ 1,262,321	\$ -	\$ 1,262,321	\$ -
	043802 05PU-2006	10.553	4,063,200	-	4,063,200	-
Total School Breakfast Program			5,325,521	-	5,325,521	-
National School Lunch Program	043802 LLP4-2005	10.555	3,341,063	-	3,342,215	-
	043802 LLP4-2006	10.555	11,386,288	-	11,386,288	-
Total National School Lunch Program			14,727,351	-	14,728,503	-
Summer Food Service Program	043802 24PU-2005	10.559	21,529	-	21,529	-
	043802 23PU-2005	10.559	208,737	-	208,737	-
Total Summer Food Service Program			230,266	-	230,266	-
Total Nutrition Cluster:			20,283,138	-	20,284,290	-
Food Donation Program	043802	10.550	-	1,121,071	-	1,121,071
Child and Adult Care Food Program	043802 LUCP-2005	10.558	152	-	152	-
	043802 LUCP-2006	10.558	487	-	487	-
	043802 CCMO-2005	10.558	7,110	-	7,110	-
	043802 CCMO-2006	10.558	24,156	-	24,156	-
Total Child and Adult Care Food Program			31,905	-	31,905	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE:			20,315,043	1,121,071	20,316,195	1,121,071
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Special Education - Grants for Infants and Families with Disabilities		84.181	231,734	-	224,065	-
Safe and Drug Free Schools and Communities: National Programs		84.184	297,740	-	427,522	-
Fund for the Improvement of Education		84.215	1,030,234	-	1,125,616	-
Teacher Quality Enhancement Grants		84.336	775,600	-	996,933	-
Community Technology Centers		84.341	114,082	-	137,776	-
Dropout Prevention Program		84.360	98,843	-	110,114	-
Mathematics and Science Partnerships		84.366	5,930	-	791	-
Total Direct Funding:			2,554,163	-	3,022,817	-
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	043802 6BSF-2005	84.027	2,388,016	-	1,614,788	-
	043802 6BSF-2006	84.027	15,893,145	-	15,795,189	-
	043802 6BS3-2005	84.027	10,000	-	-	-
	043802 6BST-2006	84.027	210,905	-	253,713	-
Total Special Education Grants to States			18,502,066	-	17,663,690	-
Special Education - Preschool Grant	043802 PGS1-2005	84.173	75,400	-	64,684	-
	043802 PGS1-2006	84.173	260,025	-	223,133	-
Total Special Education- Preschool Grant			335,425	-	287,817	-
Total Special Education Cluster:			18,837,491	-	17,951,507	-
Adult Education: State Grant Program	043802 ABS1-2005	84.002	-	-	43,305	-
	043802 ABS1-2006	84.002	869,942	-	809,213	-
Total Adult Education: State Grant Program			869,942	-	852,518	-

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF EDUCATION (Continued)						
<i>Passed Through Ohio Department of Education: (Continued)</i>						
Title I - Grants to Local Educational Agencies	043802 C1SD-2005	84.010	21,106	-	18,540	-
	043802 C1SD-2006	84.010	94,947	-	93,984	-
	043802 C1S1-2004	84.010	-	-	1,316	-
	043802 C1S1-2005	84.010	12,100,573	-	9,391,607	-
	043802 C1S1-2006	84.010	24,230,837	-	23,266,037	-
	043802 C1SN-2005	84.010	41,278	-	24,813	-
	043802 C1SN-2006	84.010	157,974	-	170,359	-
	043802 C1SK-2005	84.010	670,398	-	494,125	-
	043802 C1SK-2006	84.010	938,233	-	832,044	-
Total Title I - Grants to Local Educational Agencies			38,255,346	-	34,292,825	-
Vocational Education: Basic Grants to States	043802 20A0-2005	84.048	40,592	-	67,558	-
	043802 20C1-2005	84.048	909,619	-	908,978	-
	043802 20C1-2006	84.048	1,769,836	-	1,334,952	-
	043802 20C2-2005	84.048	-	-	(3,025)	-
	043802 20C2-2006	84.048	173,421	-	173,421	-
Total Vocational Education: Basic Grants to States			2,893,468	-	2,481,884	-
Safe and Drug Free Schools and Communities: State Grants	043802 DRS1-2005	84.186	145,514	-	92,087	-
	043802 DRS1-2006	84.186	476,539	-	532,728	-
Total Safe and Drug Free Schools and Communities: State Grants			622,053	-	624,815	-
Education for Homeless Children and Youth	043802 HCS1-2005	84.196	19,399	-	447	-
	043802 HCS1-2006	84.196	267,340	-	232,045	-
Total Education for Homeless Children and Youth			286,739	-	232,492	-
Javits Gifted and Talented Student Education Grant Program	043802 JGS1-2006	84.206	7,777	-	1,995	-
Even Start: State Educational Agencies	043802 EVS1-2005	84.213	47,273	-	76,201	-
Twenty-First Century Community Learning Centers	043802 T1S1-2005	84.287	86,434	-	190,247	-
	043802 T1S1-2006	84.287	1,303,961	-	1,053,976	-
Total Twenty-First Century Community Learning Centers			1,390,395	-	1,244,223	-
Title V -Innovative Education Program Strategies	043802 C2S1-2001	84.298	(114,251)	-	-	-
	043802 C2S1-2005	84.298	-	-	(233,825)	-
	043802 C2S1-2006	84.298	583,178	-	732,909	-
Total Title V Innovative Education Program Strategies			468,927	-	499,084	-
Technology Literacy Challenge Fund Grant	043802 TJS1-2005	84.318	562,610	-	523,567	-
	043802 TJS1-2006	84.318	136,890	-	228,585	-
	043802 TJSL-2005	84.318	(81,280)	-	170,177	-
	043802 TJSL-2006	84.318	2,500,220	-	2,245,225	-
Total Technology Literacy Challenge Fund Grant			3,118,440	-	3,167,554	-
Comprehensive School Reform Demonstration	043802 RFCC-2005	84.332	470,048	-	593,245	-
	043802 RFCC-2006	84.332	676,015	-	534,462	-
	043802 RFS2-2003	84.332	7,866	-	-	-
	043802 RFK2-2003	84.332	19,905	-	-	-
	043802 RFK2-2004	84.332	81,769	-	54,842	-
	043802 RFK3-2005	84.332	65,427	-	74,410	-
	043802 RFS3-2003	84.333	(152)	-	-	-
	043802 RFS3-2004	84.332	(1,945)	-	(1,719)	-
Total Comprehensive School Reform Demonstration			1,318,933	-	1,255,240	-
Reading First State Grants	043802 RSS1-2006	84.357	3,348,971	-	3,302,727	-
English Language Acquisition Grants	043802 T3S1-2005	84.365	405,786	-	270,946	-
	043802 T3S1-2006	84.365	722,045	-	777,155	-
	043802 T3S2-2005	84.365	37,815	-	56,170	-
	043802 T3S2-2006	84.365	179,428	-	177,628	-
Total English Language Acquisition Grants			1,345,074	-	1,281,899	-

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>						
<i>Passed Through Ohio Department of Education: (Continued)</i>						
Improving Teacher Quality State Grants	043802 TRS1-2005	84.367	2,627,469	-	2,688,886	-
	043802 TRS1-2006	84.367	4,005,397	-	4,583,984	-
	043802 TRSP-2004	84.367	(58,821)	-	66,030	-
	043802 TRSP-2005	84.367	24,000	-	-	-
Total Improving Teacher Quality State Grants			6,598,045	-	7,338,900	-
Hurricane Education Recovery	043802 HR01-2006	84.938	202,500	-	202,500	-
Total Passed Through Ohio Department of Education:			79,611,374	-	74,806,364	-
<i>Passed Through Columbus Urban League:</i>						
Parental Assistance Centers	043802	84.310	159,182	-	160,446	-
TOTAL U.S. DEPARTMENT OF EDUCATION:			82,324,719	-	77,989,627	-
<u>U.S. DEPARTMENT OF LABOR</u>						
<i>Passed Through Ohio Department of Job and Family Services: Passed Through Central Ohio Workforce Investment Corporation:</i>						
<i>WIA Cluster:</i>						
WIA Adult Program	043802	17.258	-	-	18,983	-
WIA Youth Activities	043802	17.259	180,950	-	284,350	-
Total WIA Cluster			180,950	-	303,333	-
TOTAL U.S. DEPARTMENT OF LABOR:			180,950	-	303,333	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Head Start		93.600	64,688	-	92,963	-
Total Direct Funding:			64,688	-	92,963	-
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance: Discretionary Grants	043802 RIS1-2005	93.576	140,000	-	140,000	-
<i>Passed Through Ohio Department of Job and Family Services: Passed Through Franklin County Family and Children First Council:</i>						
Temporary Assistance for Needy Families	043802	93.558	1,134,400	-	1,106,238	-
<i>Passed Through State Department of Mental Retardation:</i>						
Medical Assistance Program (Medicaid Title XIX)	2500823	93.778	860,363	-	830,363	-
State Children's Insurance Program	2500823	93.767	76,246	-	76,246	-
Total Passed through State Department of Mental Retardation			936,609	-	906,609	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			2,275,697	-	2,245,810	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
Emergency Management Performance Grants		97.042	-	-	8,636	-
Disaster Grants - Public Assistance		97.036	123,926	-	123,926	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY:			123,926	-	132,562	-
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Serve America School and Community Based Programs	043802 SVS1-2005	94.004	2,526	-	7,477	-
	043802 SVS1-2006	94.004	20,661	-	13,390	-
	043802 SVHS-2005	94.004	16,221	-	14,121	-
	043802 SVHS-2006	94.004	32,975	-	64,637	-
Total Learn and Serve American School and Community Based Programs			72,383	-	99,625	-
<u>NATIONAL SCIENCE FOUNDATION</u>						
Education and Human Resources		47.076	1,061,520	-	1,250,709	-
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>						
Promotion of the Arts-Grants to Organizations and Individuals		45.024	\$ -	-	3,472	-
Totals			\$ 106,354,238	\$ 1,121,071	\$ 102,341,333	\$ 1,121,071

The accompanying notes to this schedule are an integral part of this schedule.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B—CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C— FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

NOTE D—MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Columbus City School District
Franklin County
270 East State Street
Columbus, Ohio 43215

To the Board of Education:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Columbus City School District, Franklin County, Ohio, (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2006-006 through 2006-008.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. In a separate letter to the District's management dated December 22, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned cost as items 2006-001 through 2006-006. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 22, 2006



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE

Columbus City School District
Franklin County
270 East State Street
Columbus, Ohio 43215

To the Board of Education:

Compliance

We have audited the compliance of the Columbus City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying schedule of findings and questioned cost as items 2006-010 through 2006-015. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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We noted a certain matter involving the internal control over compliance and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2006-009.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We do not believe the reportable condition described above is a material weakness. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2006, and have issued our report thereon dated December 22, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Betty Montgomery
Auditor of State

January 30, 2007, except the Federal Awards Receipts and Expenditures Schedule Dated December 22, 2006.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under .510?	Yes
(d)(1)(vii)	Major Programs (list):	<ul style="list-style-type: none"> • <u>Nutrition Cluster:</u> School Breakfast Program, CFDA #10.553 National School Lunch Program, CFDA #10.555 Summer Food Service Program, CFDA #10.559 • Title 1, CFDA #84.010 • Technology Literacy Challenge Fund Grant, CFDA #84.318 • Reading First State Grants, CFDA #84.357 • Special Education Cluster, CFDA #84.027/84.173 • Title II-A Improving Teacher Quality State Grant, CFDA # 84.367
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$3,000,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number	2006-001
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District Owned Cell Phones – Finding for Recovery

The District’s proper public purpose policy states that “District cellular telephones and pagers serve a public purpose only when they are distributed to those employees who must necessarily be available through such access and when such employees are specifically notified of the obligation to limit use of such equipment to District business.”

The District has also created acceptable use guidelines for cellular phones during the fiscal year. Rules for the usage for cellular phones include, in part:

- A Cellular Acceptable Use form must be completed and signed by each employee issued or assigned to use a District cell phone.
- District issued cellular telephones and two-way radios are property of the Columbus Public Schools and are only approved for use to conduct School District Business.
- Cellular service text messaging may not be used when the assigned plan requires per message fees without specific written authorization.
- Employees are responsible for monitoring their own cellular use to ensure that such use does not exceed service plan minutes. Repeated use of excess minutes may be cause for disciplinary action.
- When personal calls/minutes cause monthly plan minutes to be exceeded, the employee must reimburse the District for such calls/minutes. Additionally, all long distance and roaming charges incurred for personal calls (even if under the plan limit) must be reimbursed to the District.
- District cellular telephones should only be used when a land-line phone is not reasonably available.
- Employees shall not use District cellular telephones to call directory assistance.
- Employees are responsible for the security of their District cellular telephones and two-way radios and must take precautions to ensure secure storage at all times. Employees are responsible to ensure that no other individuals engage in unauthorized use of their District cellular telephone or two-way radio.

For cell phone bills tested:

- Fifteen percent (15%) did not have an employees’ signed Acceptable Use Policy on hand.
- Sixty percent (60%) included identifiable personal charges in the billing.
- Twenty percent (20%) included charges for directory assistance.

Within the cell phone billings tested, a total of \$227.20 in personal charges was incurred by the employees assigned to the phones.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued in favor of the Columbus City School District Telecomm E-Rate Fund against the employees listed in the chart below, individually, for the corresponding dollar amounts, and against Michael Kinneer, Treasurer, for the total dollar amount of all employees, in his supervisory capacity for assuring that all such payments are in accordance with District policy; and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-001
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District Owned Cell Phones – Finding for Recovery (Continued)

Employee Name	Finding Amount	Finding Repaid Under Audit	Date Finding Repaid
Evelyn Bell	\$ 0.40	\$ 0.40	1/25/07
Michelle Hall	14.40	14.40	11/21/06
Cindy O'Connell	1.20	1.20	12/07/06
Robin Chapman	9.20	9.20	11/10/06
Carolyn Hughes	3.00	3.00	11/07/06
Jacqueline Ralls	1.60	1.60	11/07/06
Darlene Wilder	34.00	34.00	2/28/07
Nikki Keyton	145.80	75.00	3/6/07
Catherine Hoover	11.40	11.40	1/31/07
Willie McClure	3.40	3.40	2/15/07
Rex Boise	2.80	2.80	10/06/06
	\$227.20	\$156.40	

No formal monitoring function has been established to review cell phone usage and charges made by District employees. Accordingly, individuals have not been required to repay the District for personal usage.

We recommend the District take responsibility to audit the remainder of cell phone billings to determine the remaining charges for personal use incurred by employees and seek reimbursement for such charges. Furthermore, we recommend the District implement formal monitoring procedures to enforce the District's policy and guidelines for cellular usage. Identified personal usage should result in repayment to the District for costs incurred.

Finding Number	2006-002
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Negative Fund Balances – Noncompliance Finding

Ohio Rev. Code Section 5705.10 states that money paid into any fund shall be used only for the purposes for which such fund was established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-002
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Negative Fund Balances – Noncompliance Finding (Continued)

The District had negative fund balances throughout the year as follows:

Fund	Month End	Fund Balance
Food Service (006)	November 2005	(\$6,534,699)
Adult Education (012)	July 2005	(151,517)
Special Enterprise (020)	December 2005	(379,039)
Employee Benefits Self Insurance (024)	September 2005	(2,957,693)
Workman's Compensation (027)	August 2005	(958,219)
Post Secondary Voc Education (413)	August 2005	(3,677)
Teacher Development (416)	July 2005	(388,467)
Management Information System (432)	March 2006	(149,818)
Alternative Schools (463)	February 2006	(182,510)
Adult Basic Education (501)	December 2005	(108,282)
Idea Part B Grants (516)	October 2005	(3,806,500)
Voc Ed: Carl D Perkins (524)	December 2005	(416,788)
Limited English Proficiency (551)	July 2005	(209,649)
Title I Disadvantaged Children (572)	July 2005	(7,674,155)
Title V Innovative Education Program (573)	October 2005	(285,340)
Drug Free School Grant (584)	February 2006	(296,106)
Idea Preschool-handicapped (587)	October 2005	(56,471)
Improving Teacher Quality (590)	July 2005	(410,490)

All District fund cash balances at June 30, 2006 were in a positive position.

The District should monitor fund balances to ensure that expenditures are made within appropriated levels of available funds and if negative fund balances are anticipated, the Board should make an approved transfer or advance of funds to cover the necessary expenditure.

Finding Number	2006-003
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Appropriations Exceeding Estimated Resources – Noncompliance Finding

Ohio Rev. Code Section 5705.39 states in part that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission, or in the case of appeal, by the board of tax appeals.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-003
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Appropriations Exceeding Estimated Resources – Noncompliance Finding (Continued)

The following funds had appropriations in excess of estimated resources at June 30, 2006:

Fund #	Fund Name	Final Estimated Resources	Final FY 06 Appropriations	Variance
009	Uniform School Supplies	\$ 97,076	\$ 100,000	\$ (2,924)
011	Rotary Funds	635	1,000	(365)
012	Adult Education	2,280,428	2,500,000	(219,572)
019	Other Grant	5,008,257	5,535,800	(527,543)
025	Computer Network	196,438	200,000	(3,562)
200	Student Activity	1,127,138	1,250,000	(122,862)
300	District Managed	3,316,708	4,550,000	(1,233,292)
401	Auxiliary Service	6,451,410	6,608,000	(156,590)
413	Post Secondary Voc Ed	18,002	19,000	(998)
416	Teacher Development	306,701	1,425,000	(1,118,299)
431	Gifted Education	244,311	244,500	(189)
450	School Net	568,400	575,000	(6,600)
452	School Net Prof. Dev.	20,614	50,000	(29,386)
460	Summer Intervention	600,969	2,650,000	(2,049,031)
461	Voc Ed Enhancement	29,973	150,000	(120,027)
463	Alternative Schools	634,373	700,000	(65,627)
499	Misc. State Grant Funds	2,632,660	2,830,000	(197,340)
501	Adult Basic Education	887,166	925,000	(37,834)
551	Limited English Proficiency	1,564,173	1,657,265	(93,092)
573	Title VI	1,283,324	1,669,915	(386,591)
584	Safe and Drug Free Schools	812,571	990,000	(177,429)
587	EHA Preschool	370,780	411,000	(40,220)
590	Improving Teacher Quality	9,046,413	13,340,000	(4,293,587)

This could result in the District expending more money than it receives and could cause possible negative fund balances. A lack of funds may result in the District being unable to meet its current obligations.

We recommend the District ensure that estimated resources are sufficient to cover appropriations at the time of certification or amendment.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number

2006-004

Proper Public Purpose – Finding for Recovery

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that the primary object of an expenditure of public funds should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose”** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

The District has formal written Administrative Finance Guidelines to aid in determining whether expenditures are for proper public purposes. The Administrative Finance Guidelines state, in part:

- Costs for alcoholic beverages are not subject to reimbursement.
- Food and beverages may only be provided at District sponsored meetings, conferences or in-service trainings when a meeting requires such an expense and upon approval by the appropriate budget manager. Coffee or other beverages may be approved by the appropriate budget manager. The following circumstances may qualify for such expenditures:
 1. Meetings conducted for an outside advisory group, including parents or volunteers, who are specifically invited to attend a breakfast or luncheon meeting. In such case, the maximum allowance for breakfast shall be \$4.00 per person and the maximum allowance for lunch shall be \$6.00 per person.
 2. Meetings, conferences or in-service trainings of unusual length where continuity would be lost by leaving for meals and which involve large numbers of staff away from their usual work stations.
- While individuals planning meetings, conferences or in-service trainings should not generally anticipate the provision of food and beverages for attendees, these regulations do not prohibit planners from taking an advance collection from individual attendees for the purchase of box lunches or in-house delivery of meals or beverages.

The District expended public funds in the amount of \$9.99 for alcohol from the District Managed Activities Fund, which was funded by contributions from staff members and used as a co-worker’s gift. Additionally, the District also expended public funds in the amount of \$127.75 for food and beverages that were noncompliant with the District’s Administrative Finance Guidelines.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Seward v. National Surety Co.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985).

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number (Continued)	2006-004
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Proper Public Purpose – Finding for Recovery (Continued)

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued in favor of the Columbus City School District against the employees listed in the chart below for the corresponding dollar amounts and in favor of the respective funds, and against Michael Kinneer, Treasurer, for the total dollar amount of all employees, in his supervisory capacity for assuring that all such payments are in accordance with District policy; and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally.

Employee Name	Finding Amount	Item	Fund	Special Cost Center	Finding Repaid Under Audit	Date Finding Repaid
Timothy Carpenter	\$ 25.12	Food	General Fund	1063	\$ 0.00	
Laura Commodore	5.00	Food	Public School Support	905B	5.00	2/16/07
Sherry M. Powell	17.28	Food	Public School Support	904B	17.28	2/27/07
Milton Ruffin	80.35	Food	Public School Support	999A	80.35	2/21/07
Leslie Williams	9.99	Alcohol	District Managed Activities	985E	9.99	2/20/07
	<u>\$137.74</u>				<u>\$112.62</u>	

We recommend the District ensure that purchases comply with its Administrative Finance Guidelines and take corrective action when any noncompliant purchases are detected.

Finding Number	2006-005
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Overpayment for Limited Separation Plan – Finding for Recovery – Repaid Under Audit

A Limited Separation Plan (LSP) was implemented during fiscal year 2006 to encourage voluntary resignation or retirement for employees who met certain eligibility requirements. To provide this program, the District contracted with Educators Preferred Corporation® (EPC). The District pays EPC annually and EPC ensures that monthly payments are made to the participants.

Eligible employees electing LSP Phase I were to receive a \$50,000 separation incentive plus any applicable contractual severance (i.e. sick leave, personal leave). The participants received their legal documents with the correct separation incentive of \$50,000 plus any contractual severance; however, EPC's benefit software utilized \$60,000 for the separation incentive. On March 13, 2006, when the annual LSP Phase I payment was due, the amount paid should have been \$69,002. Instead, the District paid EPC \$76,499 resulting in an overpayment of \$7,497.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-005
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**Overpayment for Limited Separation Plan – Finding for Recovery – Repaid Under Audit
(Continued)**

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Educators Preferred Corporation® (EPC), Craig Bickley, District Human Resources Director, Michael Kinneer, District Treasurer, and his bonding company Travelers Casualty and Surety Company of America, jointly and severally, in the amount of, seven thousand four hundred and ninety seven dollars (\$7,497) for public monies illegally expended, in favor of the District's General Fund (001). The full amount of the finding was repaid on November 20, 2006 by EPC.

Finding Number	2006-006
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Self Insurance Controls – Reportable Condition and Finding for Recovery

The District contracted with United Healthcare (7/1/05-8/30/05) and Aetna (9/1/05-6/30/06) to be its third party administrators for health, dental, and vision claims processing. Total expenditures in fiscal year 2006 for self insurance were \$69,456,682.

Enrollment forms for insurance eligibility are completed in some instances, but they are not consistently used. When forms are completed, there is no review or approval of the form. In addition, when a dependent is added for an existing insured employee, the enrollment form is rarely used. Rather, dependents have been added as eligible for insurance by the employee making a phone call to Human Resources with Human Resources adding the information directly into the system. The District does not have a written policy regarding health insurance enrollment forms, including how often they need to be updated. Per the District's health insurance policy, children can only be considered dependents between the ages of 19-24 if they are unmarried, do not work full time, and are financially dependent on the employee. However, the employees are not required by the District to show proof of financial dependency for any children between the ages of 19-24. The District, additionally, does not require any documentation (such as a birth certificate, marriage license, or adoption/guardianship papers) or a new enrollment form to add a dependent to the employee's coverage.

Furthermore, the District lacks appropriate monitoring controls over the claims paid by the third party administrator (TPA). A detail check register, which would list the insured's name, claim name, amount paid, and check number for each of the claims, is not received or reviewed by the District. The District only received a confirmation fax that listed the total of the check run that was requested from the District's bank account. The District performed quarterly data matches after claims were paid from the benefits system to the payroll system but did not identify all ineligible individuals and did not perform appropriate follow up actions on identified individuals. No large or unusual claims were reviewed or investigated by the District to ensure that the services were eligible with the District's policy of covered services.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-006
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Self Insurance Controls – Reportable Condition and Finding for Recovery (Continued)

The results of our testing were:

- The number of ineligible claims paid for an individual included as insured was 85.
- The amount of claims paid for ineligible individuals included as insured was \$8,151.68 (see chart below).
- 10% of claims tested were for dependents that were not listed on the employee's Enrollment Form. The dependents were directly added to the TPA's system.
- Of the tested enrollment forms on file, 47% were over two years old, 24% were over five years old, and 19% were over seven years old.

Additionally, the District allows employees who are on a leave of absence to pay the full insurance premium to continue their coverage for the period of the leave of absence. However, there is no formal policy regarding the procedures and guidelines for paying the coverage. The District sends a letter to the employee that states the amount they are required to pay each month, the date the payment is due, that the payment is to be pre-paid to cover the following month, and that coverage may be cancelled if payment is not received on time. Two percent of employees tested were allowed to retroactively pay for coverage, rather than pre-pay, for six months. The total amount of claims paid for those employees during the six month period was \$13,975.

For employees who have left the District and have chosen COBRA coverage, the claims are processed the same as all other insurance claims. However, the District did not receive or maintain a copy of the employee's COBRA enrollment form since the forms were sent directly to Aetna.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code 117.28, a Finding for Recovery for public monies illegally expended is issued in favor of the Columbus City School District Self Insurance Fund against the employees listed in the chart below, individually, for the corresponding dollar amounts, and against Director of Human Resources, Craig Bickley, and Treasurer, Michael Kinneer, in their supervisory capacities for assuring that all such payments are in accordance with District policy and Mr. Kinneer's bonding company, Travelers Casualty and Surety Company of America, jointly and severally.

This chart reflects either 1) ineligible claims identified by the Auditor of State during the course of the audit; or 2) ineligible claims identified by the District where proper collection procedures were not followed and/or started until the District was under audit. Also, the District paid an ineligible claim where neither the employee nor his dependent received a benefit.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-006
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Self Insurance Controls – Reportable Condition and Finding for Recovery (Continued)

Employee Name	Finding Amount	Finding Amount Repaid Under Audit	Date Amount Repaid	Unpaid Finding Amount
Deanna Allen	\$ 115.26	\$ 0		\$ 115.26
Steven Brown	240.68	0		240.68
Buffy Burroughs	6,092.03	0		6,092.03
Donna Galvach	96.66	0		96.66
Stephen Herbert	75.22	0		75.22
Abdulghan Mohamed	307.58	0		307.58
Linda Turner	486.55	0		486.55
Thelma Williams	607.66	0		607.66
Non-liaible employee	130.04	130.04	2/14/07	0.00
Total:	\$8,151.68	\$130.04		\$8,021.64

In order to strengthen the control process over the District's self insurance expenditures we recommend the following:

- A review and approval of eligibility enrollment forms take place prior to entering an individual as an eligible enrollee in the self insurance system;
- A written policy be developed regarding the completion of an enrollment form for insurance enrollment and eligibility, the frequency of required updates to enrollment forms, documentation required to accompanying the enrollment form for approval (ie marriage license, birth certificate, proof of dependency, etc.), and the regulations and procedures for insurance coverage during a leave of absence;
- Receive, review, and authorize a detail check register of claims to be paid by the TPA prior to payment to ensure payments are made for only eligible employees and members;
- Blanket authorization of the TPA to withdraw funds should be removed;
- Receive and maintain a copy of COBRA enrollment forms.

Finding Number	2006-007
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Capital Assets – Reportable Condition

The District has developed and implemented procedures to track the movement of capital assets from department to department, retirement, sale, disposal and acquisition. An "Inventory Control Form" (the Form) is used to document the status and location of assets. At the time of acquisition, the Form is prepared using a unique tag number and the serial number. The department receiving the asset is required to document on the Form the asset location and return the Form to the Treasurer's office. Further asset movements and changes in status are required to be documented on the Form and forwarded to the Treasurer's office also.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-007
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Capital Assets – Reportable Condition (Continued)

Annually, the Treasurer’s office distributes a complete inventory listing to each department which contains all capital assets (assets over \$5,000) and assets above the District’s tracking threshold of \$300. Each department head is to verify the accuracy of the information for all inventoried assets. While each department performed only an annual inventory the inventories were received and performed at varying dates throughout the fiscal year. Discrepancies from listings to inventory results including disposal, location, and condition changes are to be identified and forwarded to the capital asset coordinator for update to the District’s capital asset tracking system (the System). Asset disposals require the completion of the respective portion of the Form.

Our review of the capital asset tracking system and procedures identified the following conditions:

- 3 percent of equipment tested could not be located
- 13 percent of equipment tested was not tagged by the District;
- A projected amount of \$147,194 of asset additions were not supported as to cost or did not meet the criteria of a capital asset;
- 3 percent of equipment tested as a current year deletion was disposed of in a prior year but was not recorded as a deletion until the current fiscal year, indicating a timing delay in the recording of such disposals; in addition, a refrigeration system valued at \$447,150 was completely replaced in a prior period and was never recorded as a disposal;
- 43 percent of disposals were not consistently disposed of using the Inventory Control Form, although various other forms of supporting documentation were provided to evidence the disposal. Despite support through alternate methods, many of the disposals occurred months or years after the disposal of the asset and were only identified through annual inventories by departments that identified the assets as disposed or missing. Based on a disposal through this method the assets lacked appropriate approval at the time they were disposed.
- 3,167 items or \$3,728,095 (\$1,021,672 carrying value) from all inventoried assets were determined to be missing from the departmental inventories and were disposed of on the District’s asset tracking system, \$801,021 (\$131,661 carrying value) of which were capital assets above the District’s capitalization threshold of \$5,000. In addition, \$438,947 (\$174,819 carrying value) of the missing assets were purchased from federal funds, which are subject to federal disposal requirements. Subsequent to audit procedures performed the District was able to locate \$190,727 (\$20,691 carrying value) of assets that remained at the identified school and identify \$88,962 (\$35,076 carrying value) of computers that were able to be tied to listings of disposed computers;
- 60 percent of vehicles tested and 56 percent of equipment tested, which comprised 61 percent business type assets, were fully depreciated, indicating that the estimated useful lives established by the District do not reflect the true useful life of the assets and that the estimated useful lives have not been re-evaluated for appropriateness;

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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JUNE 30, 2006
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number (Continued)

2006-007

Capital Assets – Reportable Condition (Continued)

The combination of these capital asset weaknesses could result in the loss, misappropriation, theft, or diversion of assets, noncompliance with federal grant requirements, and an inaccurate and improperly valued capital asset listing.

We recommend the District ensure that all of its schools/departments comply with its capital asset tracking policies to help ensure an accurate and complete capital asset listing is maintained and updated timely. Additionally, investigation/tracking procedures should be implemented regarding missing assets prior to write off through disposal. Disposal of federal assets should be evaluated against federal guidelines with monies remitted to the grantor agency, if applicable. Furthermore, the District should consider reevaluating the estimated useful lives of its assets in order to prevent further recognition of fully depreciated assets that are still in use.

Finding Number

2006-008

Student Activities – Reportable Condition

Cash receipts from student activities are often a source of concern for Districts. Recognizing the risk associated with these cash transactions, the Board adopted Policy #5156, Elementary, Middle and High School Activities, on November 5, 1985. This policy requires all fund-raising activities conducted for a school, or through a club, class, athletic team or organization connected with the school to be approved by the building principal prior to the commencement of the activity. All receipts and disbursements relative to the activity must be processed through the Student Activity fund of the District, and a final accounting of the financial activity must be documented on the Financial Report-Student Activities Fund-Raiser Project form.

Board policies governing student activities are not being followed on a consistent basis. For those fund raisers tested, 5 percent did not have completed Financial Report-Student Activities Fund-Raiser Project forms (which is to be used to reconcile the activity at completion). Of the Financial Report-Student Activities Fund-Raiser Project forms which were completed, 44 percent were not completed within the ten day period outlined by the student activity handbook. Furthermore, in 27 percent of the fund-raisers tested, no supporting documentation was maintained for receipts or disbursements recorded and presented in the District's financial records.

We recommend the District ensure current Board policies established to govern student activities are adhered to on a consistent basis and in addition, supporting ledgers, duplicate receipts and other financial records should be maintained by advisors to ensure accountability and assets are safeguarded. We also recommend student activities be subject to ongoing monitoring by the District's Internal Audit Department to help ensure compliance.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Finding Number	2006-009
CFDA Title and Number	Nutrition Cluster, #10.553, #10.555 and #10.559; Title I, #84.010; Special Education #84.027
Federal Award Number / Year	043802 05PU-2005, 043802 05PU-2006, 043802 LLP4-2005, 043802 LLP4-2006, 043802 24PU-2005, 043802 23PU-2005; 043802 C1S1-2004, 043802 C1S1-2005, 043802 C1S1-2006, 043802 C1SD-2005, 043802 C1SD-2006, 043802 C1SK-2005, 043802 C1SK-2006; 043802 6BSF-2005, 043802 6BSF-2006, 043802 6BST-2006
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Capital Assets – Reportable Condition

See Findings Related to the Financial Statements Required to be Reported under GAGAS number 2006-007. This finding is also required to be reported under OMB Circular A-133 § 510 (a)(1).

Finding Number	2006-010
CFDA Title and Number	Nutrition Cluster, #10.553, #10.555 and #10.559; Title I, #84.010; Improving Teacher Quality, #84.367; Title V , #84.298
Federal Award Number / Year	043802 05PU-2005, 043802 05PU-2006, 043802 LLP4-2005, 043802 LLP4-2006, 043802 24PU-2005, 043802 23PU-2005; 043802 C1S1-2005, 043802 C1S1-2006; 043802 TRS1-2005, 043802 TRS1-2006; 043802 C2S1-2005
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Nutrition Cluster, Title I, Improving Teacher Quality, and Title V - Noncompliance Finding and Questioned Cost

2 CFR Part 225 Appendix B subsection 8.h. provides, in part, that salaries and wages shall be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official of the government unit. When employees work on multiple activities or cost objectives, a distribution of compensation shall be supported by personnel activity reports that reflect the actual activity and total activity of the employees, unless certain time study requirements are met. An employee whose compensation is allocated solely to a single cost objective must furnish semiannual certificates that he/she has been engaged solely in activities supportive of the cost objectives.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number (Continued)	2006-010
CFDA Title and Number	Nutrition Cluster, #10.553, #10.555 and #10.559; Title I, #84.010; Improving Teacher Quality, #84.367; Title V, #84.298
Federal Award Number / Year	043802 05PU-2005, 043802 05PU-2006, 043802 LLP4-2005, 043802 LLP4-2006 043802 24PU-2005, 043802 23PU-2005; 043802 C1S1-2005, 043802 C1S1-2006; 043802 TRS1-2005, 043802 TRS1-2006; 043802 C2S1-2005
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Nutrition Cluster, Title I, Improving Teacher Quality, and Title V - Noncompliance Finding and Questioned Cost (Continued)

The District was unable to provide personnel activity reports/certification as required by 2 CFR Part 225 Appendix B, paragraph 8.h3, although alternative measures were able to be assessed, for the Nutrition Cluster, Title I, and Improving Teacher Quality grants, as follows:

- 45% of Nutrition Cluster employees tested, for a projected amount of \$7,474,018
- 20% of Title I employees tested, for a projected amount of \$5,000,433
- 39% of Improving Teacher Quality employees tested for a projected amount of \$1,621,437

The District was also unable to provide personnel activity reports/certification or any supporting time and effort documentation as required by 2 CFR Part 225 Appendix B, paragraph 8.h3 for three Title V employees with payroll expenditures totaling \$15,130 for July and August 2005. Total questioned costs for expenditures that were not properly supported by a time and effort certification or any supporting time and effort documentation are fifteen thousand one hundred thirty dollars (\$15,130) of the District's \$499,084 spent on the Title V program during 2006.

We recommend the District maintain personnel activity reports that reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, and contain a certification signature of the grant coordinator and employee. These personnel activity reports should be completed semi-annually for employees that are paid solely from a single federal grant and should coincide with one or more pay periods on at least a monthly basis for those employees who receive less than 100% of their compensation from a single federal grant. These records should then be used to adjust budgeted grant costs to actual grant costs on at least a quarterly basis. We further recommend an effective system of reconciling the personnel activity reports with the actual payroll costs charged to the federal grants, so that complete and accurate charges are made to the program.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2006-011
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CFDA Title and Number	Special Education, #84.027
Federal Award Number / Year	043802 6BSF-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Allocability of Costs – Special Education Grant – Noncompliance Finding

2 CFR Part 225 Appendix C subsection E.c.3.a. states that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. Additionally, 2 CFR Part 225 Appendix B subsection 8.d. provides, in part, the cost of fringe benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

The District adjusted costs for the fiscal year 2005 Special Education grant to reduce fringe benefit costs by \$555,445 and increase salaries and wages costs by the same amount. While the adjustment had a \$0 net effect on grant expenditures, overall, the adjustment improperly states the allocation of the expenditures made and resulted in the improper reporting of expenditures by allocable category.

We recommend the District implement procedures to ensure that salary and fringe benefit costs are allocated and charged in a manner consistent with the group(s) of employees whose salaries and wages are charged to the Special Education grant.

Finding Number	2006-012
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CFDA Title and Number	Special Education, #84.027
Federal Award Number / Year	043802 6BSF-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Special Education Grant - Noncompliance Finding and Questioned Cost

34 CFR 74.28 states that where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Secretary. The Ohio Department of Education (ODE) 2006 Continuous Comprehensive Improvement Planning (CCIP) Consolidated Application for the Special Education grant defined the available period as July 1, 2005 to June 30, 2006. 34 CFR 76.707 states that an obligation for personal services by an employee of the State or subgrantee occurs when the services are performed.

The District charged \$141,512 in payroll and related benefits costs, related to stretch pay for work performed prior to July 1, 2005 to the 2006 Special Education grant. Additionally, the District shifted \$1,276,503 in employee payroll and related benefits costs from the Special Education 2005 grant to the 2006 grant. Of the costs shifted, \$1,269,376 was for wages earned prior to July 1, 2005. As a result, a total of \$1,410,888 was charged to the 2006 grant for work performed prior to the beginning of the 2006 project period. There were no pre-award costs authorized for the grant.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

Finding Number (Continued)	2006-012
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CFDA Title and Number	Special Education, #84.027
Federal Award Number / Year	043802 6BSF-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Special Education Grant - Noncompliance Finding and Questioned Cost (Continued)

Total questioned costs for expenditures that were outside the period of availability are one million four hundred ten thousand eight hundred and eighty-eight dollars (\$1,410,888) of the District's \$17,663,690 spent on the Special Education program during fiscal year 2006. We recommend the District use grant funds only for expenditures obligated during the period of availability.

Finding Number	2006-013
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2004, 043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Title I Grant – Noncompliance Finding and Questioned Cost

34 CFR 74.28 states that where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Secretary. The Ohio Department of Education (ODE) Continuous Comprehensive Improvement Planning (CCIP) Consolidated Application for the Title I grant has a 12 month project period beginning on the substantially approved date (which was July 1 for the District) and ending on June 30. 34 CFR 76.707 states that an obligation for personal services by an employee of the State or subgrantee occurs when the services are performed. Obligations must be liquidated prior to submitting the Final Expenditure Report, which must be filed no later than 90 days after the end of the project period.

On July 8 and August 5, 2005, the District charged \$1,316 in payroll and related benefits costs to the Title I 2004 grant. As a result, those expenditures were made after the Title I 2004 grant liquidation period, which ended on September 30, 2004.

The District charged \$75,854 in payroll and related benefits costs, related to stretch pay for work performed prior to July 1, 2005 to the 2006 Title I grant. Additionally, the District shifted \$11,253 in purchased service costs from the Title I 2005 grant to the 2006 grant. Of the costs shifted, \$8,933 was for obligations incurred prior to July 1, 2005. As a result, a total of \$84,787 was charged to the 2006 grant for obligations incurred prior to the beginning of the 2006 project period. There were no pre-award costs authorized for the grant.

Total questioned costs for expenditures that were outside the period of availability are eighty six thousand one hundred three dollars (\$86,103) of the District's \$34,292,825 spent on the Title I program during fiscal year 2006. We recommend the District implement procedures to ensure that costs charged to its grant awards only result from obligations incurred during the funding period.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost

34 CFR 200.78 (a) requires that a Local Educational Authority (LEA) must allocate funds under Title I subpart A to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the Elementary and Secondary Education Act (ESEA), in rank order on the basis of the total number of children from low-income families in each area or school. In calculating the total number of children from low-income families, the LEA must include children from low-income families who attend private schools. An LEA must use that portion of Title I subpart A funds attributable to private school children from the low-income families included in the calculation to provide services to eligible private school children.

District schools, as well as private schools that the District received an allocation of Title I funds for, overspent their Title I budgets for the fiscal year 2005 grant. For the District's schools which had initially overspent their budget, their costs were adjusted to the Title I operational unit number 000, which is a set aside for summer school and professional development activities for the Title I program. However, a portion of the adjustment was deemed unallowable since no documentation was maintained that the overspent costs of these schools were the result of allowable set aside activities. As a result, the schools were deemed to have overspent their budgeted school allocation and were therefore deemed to have not served the schools in rank order based on their poverty levels.

For the fiscal year 2005 grant, overspending occurred in the following private schools and District schools that received allocations under the Title I grant:

<u>School</u>	<u>Total Expenditures</u>	<u>Budgeted School Allocation</u>	<u>Variance</u>	<u>% of Allocation Spent</u>
Private Schools:				
Catholic School Consortium	\$ 189,941	\$ 184,026	\$ (5,915)	103%
Columbus Torah Academy	18,354	16,380	(1,974)	112%
Sonshine Academy	54,739	44,771	(9,968)	122%
Private Schools Subtotal	<u>263,034</u>	<u>245,177</u>	<u>(17,857)</u>	

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number (Continued)	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost (Continued)

School	Total Expenditures	Budgeted School Allocation	Variance	% of Allocation Spent
Columbus City Schools:				
Brentnell Elementary	117,260	116,580	(680)	101%
Hilltonia Middle	333,337	330,837	(2,500)	101%
Como Elementary	171,439	169,940	(1,499)	101%
Linmoor Middle	391,602	387,750	(3,852)	101%
Koebel Elementary	164,827	163,098	(1,729)	101%
Africentric Elementary	196,863	194,796	(2,067)	101%
Broadleigh Elementary	464,023	457,028	(6,995)	102%
South Mifflin Elementary	239,177	234,693	(4,484)	102%
Lincoln Park Elementary	298,612	292,622	(5,990)	102%
Main St Elementary	176,359	171,644	(4,715)	103%
Weinland Park Elementary	222,200	216,234	(5,966)	103%
Johnson Park Middle	362,216	351,390	(10,826)	103%
Dominion Middle	81,839	79,323	(2,516)	103%
Arts Impact Middle	130,325	126,177	(4,148)	103%
Northtowne Elementary	86,536	83,544	(2,992)	104%
Sullivant Elementary	312,259	299,860	(12,399)	104%
Gladstone Elementary	238,463	228,140	(10,323)	105%
Ohio Ave Elementary	248,995	237,330	(11,665)	105%
Franklin Alt. Middle	199,692	189,272	(10,420)	106%
Westgate Elementary	93,445	87,954	(5,491)	106%
Maybury Elementary	194,141	182,120	(12,021)	107%
Literature Based Alternative Elementary	163,997	153,825	(10,172)	107%
Avondale Elementary	301,489	277,764	(23,725)	109%
West Broad Elementary	350,954	322,341	(28,613)	109%
North Linden Elementary	208,548	190,944	(17,604)	109%
Fairwood Alt. Elementary	420,216	380,512	(39,704)	110%
Moler Elementary	171,836	155,583	(16,253)	110%
West Mound St Elementary	252,550	228,072	(24,478)	111%
Scioto Trail Elementary	94,495	84,488	(10,007)	112%

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number (Continued)	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost (Continued)

School	Total Expenditures	Budgeted School Allocation	Variance	% of Allocation Spent
Shady Lane Elementary	104,337	92,984	(11,353)	112%
Arlington Park Elementary	247,436	220,116	(27,320)	112%
Forest Park Elementary	134,264	119,416	(14,848)	112%
Avalon Elementary	143,451	126,177	(17,274)	114%
Cranbrook Elementary	108,100	94,400	(13,700)	115%
Fair Elementary	263,672	228,540	(35,132)	115%
Georgian Heights Alternative Elementary	79,537	67,815	(11,722)	117%
Cedarwood Elementary	101,250	85,077	(16,173)	119%
East Columbus Elementary	261,887	219,750	(42,137)	119%
Parkmoor Elementary	98,117	82,128	(15,989)	119%
East Linden Elementary	246,269	205,686	(40,583)	120%
Lindbergh Elementary	142,680	118,472	(24,208)	120%
Duxberry Park Alternative Elementary	122,526	100,340	(22,186)	122%
Olde Orchard Alternative Elementary	118,284	95,763	(22,521)	124%
Valley Forge Elementary	136,239	108,560	(27,679)	125%
Huy Elementary	128,115	101,008	(27,107)	127%
Clinton Elementary	62,874	49,320	(13,554)	127%
Binns Elementary	88,415	67,815	(20,600)	130%
Maize Rd Elementary	130,586	98,648	(31,938)	132%
Winterset Elementary	58,608	43,870	(14,738)	134%
Siebert Elementary	135,849	101,439	(34,410)	134%
Columbus City Schools Subtotal	9,600,191	8,821,185	(779,006)	
 Grand Total	\$ 9,863,225	\$ 9,066,362	\$(796,863)	

Total questioned costs for individual school expenditures that were in excess of allocated budgets are seven hundred ninety six thousand eight hundred sixty three dollars (\$796,863) of the District's \$34,292,825 spent on the Title I program during fiscal year 2006.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number (Continued)	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost (Continued)

We recommend the District implement procedures such as more detailed budgets and planning of activities at the school level, in addition to further monitoring throughout the year by the grant personnel and assigned school budget administrators along with corrective action on a timely basis to prevent overspending at the school building level, in order to ensure that schools are served in rank order on the basis of poverty levels at each respective school.

Finding Number	2006-015
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CFDA Title and Number	School Breakfast Program, #10.553
Federal Award Number / Year	043802 05PU-2006
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Food Service – Reporting Breakfasts Served – Noncompliance Finding

The Ohio Alternative Methods of Serving School Breakfast Fact Sheet states in part that breakfast counts must be taken as the students are served a reimbursable breakfast. If students are not charged for a breakfast, then no money is collected, but breakfasts must still be counted by each student's eligibility category (full price, free, reduced).

All District schools were designated to be "non-pricing" schools, whereby no students were charged for breakfasts for fiscal year 2006. Of the 139 "non-pricing" schools, breakfasts were not counted by each student's eligibility category by 46 schools for one month and 3 schools for two months. As a result, the schools reported virtually all breakfasts counted as being served to students in the free eligibility category. Revised claims were not submitted by the District to correct these instances of over reported free meals served.

Meals reported as being served in the free eligibility category generate a higher reimbursement amount than meals served in the reduced and full price eligibility categories, which resulted in the District receiving an inappropriate amount of reimbursement for the School Breakfast Program. Since the number of free, reduced, and full priced meals was not documented by the District, in addition to the Ohio Department of Education calculating the amounts of reimbursement made based on results reported, we were unable to determine of amount of reimbursement that the District improperly received.

We recommend the District implement procedures to ensure that meal counts are tracked and reported by the appropriate eligibility categories of free, reduced, or full price.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

Officials' Responses: The responses to the above findings and questioned costs are included in the Corrective Action Plan prepared by the District.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Finding for recovery repaid under audit for personal cell phone use.	No	Not Corrected – Reissued as 2006-001
2005-002	Negative fund balances throughout the year.	No	Not Corrected – Reissued as 2006-002
2005-003	Appropriations exceeding Estimated Resources	No	Not Correct – Reissued as 2006-003
2005-004	412 Certifications were not executed for qualifying contracts.	Yes	
2005-005	Policy on student activities adopted by the Board of Education is not being followed on a consistent basis.	No	Not Corrected – Reissued as 2006-008
2005-006	Employee payroll certifications were not completed for Title V payroll expenditures in accordance with allowable costs/cost principles requirements resulting in a questioned cost.	No	Not Corrected – Reissued as 2006-010
2005-007	Employee payroll certifications were not completed for Title I payroll expenditures in accordance with allowable costs/cost principles requirements resulting in a questioned cost.	No	Partially Corrected – Reissued as 2006-010
2005-08	Title I school allocations overspent resulting in schools being served outside of poverty rank with a corresponding questioned cost.	No	Not Corrected – Reissued as 2006-014
2005-09	Title I funds spent on unallowable activities with a corresponding questioned cost.	Yes	
2005-010	“Non-pricing” Breakfast program was not tracked by eligibility categories.	No	Not Corrected – Reissued as 2006-015

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p><u>Finding Number 2006-001</u> District Owned Cell Phones- Implement formal monitoring procedures to enforce District policy and guidelines are met.(\$227.20)</p>	<p>Mr.Vargo Dr.Bosley</p>	<p>The procedures implemented require employees to review their respective phone bill for unallowable calls and remit any cost incurred for those calls. Their immediate supervisor is to review the final employee reviewed invoice for accuracy and compliance with the policy.</p> <p><i>Implementation Date: March, 2007</i></p>
<p><u>Finding Number 2006-002</u> Negative Fund Balances- The District should monitor activities to avoid negative fund balances.</p>	<p>Mr. Kinneer</p>	<p>The Board of Education has granted the Treasurer prior authority to make necessary transfers and advances with the understanding that monthly the Board is informed of the transfers and advances which occurred. The Treasurer, after the transfers and advances are made, presents a report to the Board of Education summarizing this activity.</p> <p><i>Implementation Date: In place</i></p>
<p><u>Finding Number 2006-003</u> Appropriations Exceeding Estimated Resources</p>	<p>Mr. Kinneer</p>	<p>An Amended Certificate of Estimated Resources filing will occur monthly with the County Budget Commission and as Board of Education actions warrant.</p> <p><i>Implementation Date: In-place</i></p>
<p><u>Finding Number 2006-004</u> Proper Public Purpose – monies were expended for alcohol and food which are unallowable under the District's proper public purpose policy. (\$137.74)</p>	<p>Dr. Bosley</p>	<p>The Office of Internal Audit suggests modification of the existing policy to permit food purchases from discretionary funding sources (principals, employee benefit, and student activity funds) where students receive benefit, primarily.</p> <p>This action may require modification in the proper public purpose policy and approval by the Board of Education.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p><u>Finding Number 2006-004</u> (Continued)</p>		<p>In the mean time, the District will disallow any food purchases by instructing staff to comply with the regulation already in place and stress that no alcohol purchases are to be made from either public or employees' benefit funds.</p> <p><i>Implementation Date: In place</i></p>
<p><u>Finding Number 2006-005</u> Third party administrator incorrectly calculated the LSP payment. Once discovered the monies were remitted back to the District. (\$7,497)</p>	Mr. Bickley	<p>The benefits department will review LSP performed calculations for accuracy and compliance with early (limited) separation agreement ratified by resolution. The benefits department will notify third party administrator(s) of identified exceptions for correction and any reimbursement required.</p> <p>Communication with the third party administrator will occur in writing.</p> <p><i>Implementation Date: In-place</i></p>
<p><u>Finding Number 2006-006</u> Employees received medical benefits not permitted by policy.(\$8,151.68)</p>	Mr. Bickley	<p>The benefits department will initiate a re-enroll period of all employees which will require the submission of new enrollment forms with supporting documentation to substantiate guardianship, relationship, child dependency, etc.</p> <p>The benefits department will institute and implement a Benefits Change/Authorization Form. Employees wishing to enroll or change existing data will fill out this form with appropriate, acceptable substantiating documentation (i.e. guardianship letter, dependency evidence, etc.). From this Form the benefits department will data enter changes into the data base file. The Form filed for audit.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p><u>Finding Number 2006-006</u> (Continued)</p>		<p>The benefits department in the audit period performed quarterly eligibility reviews- comparing employees on file with the eligibility roster file. Exceptions are identified. The benefits department will increase this review to monthly.</p> <p>Once exceptions are identified that require reimbursement of District funds, the appropriate notification shall be made in writing to the third party administrator. A summary of all monies owed the District will be maintained and maintained to reflect any payments or additions.</p> <p><i>Implementation Date: In-place (Re-enrollment implementation date is September, 2007.)</i></p>
<p><u>Finding Number 2006-007</u> 43% of assets were not made by the use of a disposal form; identified assets were noted as missing and subsequently written off.</p>	<p>Mr. Kinneer Dr. Bosley Mr. Tankovich</p>	<p>a. <u>Management</u> will continue to provide training for administrators in the proper procedures for reporting fixed asset transfers and disposal.</p> <p>b. <u>Reporting the removal of technical equipment from buildings-</u> Building administrators will be advised in writing of the equipment being moved out of their buildings on the day of the move. With this information the building administrators will be better able to provide an explanation for items not found during the physical inventory, instead of just labeling them missing and create another source to ensure those items are removed from the inventory listing. MIS will assure that these removals are reported monthly to the Office of the Treasurer for entry into the fixed asset system.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<u>Finding Number 2006-007</u> (Continued)		<p>c. <u>Investigating items reported as missing by building administrators-</u> The Fixed Asset staff will work with administrators to do more investigating into the items not located during the physical inventory. Administrators will be asked to search the building to determine whether an item has just been put in another room. Some equipment moved from the buildings is transferred to the warehouse, and later delivered to another district building. Warehouse records will be checked to determine whether items have been redistributed or actually disposed before they are determined "missing".</p> <p>d. <u>Depreciation and adjustment of useful lives-</u> District management will re-examine the district's useful life ranges for capitalized asset classes in fiscal 2007 to determine if these need adjustment. Additionally, each year the Office of the Treasurer will examine the capitalized assets which are set to fully depreciate that fiscal year and determine whether their useful lives need lengthened.</p> <p>e. <u>Items not located by the Auditor of State</u> will be investigated by the fixed asset staff. If they cannot be found they will be entered as such in the fixed asset system in fiscal 2007.</p> <p>f. <u>The 13 percent of equipment found without tags</u> will be tagged in fiscal 2007.</p> <p><i>Implementation Date: In-place (partial implementation in fiscal 2007)</i></p>
<u>Finding Number 2006-008</u>	Mr. Kinner	In fiscal 2006, the District increased monitoring activities of the

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
Student Activities-The District should assure adherence to Board policy.		student activity collection process. The District began reporting incidents of non-compliance to appropriate level of management on a quarterly basis to increase monitoring. These changes have resulted in an increase in compliance as indicated by the audit results. In fiscal 2007, these efforts will continue with increased awareness to increase compliance rates. <i>Implementation Date: In-place</i>
Finding Number 2006-009 43% of assets were no made by the use of a disposal form; identified assets were noted as missing and subsequently written off. (Federal Affect on Internal Control weakness)	Mr. Kinneer Dr. Bosley Mr. Tankovich	Reference Finding Number 2006-007, above, for corrective action. <i>Implementation Date: In-place (partial implementation in fiscal 2007)</i>
Finding Number 2006-010 Questioned Cost-Title V- The District was unable to provide proper supporting time and effort documentation for employees charged to Title V funds. The District lacked proper support for Nutrition Cluster, Title 1 and Improving Teacher Quality grants. (\$15,130)	Dr. Bosley	In Oct., 2005 the District implemented enhanced polices and procedures to ensure payroll expenditures made from federal funding sources are supported by a time and effort certification. As effectiveness of the system increases, the District has experienced increased compliance with time and effort reporting and meeting requirements described in <i>Office of Management and Budget Circular A-87, Attachment B, paragraph 8.h(4)</i> . The District expects compliance rates to increase in fiscal 2007. <i>Implementation Date: In-place</i>
Finding Number 2006-011	Mr. Kinneer	Grant Administrators and the CCIP manager will review the federal

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
Monies were adjusted to reduce fringe benefits cost to increase salary cost. The cost incurred was actually fringe benefits. (\$555,445)		<p>expenditure report (FER) for agreement with the general ledger. A summary copy of the general ledger with totals shall be attached to the FER for Superintendent and Treasurer review before affixing their signatures to the FER.</p> <p>The general ledger totals must agree to the FER.</p> <p><i>Implementation Date: In-place</i></p>
<p>Finding Number 2006-012 The allowable costs incurred in grant year 2005 were moved to the 2006 grant year. (\$1,410,888)</p> <p>These costs were allowable, but charged to an unallowable grant period.</p>	Mr. Kinneer Dr. Bosley	<p>The grant coordinators will review the grant activity to ensure monies are spent in the appropriate grant year.</p> <p>The Treasurer is approving all exprocs. (An “exproc” is an individual transaction correction manifested by a journal entry which historically has been used to move federal incurred cost from one grant or grant year to another.)</p> <p><i>Implementation Date: In-place</i></p>
<p>Finding Number 2006-013 Period of Availability-expenditures charged to the incorrect grant year.(\$86,103)</p>	Dr. Bosley	<p>The grant coordinator will review the grant activity to ensure monies are spent in the appropriate period. March 1, 2007, Grant Coordinator meeting.</p> <p>The Treasurer is approving all exprocs.</p> <p><i>Implementation Date: In-place</i></p>
Finding Number 2006-014	Dr. Bosley	The Treasurer will work with the grant team to develop a process

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
Title I Questioned Cost-Schools Overspent their Title I Budgets. (\$796,863)		<p>to monitor all grant budgets and will review what processes will best ensure that budget adjustments are performed within established limits and comply with approved grant budgets. All grant administrators will receive professional development annually at the Administrators Academy.</p> <p>In fiscal 2007, the District has begun to use the salary differential which will eliminate the overspending in these line items.</p> <p><i>Implementation Date: In-place</i></p>