



COMMUNITY SCHOOL TRAINING

August 27, 2024

Presentation Slides &
Handout Materials

2024 Community School Training Agenda			
Start Time	End Time	Session	Speaker
8:30 AM	8:45 AM	Opening Remarks	Auditor Faber and Training, Ohio Auditor of State
8:45 AM	9:15 AM	DEW EMIS Updates	David Ehle, Ohio Department of Education & Workforce
9:15 AM	9:20 AM	Break	
9:20 AM	10:20 AM	2024 Ohio Compliance Supplement (OCS) Update	Kelly Berger-Davis, Ohio Auditor of State
10:20 AM	10:30 AM	Break	
10:30 AM	11:30 AM	Common Audit Comments in Testing	Morgan Helmick, Rea & Associates
11:30 AM	12:30 PM	Lunch	
12:30 PM	1:00 PM	2024 DEW School Funding Update	James Lansden, Ohio Department of Education & Workforce
1:00 PM	1:05 PM	Break	
1:05 PM	1:35 PM	Audit Prep: How to Make Your Audit Go Seamlessly	Kelly Berger-Davis, Ohio Auditor of State
1:35 PM	1:45 PM	Break	
1:45 PM	2:45 PM	ESSER Fiscal Funding Cliff	James Lansden, Jana Fornario, Morgan Brown, and Sarah Andreas Ohio Department of Education & Workforce
2:45 PM	2:55 PM	Break	
2:55 PM	3:55 PM	2024 Federal Update	Amanda Stidham, Ohio Auditor of State
3:55 PM	4:00 PM	Closing Remarks	Training, Ohio Auditor of State

*Agenda and Speakers are subject to change.

Speaker Bios



Amanda Stidham
Ohio Auditor of State

Amanda has been with the Ohio Auditor of State for thirteen years and currently serves as a Quality Assurance and Technical Specialist with the Center for Audit Excellence. As the Single Audit Coordinator, her primary area of concentration is Federal grants. Amanda is a certified public accountant and certified fraud examiner. She graduated from Wright State University with a Bachelor of Science in Accounting and Finance and a Master of Accountancy.



Kelly Berger-Davis
Ohio Auditor of State

Kelly Berger-Davis is a Quality Assurance and Technical Specialist in the Center for Audit Excellence Division of the Ohio Auditor of State's Office. She has held various other positions as well in her 26 years with the Auditor's office, ranging from intern to Senior Audit Manager in the West Regional Office. Kelly's areas of specialty include traditional schools, community schools, and the Ohio Compliance Supplement.

Kelly has a Bachelor of Science in Accounting from the Bowling Green State University and was a lead adopter of the AICPA's Advanced Single Audit Certificate. She has been an active member of the Central Ohio Chapter of the Association of Government Accountants (AGA), currently serving on the 2024/2025 Executive Board as President-Elect, and served as 2016/2017 President, as well as held several other positions throughout the years, and sat on the 2016/2017 National Board of Directors. Kelly also serves on the Single Audit Committee and the Annual Conference Committee for the National State Auditors Association (NSAA).



Morgan Helmick, CPA, MSA
Rea & Associates, Inc.

Morgan is a Principal in the Government Services Division of Rea & Associates, Inc., where he specializes in audits and consulting of governmental entities for over 19 years, including responsibility for the management on over 100 charter school audits and 12 operators/management companies annually.

Morgan has instructed technical courses for Ohio Government Finance Officers Association and Ohio Transit Authority. In addition, he has previously spoken at the Annual Community School Training.

Morgan earned his undergraduate degree in accounting from the University of Akron and his graduate degree in accounting from Liberty University. He is a licensed Certified Public Accountant in the State of Ohio. Morgan is a member of the Ohio Society of CPA's, American Institute of Public Accountants (AICPA), and the Municipal Finance Officers Association of Northeast Ohio.



Jana Fornario

Ohio Department of Education and Workforce

Jana Fornario is the Executive Director of Future Forward Ohio for the Ohio Department of Education, overseeing the Department's strategic priorities for helping students recover from the impact of the pandemic. She began her career as a high school English teacher. Since then she has directed a nonprofit certifying teachers, managed grants for a higher education institution, and directed development for an early college high school. She served as the K-12, higher education, and workforce policy director for the Office of the Governor in Ohio and worked on higher education policy across the country as a consultant. In the private sector, Colleen has served as an accountant and business manager in the construction, financial services, and healthcare industries.



Morgan Brown

Ohio Department of Education and Workforce

Morgan Brown is the Associate Administrator of the Office of Federal Programs in the Ohio Department of Education and Workforce (DEW). He supports the implementation teams for federal funding, including the allocations, data and reporting, and performance teams within the office. Morgan previously served as Assistant Administrator in the office focusing on well-rounded education supports. Prior to that role, he served as an Education Program Specialist working with the Southeastern Ohio region. Prior to DEW, Morgan served as Executive Director of a nonprofit. Morgan also has experience teaching English as a second language and serving children and families through Head Start.



Sarah Andreas

Ohio Department of Education and Workforce

Sarah Andreas is an Assistant Administrator with the Ohio Department of Education and Workforce in the Office of Federal Programs. She has been with the Department since 2021. The focus of her time at the Department has been on the Elementary and Secondary School Emergency Relief Funds (ESSER). Her former experience was as a data analyst for Columbus City Schools. She has her Master's in Public Administration from Wright State University and Bachelor's in Communication from The Ohio State University.

James Lansden

Ohio Department of Education and Workforce

James Lansden has been the Community School Payment Administrator at the Ohio Department of Education and Workforce (ODEW) for the last five years. In his current position he coordinates the calculation, disbursement, and compliance review for over one billion dollars of state foundation funding annually to community schools in Ohio. Prior to joining the Office of Budget and School Funding, he worked in offices in the Department supporting federal funding to students of Ohio for 12 years. During those 12 years he performed the functions of allocating federal funding, monitoring and management of mandatory federal reporting items by local educational agencies in Ohio, and also working with the state accountability system and the local report card. James has a diverse background working for a state educational agency and a unique knowledge of how all of these items ultimately tie back together. Throughout his career he has garnered positive working relationships with many administrators in both community schools and traditional school districts.

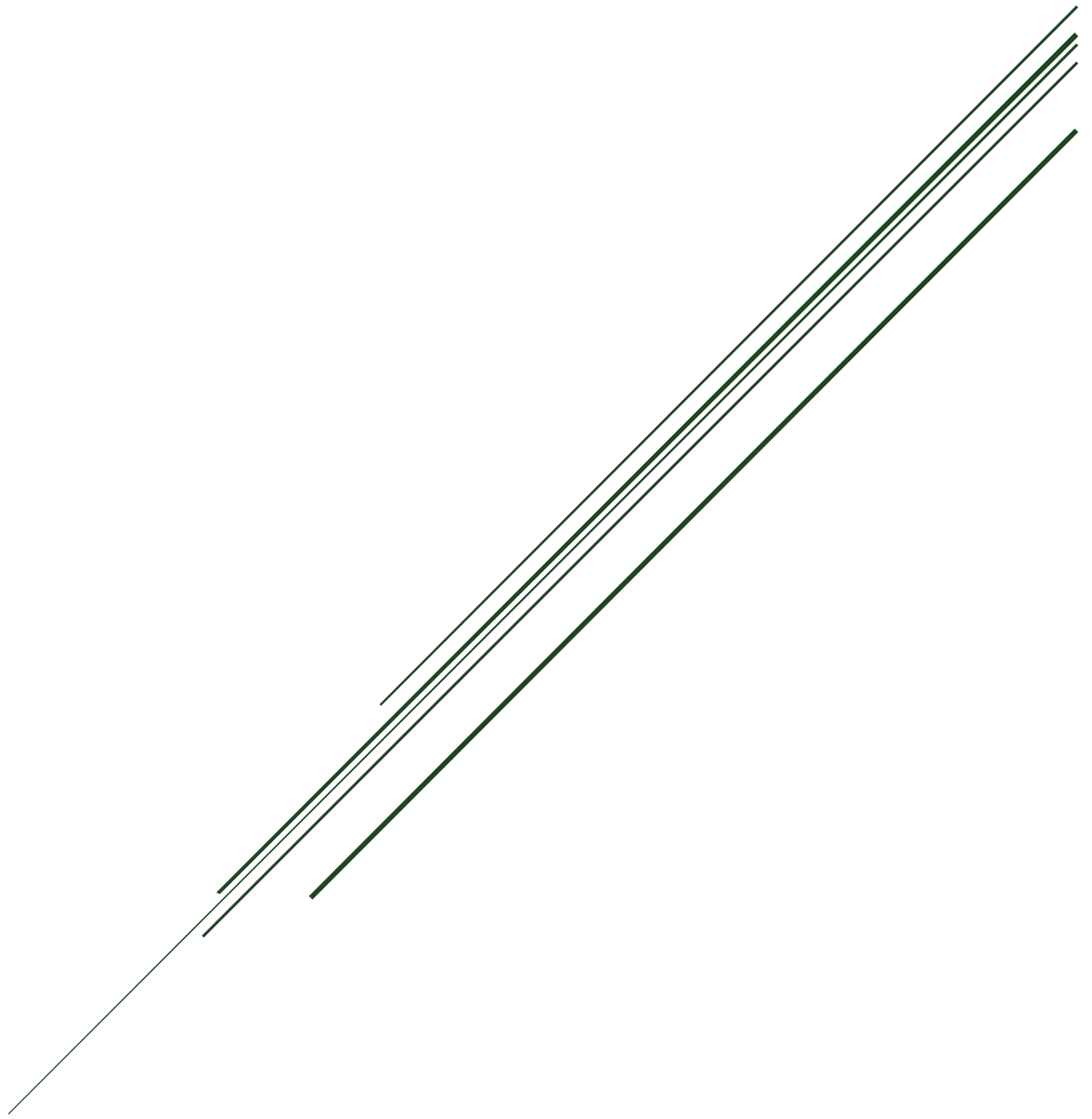


OHIO AUDITOR OF STATE
KEITH FABER



DEW EMIS UPDATES

David Ehle, Ohio Department of Education & Workforce




This session will cover updates for community schools
on EMIS changes for the 2024-2025 school year.




AOS COMMUNITY SCHOOL UPDATE

DAVID
EHLE
Administrator, EMIS

August 27, 2024




Department of
Education &
Workforce



AGENDA

- New FX record
- Reporting ELA Curriculum and Reading Intervention
- Early Warning System (EWS) ODDEX module
- Student Supports and Intervention Inventory (SSII) add-on



FY25 CHANGE – FX-STUDENTS REPORTED IN ERROR (81)

- Can still report students with the 81 withdrawal reason, but adds a new option
- Will be able to report like withdrawal overrides
- A list of SSIDs, cumulative for the year, to be included in SCR and main S enrollment collections
- Will no longer have to maintain these students in your SIS with FS records if they appear on the new FX record type



EMIS CHANGE 24-73 & 25-76: LITERACY INSTRUCTION, 1

- This is a FY24 EMIS change, as required by House Bill 33
- Several schools failed to report this data in EMIS for FY24
- Also required for FY25, even if no changes
- How to approach
 - “Science of Reading”- Core through grade 5, intervention all grades
 - What are we using this year, and are we working towards a change?
 - Are we using these materials differently by grade level?
 - Which ones from this list (updates for FY25)



EMIS CHANGE 24-73 & 25-76 : LITERACY INSTRUCTION, 2

- Attribute text includes 3 pieces of information: Type, Status, and Grade level
 - Attribute Text—Type, Valid Options (TSGLGL)*
 - B Attribute name is being used for both the core curriculum for English language arts *and* the reading intervention program
 - C Attribute name is being used for the core curriculum for English language arts
 - R Attribute name is being used for reading intervention program
 - Attribute Text—Status, Valid Options (TSGLGL)*
 - 1 Implemented
 - 2 Implemented and in use for the current year; will not be used next year
 - 3 Training, not yet implemented
 - 4 Purchased, not yet training
 - 5 Adopted, not yet purchased
 - Attribute Text—Grade level, Valid Options (TSGLGL)*
 - PS
 - KG
 - 01-12



EMIS CHANGE 24-73 & 25-76 : LITERACY INSTRUCTION, 3

- Attribute name is the core curriculum and instructional materials being used for ELA in grades P-5 and reading intervention programs in grades P-12

Attribute Name:

R_OCRG2023	Open Court Reading 2023 (McGraw Hill)
R_ORTONGIL	Orton-Gillingham (Institute for Multi-Sensory Education)
R_OTHERXXX	Other published instructional materials <i>not</i> included on the Department's approved list
R_OTHERAPP	Other published instructional materials included on the Department's approved list
R_OBKWMSRW	OUR Bookworms K-5 Reading & Writing (Open Up Resources)



QUICK EWS OVERVIEW

- Early Warning System uses 2 models (eventually 3) to look at a student's risk of not graduating
 - Developed with department early warning expert
 - First model- **ABC's**- looks at indicators that student has risk based on **A**ttendance rate, **B**ehavior issues, and **C**ourse grades
 - Second model- **Basic risk** score, similar data: *Low, Medium, High, Ultra*
 - Third model- to be developed- machine learning using a wide variety of data on Ohio graduates and non-graduates, including PTG data



QUICK EWS OVERVIEW- STATE INDICATORS

- Attendance- 10% absence rate for most recent Term
 - New analysis of EMIS data as it is submitted
 - Term will be as close to prior 9 weeks as we can get- depends on frequency of data submission by districts (average is weekly)
- Behavior- one or more days of suspension or worse in prior 9 weeks
- Courses- Have an F in a course in the current school year
 - Could be an interim grade or a final grade for the course
- All data in system re-calculated each weekend, based on EMIS reporting from the workweek



ATTENDANCE DETAIL

Current Year Most Recent Term Attendance Rate: 8.46%

Derived Term Attendance

School Year will be eliminated from grid once I know the sub-agency select is working correctly.

Date As Of (S)	Absence Percent (S)	Term Start Date (S)	Term End Date (S)	Attendance Hours (S)	Exceeded Absence Hours (S)	Unexcused Absence Hours (S)	School Year (S)
05/05/2024	1.92	07/29/2023		573.65	8.00	3.00	2024
04/09/2024	2.34	09/14/2023	06/09/2024	1881.63	39.00	5.00	2024
10/06/2023	3.78	09/14/2023		1111.81	27.00	15.00	2024
07/28/2023	9.08	07/16/2023		462.59	29.00	13.00	2024

Attendance Detail

School Year will be eliminated from grid once I know the sub-agency select is working correctly.

School Year (S)	Attending Building (S)	From (S)	To (S)	Withdrawal Reason (S)	Absent Hours (S)	Present Hours (S)	Total Hours (S)	Absent Percent (S)
2024	Hutch Middle/High School (143310)	08/17/2023	**		2306.75	-2298.50	6.25	279.60



15

BEHAVIOR DETAIL

Discipline Days Over the Past 9 Weeks Across All Districts: 169

Behavior Detail

Date (S)	Type (S)	Reason (S)	Total Days (S)	Reported By (S)	School Year (S)
06/17/2024	1 - Expelled	21 - Unwelcome Sexual Conduct	13	Cartersville Public (82512)	2024
04/20/2024	7 - Removal by a Hearing Officer	20 - Firearms Look-a-Like	2	Cartersville Public (82512)	2024
03/05/2024	4 - In-School Misconduct Discipline Class/Program/Building	09 - Use, Possession, Sale or Distribution of Tobacco	19	Cartersville Public (82512)	2024
03/23/2024	7 - Removal by a Hearing Officer	22 - Serious bodily injury	24	Cartersville Public (82512)	2024
01/22/2024	4 - In-School Misconduct Discipline Class/Program/Building	07 - Use, Possession, Sale or Distribution of a Dangerous Weapon	12	Cartersville Public (82512)	2024
01/18/2024	1 - Expelled	07 - Use, Possession, Sale or Distribution of a Dangerous Weapon	16	Cartersville Public (82512)	2024
01/09/2024	7 - Removal by a Hearing Officer	20 - Firearms Look-a-Like	4	Cartersville Public (82512)	2024
12/02/2023	7 - Removal by a Hearing Officer	04 - Vandalism (Damage to School or Personal Property)	7	Cartersville Public (82512)	2024
09/05/2023	4 - In-School Misconduct Discipline Class/Program/Building	22 - Serious bodily injury	6	Cartersville Public (82512)	2024
09/03/2023	3 - In School suspension	21 - Unwelcome Sexual Conduct	15	Cartersville Public (82512)	2024



20

COURSES DETAIL

Number of Courses with F Grade Reported: 1

Current Year Failing Course Detail

Enrollment Status (S)	Subject (S)	Grades/Status (S)	Term (S)	Reported By (S)	Location (S)	Local Class Code (S)
Completed	159100 - Network Operating Systems	F / Grade for Specific Period of Time	Yearend Term	626132	777122	7956-ABOUI-53

All Courses for Student

Year (S)	Status (S)	Subject (S)	Grades/Status (S)	Course Type/Credit Info (S)	Reported By (S)	Local Class Code (S)
2024	Withdraw	072075 - Dental Technology	P / Grade Representing Progress to Date / Semester 2	CTE Non-Care Based / All year / 1.00	626132 / 777122	5659-BAJLY-98
2024	Completed	159100 - Network Operating Systems	F / Grade for Specific Period of Time / Yearend Term	CTE Related / All year / 1.00	626132 / 777122	7956-ABOUI-53
2024	Withdraw	141055 - Business Administration Finance	D / Final or Summative Grade / Fourth Quarter Term	CTE Related / 9 weeks / 2.00	626132 / 979624	6425-PLANE-49
2024	Withdraw	**** - Not applicable	B / Grade Representing Progress to Date / Yearend Term	CTE Related / 9 weeks / 3.00	626132 / 461612	5911-LIGHT-67
2024	Withdraw	300040 - School Publications	I / Grade for Specific Period of Time / Second Quarter Term	CTE Related / 1st Semester / 2.00	626132 / 979624	3839-LIGHT-41
2024	Withdraw	300040 - School Publications	C / Grade Representing Progress to Date / Semester 1	CTE Crip Program / 2nd Semester / 1.00	626132 / 461612	3453-LIGHT-25

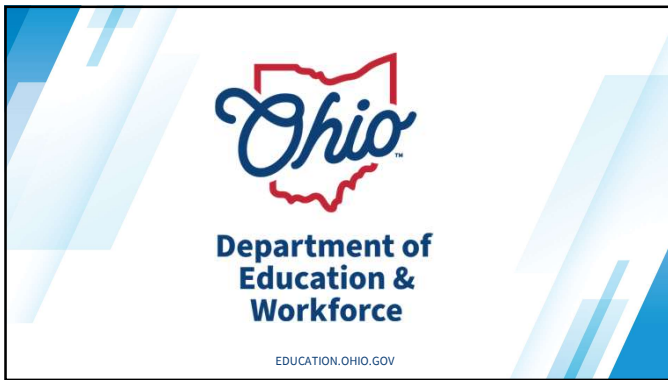


21

USING SSII

- Import lists of students or use list of students identified in EWS
- Configure interventions and tiers that district will use to help students overcome risk of not graduating
- Within ODDEX, create student plans and assign to interventions
- Within ODDEX, staff will track notes on interventions



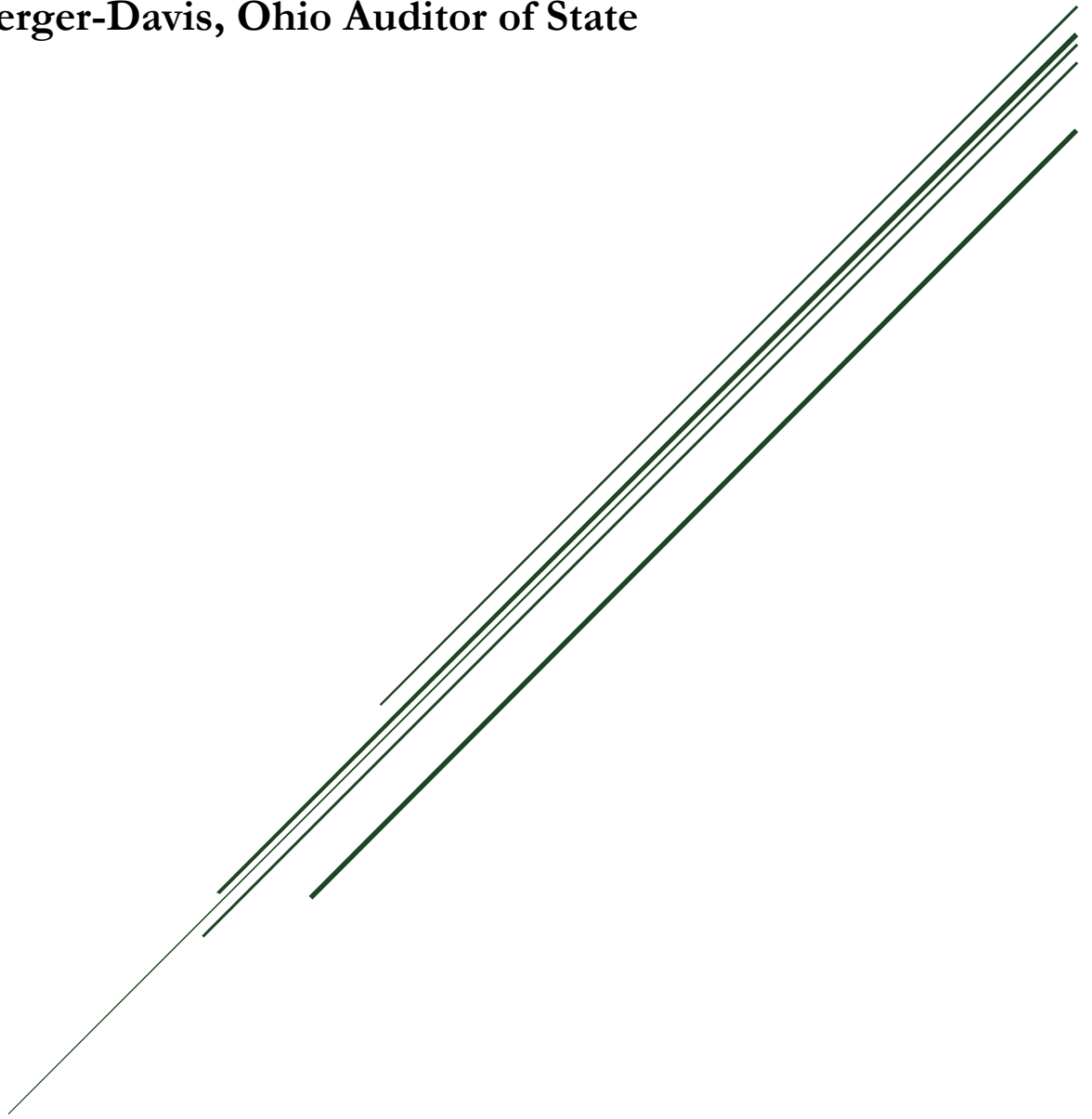


OHIO AUDITOR OF STATE
KEITH FABER



2024 OHIO COMPLIANCE SUPPLEMENT (OCS) UPDATE

Kelly Berger-Davis, Ohio Auditor of State



The session will cover what a single audit is and how to prepare for one, common issues in single audits, Federal Audit Clearinghouse updates, and other Federal changes which will impact 2024 single audits.

OHIO AUDITOR OF STATE
KEITH FABER

2024 Community School Training

Ohio Compliance Supplement
2024 Updates

Kelly Berger-Davis, Center for Audit Excellence

August 27, 2024 Efficient • Effective • Transparent 1

Agenda

- What is the Ohio Compliance Supplement?
- 2024 OCS Updates
- Implementation Guide – Topics Covered

Efficient • Effective • Transparent 2

What is the OCS?

- OCS = Ohio Compliance Supplement
- Contains certain laws and regulations which are:
 - of the type auditors generally consider direct and material
 - or of considerable public interest
- Is not a comprehensive listing of applicable laws and regulations
- Is designed to help auditors and public offices identify and familiarize themselves with certain laws and regulations

Efficient • Effective • Transparent 3

Updates - When/How Often? How to Identify Changes?

Updated annually

Main OCS normally issued by December

Ch. 4 (school chapter) normally issued by June

Changes marked with **strike-out**, **double underline** or wavy-underline

What is the effective date?

2024
OCS

Engagements of FYE
12/31/23 – 11/30/24

2023
OCS

Engagements of FYE
12/31/22 – 11/30/23

Where is the OCS?

OHIO AUDITOR OF STATE
KEITH HANER

LOCAL GOVERNMENT Reference Materials Financial Health Indicators Fiscal Districts UAN Links

Reference Materials
Reference Materials

Clients & IPA Firms

GA3B 84

GA3B FAQs

Library FAQs and Program Codes

Other Accounting FAQs

Ohio Compliance Manuals

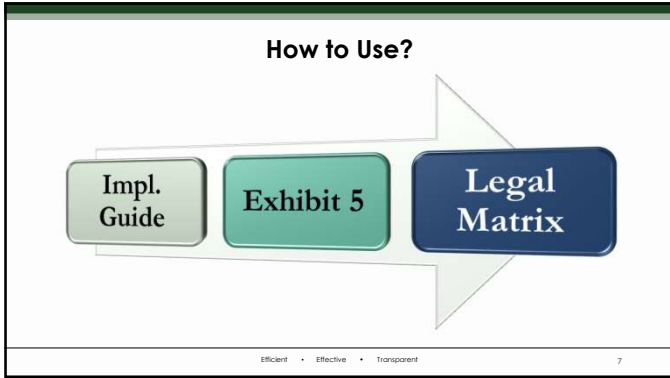
Financial Statement

Ohio Compliance Supplement Manuals

2024

- Ohio Compliance Supplement Implementation Guide (pdf)
- The Compliance ACE is available in Deloitte
- Legal Matrix
- Ohio Compliance Supplement Manual (Updated May 2024)
- Chapter 1 - Direct Laws (pdf) (doc)
- Chapter 2 - Indirect Laws and Statutorily Mandated Tests (pdf) (doc)
- Chapter 3 - Stewardship (pdf) (doc)
- Chapter 4 - School Compliance Testing (pdf) (d) (New May 2024)
- Optional Procedures Manual (doc)

<http://www.ohioauditor.gov/references/compliancemanuals.html>

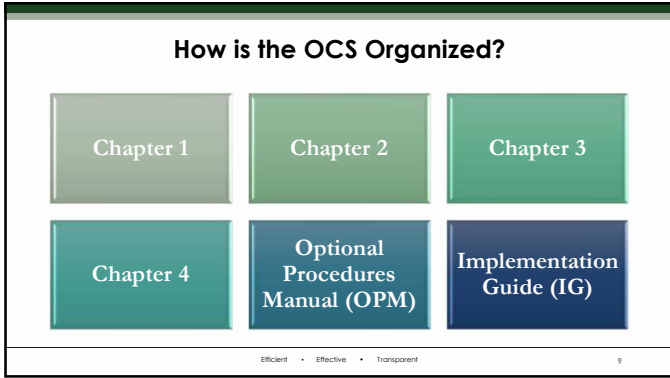


Legal Matrix

Step No.	Requirement	Community School	ESC	STEM/STEAM Schools	Traditional Schools
AA-1	ORC 3313.33: Board of Education conveyances and contracts				
AA-2	ORC Chapter 3318 (Traditional Schools), sections 331.20 Ann. Sub. House Bill 64, 131 GA, and sections 237.40 Ann. Sub. House Bill 481; 131 GA (Community Schools) Permissible expenditures for school districts participating in the classroom facilities assistance program; license accounting and education and maintenance plan funding and expenditures	✓		✓	✓
AA-3	ORC 3314.03, 3314.08 and 2015 Ohio Op. Att'y Gen. No. 2015-040: Community School 26de	✓			
AA-4	ORC 3301.079, 3302.41, 3302.42, 3313.48, 3313.668, 3317.60, 3317.601, and 3317.634; OMC 3301-35-01, 3301-35-03, 3301-35-16, and 3318-04-02: School District Funding				✓
AA-5	ORC 3301.079, 3302.41, 3313.44, 3314.02-03, 3314.08, 3314.086, 3314.26, 3314.261, 3314.262, 3314.27, and 3317.622; OMC 3301-102-02 & 3301-35-01; 34 C.F.R. § 222.176: Community School Funding	✓		✓	
BB-1	ORC 3314.24(A), 3314.62: Internet or Computer-based community school space	✓			

Efficient • Effective • Transparent

8



2021 Ohio Compliance Supplement *Direct Laws*
Section 4142

Revised: HB 33, 135 GA
Effective: October 3, 2021

1 **4A-2 Compliance Requirement:** Ohio Rev. Code Chapter 3318 (Traditional School Districts & STEM Schools); section 501.10 Am. Sub. House Bill 64, 131st GA; section 227.40 Am. Sub. House Bill 491, 133rd GA; section 237.12 Am. Sub. House Bill 597, 134th GA (Community Schools); section 237.10 Am. Sub. House Bill 33, 135th GA (School Security/Safety Program); section 287.20 Am. Sub. House Bill 33, 135th GA (Career, Technical, Construction Programs) - Permissible expenditures for school districts participating in classroom facilities assistance programs; Interest accounting and allocation and maintenance plan findings and expenditures.

2 **Summary of the Program**

Background:
Several programs provide financial assistance to construct or repair classroom facilities. The Ohio Facilities Construction Commission (OFCC) administers these programs. The most common programs are the Classroom Facilities Assistance Program (CFAP), Community School Classroom Facilities Grant Project, Expedited Local Partnership Program (ELPP), STEM Public Schools, and Urban Initiative Program (i.e., applies to the following six city school districts: Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo). Certain classroom assistance programs established by Ohio Rev. Code Chapter 3318 follow the basic guidelines of the CFAP. Guidance about these programs can be found on OFCC's website: <https://ofcc.ohio.gov/our-programs/k-12-schools/maintenance-plan-guidelines> **and** <https://ofcc.ohio.gov/our-programs/k-12-schools>

Efficient • Effective • Transparent 10

3

In determining how the government ensures compliance, consider the following:	What control procedures address the compliance requirement?	W/P Ref.
<ul style="list-style-type: none"> • Policies and Procedures Manuals • Knowledge and Training of personnel • Checklists • Legislative and Management Monitoring • Management's identification of changes in laws and regulations • Management's communication of changes in laws and regulations to employees 		

Efficient • Effective • Transparent 11

4 **Suggested Audit Procedures - Compliance (Substantive) Tests:**

Project Funding

1. Scan the accounting records to determine if the proper activities are being recorded in the project activities fund (USAS 010). Determine if the District/STEM school is accounting for the following four revenue streams **separately**: (1) Local Revenue, (2) Interest on Local Funds, (3) State Revenue – aka "drawdowns", and (4) Interest on State Revenue.
2. Determine if the District/STEM school deposited the local share funds required by the Project Agreement into fund 010 for both the original contribution and any amendments.
3. Select contracts and related contract expenditures and determine through inspection, vouching, or other such means that contracts were awarded using competitive bidding procedures.

5 **Audit implications** (adequacy of the system and controls, and the direct and material effects of non-compliance, effects on the audit opinions and/or footnote disclosures, significant deficiencies/material weaknesses, and management letter comments):

Efficient • Effective • Transparent 12

2024 OCS Updates

Efficient • Effective • Transparent 13

Implementation Guide

Efficient • Effective • Transparent 14

Implementation Guide

Throughout

- Updated for SAS 145, AU-C's, etc.

Referrals

- Added Ohio Office of Unemployment Compensation, and BWC to list of agencies.
- Noted that AOS will also refer any Employee vs. Independent Contractor Status issues to the IRS, Ohio Dept. of Taxation, Ohio Office of Unemployment Compensation, and Bureau of Workers Comp.

Efficient • Effective • Transparent 15

Implementation Guide

Findings for Recovery & FFR Procedures for IPA's

- Clarifications made throughout

Additional Policies for Findings for Recovery for AOS Audits

- FFR Repayment Plan Template updated
- Added guidance from bulletin 2014-003 regarding alcohol purchases
- Other clarifications made throughout section

Efficient • Effective • Transparent 16

**Implementation Guide
Legal Matrix**

Exhibit 5:

- 3-5 (bonding) - Added reference to related Exhibit in Implementation Guide, & marked as applicable to several additional entity types, to sync up with Exhibit 2 of the IG.
- Updated & added several footnotes

Efficient • Effective • Transparent 17

**Chapter 1
Direct Laws**

Efficient • Effective • Transparent 18

Chapter 1

1-20: Definitions, rates of contributions etc.

- Added to COVID guidance explaining that recipients may not use SLFRF funds to provide premium pay to essential workers for work conducted *after* April 10, 2023;
 - *However*, recipients *may* continue to use SLFRF funds to support workers through the public health and negative economic impact and revenue loss eligible use categories.
- Added guidance regarding membership requirements for SERS;
- Added an additional step to test 1099 NECs.

Chapter 2B Statutorily Mandated Tests

Chapter 2B

2B-7: Fraud and abuse; conflict of interest; ethics

- Updated as a result of HB 33, and added corresponding tests
 - **ORC 117.103(B)(1)** – The auditor of state shall create training material detailing Ohio’s fraud-reporting system and the means of reporting fraud, waste, and abuse.....
 - *The Auditor of State is currently developing the HB 33 fraud training material and will issue a bulletin to all public officials enumerating the process and specified timeframe within which all public employees and elected officials must complete the training.*
 - *Until this bulletin is published and in effect, auditors should continue to audit compliance with the existing Fraud Reporting System Model Form and pre-HB 33 requirements.*

★ **Chapter 2B**

OHIO AUDITOR OF STATE
KEITH FABER

Auditor of State
Bulletin 2024-005

DATE ISSUED: June 27, 2024

TO: All Public Offices
Community Schools
Independent Public Accountants

FROM: Keith Faber
Ohio Auditor of State

SUBJECT: Required Fraud Reporting and Training

Efficient • Effective • Transparent 22

★ **Chapter 2B**

2B-7: Fraud and abuse; conflict of interest; ethics

- AOS Bulletin 2024-005 advises:
 - The AOS has updated the model form, originally provided in AOS Bulletin 2022-005, to include acknowledgement the information of the fraud-reporting system was provided as well as completion of the training provided by the AOS.
 - The form is appended to this Bulletin and can also be found on the AOS website - <https://ohioauditor.gov/trainings/fraud.html> .
 - The training, created by the AOS, is an on-demand virtual training that employees can self-register for free and is available on the AOS's Training webpage at: <https://ohioauditor.gov/trainings/fraud.html> .
 - CPE certificates will be provided once the training is viewed. These certificates should be collected from employees and retained for audit.

Efficient • Effective • Transparent 23

★ **Chapter 2B**

2B-7: Fraud and abuse; conflict of interest; ethics

- AOS Bulletin 2024-005 advises:
 - The AOS has created a sample tracking spreadsheet, which is appended to this Bulletin, as a best practice/suggested tool for tracking employees and the timing of when they have viewed the required training and the date in which each employee is required to view the training in the future (every 4 years).
 - **Current community school employees are required to complete the initial training by 11/29/24 (90 days).**
 - **Each new employee has 30 days after beginning employment to complete the training.**

Efficient • Effective • Transparent 24



Chapter 2B

2B-7: Fraud and abuse; conflict of interest; ethics

- AOS Bulletin 2024-005 advises:
 - Employees who become aware of fraud, theft in office, or misuse or misappropriation of public money, must timely notify the AOS if they meet any of the criteria listed in the Bulletin.
 - The law extends whistleblower protections to employees who file a complaint with the AOS fraud-reporting system in certain circumstances.

Chapter 2B

2B-8: Ohio Sunshine Laws

- Implementation of AOS Bulletin 2021-007 regarding change in interpretation of Public Records & Open Meetings laws applicability to community schools, is delayed until further notice.
- Clarified that note at top of test's is applicable to all test's
- Other clarifications made throughout.

Optional Procedures Manual (OPM)

Optional Procedures Manual

O-12: Allocating Audit Costs

- Updated to agree to AOS Bulletin 2023-003
- Updated link to AOS infographic →

Efficient • Effective • Transparent

28

Chapter 4A

Direct Laws

Efficient • Effective • Transparent

29

Chapter 4A

★ **4A-2: Permissible expenditures for school districts participating in classroom facilities assistance programs; Interest accounting and allocation and maintenance plan funding and expenditures**

- Added 2 new programs created in HB 33 (School Security/Safety Program & Ohio CTC Program)
- Updated guidance on satisfying the transfer certification requirement for the maintenance fund.
- Clarified some of the SAPs.
- Other clarifications made throughout.

Efficient • Effective • Transparent

30

Chapter 4A

4A-3: Community School Debt

- Added relevant guidance from ORC.

Chapter 4A

4A-5: Community School Funding

- Modified guidance as a result of HB 33 for calamity days, where blizzard bags are replaced by schools adopting a plan for online instruction to make up hours, up to 3 school days.
- Various clarifications made throughout including:
 - An alert about certain schools moving to a 4-day week for students,
 - The school funding model is now referred to as the Fair School Funding Formula,
 - A blended learning plan cannot be made on a contingent basis but a blended learning plan can be adopted to permit online delivery based on contingent events,
- The supplemental information on foundation funding was streamlined.
- For e-schools, guidance was modified as a result of HB 33 for the temporary pilot program being codified into ORC which provides additional funding for e-school students.

Chapter 4B Indirect Laws

Chapter 4B

4B-1: E-schools cannot contract with a nonpublic school for instructional facility space

- Clarified that any noncompliance auditors encounter should be sent to CFAE Community School Specialist to discuss with DEW, since it could cause DEW to withhold foundation payments, and potentially the school to close.

4B-2: Accounting for management company expenses

- Added clarification regarding an unaudited footnote,
- Noted that AOS auditors should always use the AUP processed by CFAE and available on the Intranet.

Chapter 4B

4B-4: Sponsor monitoring of community schools

- Added to COVID considerations that AOS auditors should consult with CFAE if noncompliance with Federal procurement requirements is identified for a non-major program, or a major program for which procurement is not tested in the FACCR.

Chapter 4D Stewardship

Chapter 4D

4D-1: Dropout Prevention and Recovery School Eligibility Requirements

- ★ Testing of this section is suspended for Fy 2024
- Testing is expected to be reinstated in the 2025 OCS, once the new Dropout Recovery Advisory Council created by HB 33 has reviewed/updated the related OAC section.

4D-2: Transportation T-1 and T-2 Forms

- Clarifying edits made throughout, including that the greater average of the morning or afternoon ridership is by individual bus.

Chapter 4D

4D-3: College Credit Plus Program (CCP)

- Added related guidance from HB 33.
- Other clarifications made throughout, including to the SAP on weighting of CCP courses.

Chapter 4E Optional Procedures Manual (OPM)

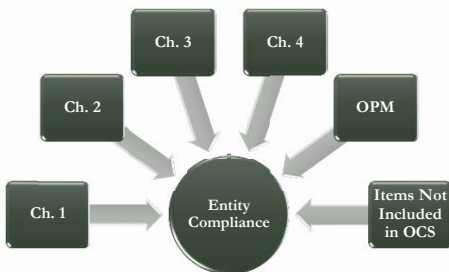
4E - Optional Procedures Manual

4E-4: Community School Audit Fee Bond

- Updated as a result of HB 33, to remove cash deposit option.
- Updated AOS address that bonds should be mailed to.

Implementation Guide Topics Covered

Entity Compliance With Laws & Reg's



Other Compliance Requirements



Audit Findings



Noncompliance Citations

Federal & State Constitutions	United States Code & Rules	Ohio Revised Code
Ohio Admin. Code	Local Ordinances	Federal & State Court Decisions
Federal & State Regulations	Ohio Ethics Commission Opinions	Local Charters

Findings for Adjustment (FFA)

Receipts posted to fund having no authority to receive them

Disbursements not authorized from one fund, but permissible from another

Efficient • Effective • Transparent 46

Findings for Adjustment (FFA)

IMPORTANT NOTES:

Auditors must document evidence that the agreed-to adjustments have been properly posted to the auditee's accounting records.

AU-C 450.11(b) requires auditors to consider the effect of uncorrected prior audit adjustments on the current audit.

Efficient • Effective • Transparent 47

ORC 9.24(11)(c)

Finding for Recovery (FFR)

ORC 117.28

Public money has been illegally expended;

Public money that has been collected has not been accounted for;

FFR may exist when:

Public money that is due has not been collected;

Public property has been converted or misappropriated.

Efficient • Effective • Transparent 48

Finding for Recovery (FFR) – Misc.

- A FFR should be issued even if a criminal restitution order is already in place for the same conduct
- If the entity identifies a FFR *before* the auditors do and the entity or individual repays before the audit report is issued, the auditor should not report the matter as a FFR, unless the finding relates to a criminal case, in which case the finding should always be reported.
- If FFR is only partially repaid, a FFR is reported for the **full amount** and the amount that was repaid is listed

Other Topics Covered in IG

Direct & Material Laws & Reg's	Compliance Risk & Controls	Home Rule Powers	Substantive Local Self-Gov. Powers
Proper Public Purpose	Referring Audit Reports	Debt	Public Officers' Bond

★ Key Take Aways ★

- IG Implementation Guide is an often-overlooked resource on a variety of topics.
- 2B-7 AOS recently released the HB 33 fraud training and a related Bulletin. All current community school employees must complete the initial training by 11/29/24. New employees have 30 days from hire.

★ Key Take Aways ★

- 4A-2 Programs & other info added to the classroom facilities assistance section.
- 4A-5 Auditors will be alert for schools operating on a 4-day week for students; if encountered, they will ensure the school is still complying with the minimum number of required hours, and learning model that they have in place.
- 4D-1 Testing of the Dropout Prevention and Recovery School Eligibility Requirements section is suspended for Fy 2024.

Efficient • Effective • Transparent 52

OHIO AUDITOR OF STATE
KEITH FABER

Center for Audit Excellence

Kelly Berger-Davis – KMBerger-Davis@ohioauditor.gov

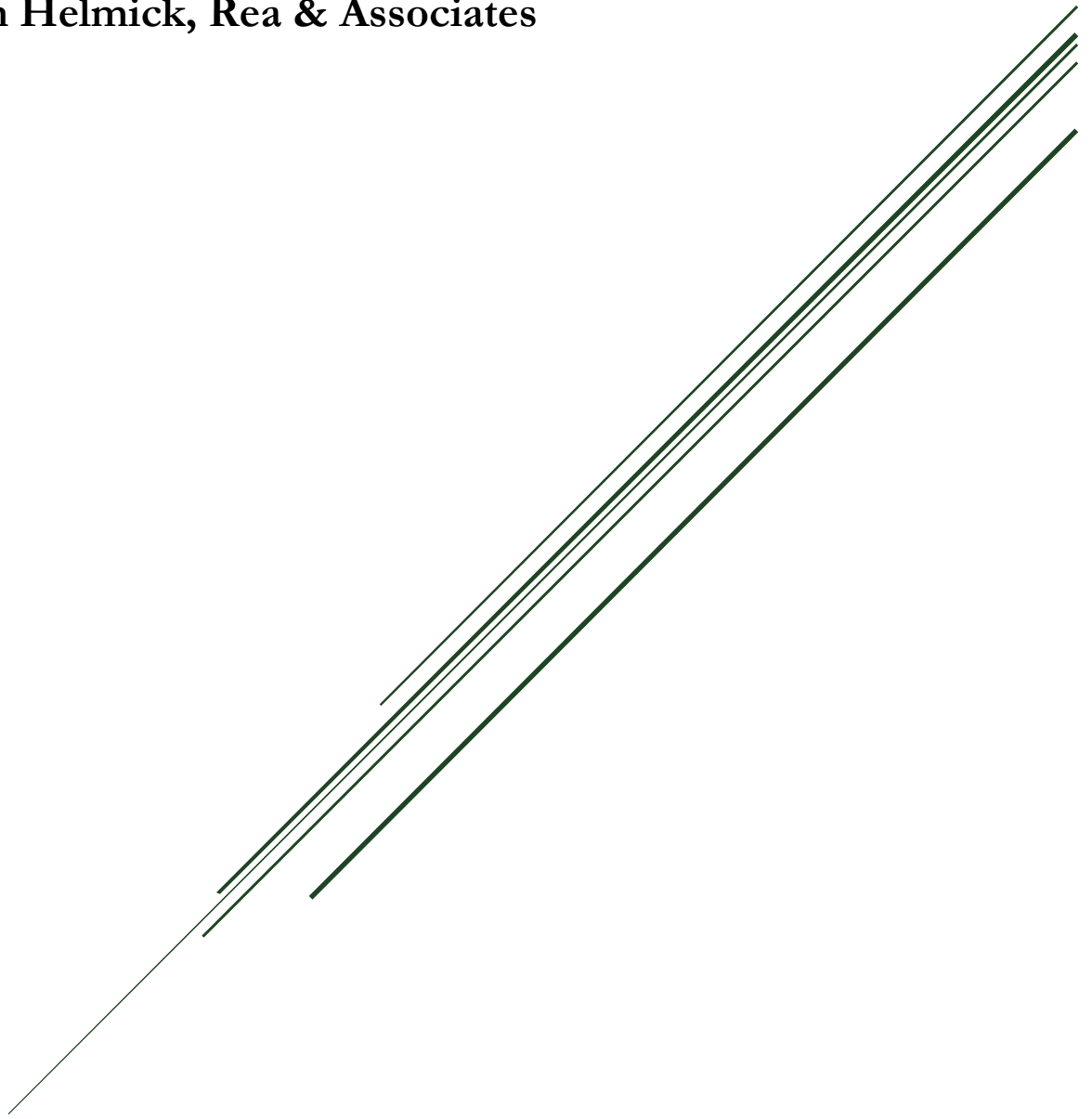
Efficient • Effective • Transparent 53

OHIO AUDITOR OF STATE
KEITH FABER



COMMON AUDIT COMMENTS IN TESTING

Morgan Helmick, Rea & Associates



During this session we will be reviewing audit findings and management letter comments commonly issued during the annual financial statement audit. These topics will range from various issues related to annual compliance requirements and areas for business improvement.

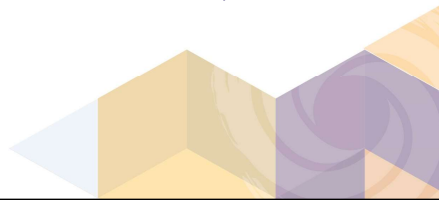
Common Audit Findings & Comments

Morgan Helmick, CPA - Principal



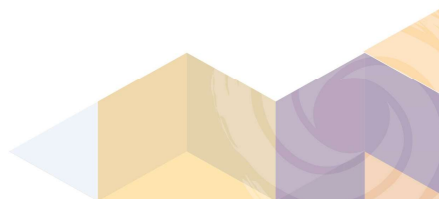
Agenda

- During this session we will be reviewing audit findings and management letter comments commonly issued during the annual financial statement audit. These topics will range from various issues related to annual compliance requirements and areas for business improvement.



Summary

- Enhance compliance over enrollment process
- Strengthen FS presentation by discussing common audit adjustments
- Strengthen overall controls over financial reporting



Common Compliance Issues

Ohio Revised Code (ORC) Section 3365.04 Information regarding and promotion of the program. College Credit Plus Program(CCP)

- Lack of documentation to support or lack of providing information about the program prior to the first day of February of each year to all students enrolled in grades six through eleven
- Lack of policy/procedures/process for the requirements of 3365.04 and documentation who or which group is responsible for providing counseling services to CCP students
- Lack of promotion of the program on the School's website, including details of the Schools partnering colleges
- Lack of Scheduling of at least one informational session per school year, including the benefits and the consequences of participation
- Lack of policy awarding grades and calculating class standing for CCP courses that does not assign weight differently to CCP and NonCCP courses.

Common Compliance Issues

Ohio Admin. Code 117-2-03(B)

- Further clarifies the requirements of Ohio Rev. Code § 117.38, requires the School to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

- Not filing GAAP basis financial statements

ORC Section 117.38 Annual Reports

- (B) The report shall be certified by the proper officer or board and filed with the auditor of state within **sixty** days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within **one hundred fifty days** after the close of the fiscal year.

- Not filing timely reports in Hinkle System based on type of report, cash vs. gaap

Common Compliance Issues

Ohio Admin. Code 117-2-02(a)

- All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements, and prepare financial statements required by rule 117-2-03 of the Administrative Code.

- Lack of appropriate accounting system, timely reporting of transactions in accounting system

Common Compliance Issues

- **ORC Section 3301.0714 Guidelines for Statewide Education Management Information System**
 - The department of education and workforce shall adopt rules for a statewide education management information system. The rules shall require the department to establish guidelines for the establishment and maintenance of the system in accordance with this section and the rules adopted under this section.
 - **Timely enrollment, lack of documentation in the enrollment and withdrawal process, lack of reconciliation between board approved calendars and EMIS calendar submitted to DEW**

Common Compliance Issues

- **ORC Section 3314.03 Specifications of contract between sponsor and governing authority – specifications of comprehensive plan**
 - (b) A requirement that the governing authority adopt an attendance policy that includes a procedure for automatically withdrawing a student from the school if the student without a legitimate excuse fails to participate in seventy-two consecutive hours of the learning opportunities offered to the student.
 - **Lack of supporting documentation for student withdrawals, excused absences, enrollment/withdrawal not completed in a timely manner**

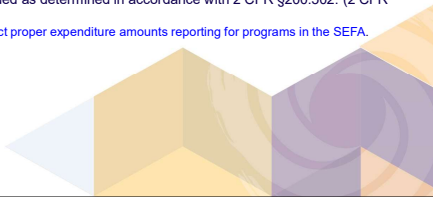
Common Compliance Issues

Ohio Rev. Code (ORC) 3314.03(A)(6)(b) & (A)(27-28) community schools must adopt attendance and participation policies for their students and attendance records shall be made available to the Department of Education, Auditor of State and the School's sponsor. The School's attendance policy states that, when a student is excessively absent or habitually truant, the School will notify the parents/guardians of their student's absences. If a student is habitually truant, the School will attempt to secure the parent/guardian's participation on the absence intervention team and establish an absence intervention team, which will develop an absence intervention plan for the student.

Lack of timely withdrawal from School when exceeding 72 hour rule

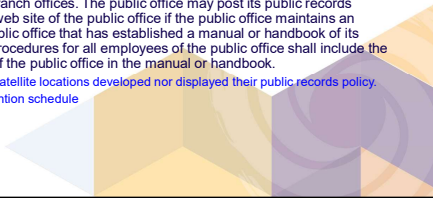
Common Compliance Issues

- Single Audit - 2 CFR 200.510(b) - SEFA Errors
 - A non-Federal entity that expends \$750,000 or more during its fiscal year in federal awards must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements, which must include the total federal awards expended as determined in accordance with 2 CFR §200.502. (2 CFR §200.510)
 - Adjustments to reflect proper expenditure amounts reporting for programs in the SEFA.



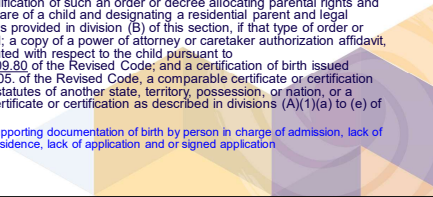
Common Compliance Issues

- ORC Section 149.43 (E) 2 Availability of public records or inspection and copying.
 - The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.
 - The School nor it's satellite locations developed nor displayed their public records policy.
 - Lack of records retention schedule



Common Compliance Issues

- ORC Section 3313.672 Presenting School records, custody order if applicable and certification of birth by new pupil
 - At the time of initial entry to a public or nonpublic school, a pupil shall present to the person in charge of admission any records given the pupil by the public or nonpublic elementary or secondary school the pupil most recently attended; a certified copy of an order or decree, or modification of such an order or decree allocating parental rights and responsibilities for the care of a child and designating a residential parent and legal custodian of the child, as provided in division (B) of this section, if that type of order or decree has been issued; a copy of a power of attorney or caretaker authorization affidavit, if either has been executed with respect to the child pursuant to sections 3109.51 to 3109.80 of the Revised Code; and a certification of birth issued pursuant to Chapter 3705, of the Revised Code, a comparable certificate or certification issued pursuant to the statutes of another state, territory, possession, or nation, or a document in lieu of a certificate or certification as described in divisions (A)(1)(a) to (e) of this section.
 - Lack of acceptable supporting documentation of birth by person in charge of admission, lack of support for proof of residence, lack of application and or signed application



Common Compliance Issues

- ORC Section 3314.037 Training on public records and open meetings laws
 - The members of the governing authority of a community school, the designated fiscal officer of the school, the chief administrative officer and other administrative employees of the school, and all individuals performing supervisory or administrative services for the school under a contract with the operator of the school shall complete training on an annual basis on the public records and open meetings laws, so that they may comply with those laws as prescribed by division (A)(11)(d) of section 3314.03 of the Revised Code.
 - Lack of documentation supporting attendance of board members and school administrators of the annual public records and open meetings law trainings

Common Compliance Issues

- ORC Section 3314.024 Detailed Accounting by management company; category of expenses
 - A management company that receives more than twenty per cent of the annual gross revenues of a community school shall provide a detailed accounting including the nature and costs of goods and services it provides to the community school. This information shall be reported using the categories and designations set forth in divisions (B) and (C) of this section, as applicable.
 - Lack of audited financial statements or an agreed-upon procedures report indicating expenses spent per school
 - Lack of disaggregated data by following designations

Common Compliance Issues

- ORC Section 9.38 Deposits of Public Money
 - A person who is a state officer, employee, or agent shall pay to the treasurer of state all public moneys received by that person as required by rule of the treasurer of state adopted pursuant to section 113.02 of the Revised Code. A person who is a public official other than a state officer, employee, or agent shall deposit all public moneys received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited.
 - Lack of timely deposits, lack policy indicating a different requirements

Common Compliance Issues

- State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental entity should serve a public purpose. Typically the determination of "proper public purpose" rests with the governmental entity unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion No. 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

- Late fees/interest payments made

Common Compliance Issues

- The 2 CFR section 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control over the federal awards that provides reasonable assurance that the non-federal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. The 2 CFR section 200.514 requires auditors to obtain an understanding of the non-federal entity's internal control over federal programs sufficient to plan the audit to support a low assessed level of control risk of noncompliance for major programs, and, unless internal control is likely to be ineffective, plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program and perform testing of internal control as planned.

- Lack of written procedures over allowable costs and costs principles in accordance with Uniform Guidance.

Common Compliance Issues

- Ohio Administrative Rule 3301-69-02 Excuses from School Attendance
- Pursuant to division (B) of section 3321.04 of the Revised Code, the superintendent of the local school district may excuse a child over fourteen years of age from attendance for a future limited period for the purpose of performing necessary work directly and exclusively for the child's parents or legal guardians or custodians.
- (2) Acceptable reasons for an excuse from future attendance may include the following:
 - (a) The existence of an emergency condition at home such as absence, illness or death of the parent, legal guardian, or custodian of the child;
 - (b) Farm work of the parent, legal guardian, or custodian during a time of the year in which the amount of farm work to be performed may be regarded as properly exceptional; or
 - (c) Inability of the parent, legal guardian, or custodian to employ help in the family business. The determination of inability shall be made by the superintendent.

- Lack of supporting documentation for excused absences nor within the realms of an acceptable reason for the excuse per school policies

Common Compliance Issues

- ORC Section 2921.42 Having an unlawful interest in a public contract
- No public official shall knowingly do any of the following:
 - (1) Authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest;
 - (2) Authorize, or employ the authority or influence of the public official's office to secure the investment of public funds in any share, bond, mortgage, or other security, with respect to which the public official, a member of the public official's family, or any of the public official's business associates either has an interest, is an underwriter, or receives any brokerage, origination, or servicing fees;
 - (3) During the public official's term of office or within one year thereafter, occupy any position of profit in the prosecution of a public contract authorized by the public official or by a legislative body, commission, or board of which the public official was a member at the time of authorization, unless the contract was let by competitive bidding to the lowest and best bidder;
 - Payments made in regards to related party contracts, (ex. children of board member owned business, family member owned businesses, etc)

Common Compliance Issues

- ORC Section 9.22 states that no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision except for law enforcement purposes is a violation of section 2913.21 of the Revised Code.
 - Noted possession and use of a debit card used by School management.

Common Compliance Issues

- 34 CFR 76.722 Subgrantee Reporting Requirements
- § 76.722 Subgrantee reporting requirements.
- A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program.
 - FERs not matching accounting software amounts reported

Common Compliance Issues

- 26 USC Internal Revenue Code
 - 26 CFR § 1.6041-1(a)(1)(i)(A), states, in part, that except as otherwise provided in §§ 1.6041-3 and 1.6041-4, every person engaged in a trade or business shall make an information return for each calendar year with respect to payments it makes during the calendar year in the course of its trade or business to another person of fixed or determinable income described in paragraph (a)(1)(i) (A) or (B) of this section. For purposes of the regulations under this section, the person described in this paragraph (a)(1)(i) is a payor. Payments are to be reported for salaries, wages, commissions, fees, and other forms of compensation for services rendered aggregating \$600 or more.
 - Lack of issuance of 1099s and or amounts reported on the 1099's did not reconcile to accounting system payments

Common Compliance Issues

- 2 CFR 200 – Property purchased with Federal funds records, inventory
 1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal award identification number), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property (2 CFR 200.313(d)(1)).
 2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every 2 years (2 CFR 200.313(d)(2)).
 1. Lack of physical inventory records completed every two years
 2. Lack of information in property records indicated above for property acquired with federal funds.

Common Compliance Issues

- 2 CFR 3474.1 provides that the Department of Education (DOE) adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200 except for 2 CFR 200.102(a) and 2 CFR 200.207(a). Thus, this section gives regulatory effect to the OMB guidance and supplements the guidance as needed for the DOE. Non-Federal entities other than States, including those operating Federal programs as subrecipients of States, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.327. They must use their own documented procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal statutes and the procurement requirements identified in 2 CFR part 200.
 - Lack of use of proper procurement method, adequate supporting information in regards to procurement method use, or lack thereof prior to contract issuance.

Common Compliance Issues

- All prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. (2 CFR 200 Appendix II (d)).
 - Lack of documentation to support compliance with wage rate requirements.

Common Compliance Issues

- Ohio Rev. Code §§ 3314.03, 3314.08 and 2015 Ohio Op. Att'y Gen. No. 2015-007 – Community School Debt
 - Allowable community school debt: A. A community school may borrow money to pay any necessary and actual expenses in anticipation of State Foundation receipts. The school may issue notes to evidence such borrowing. The proceeds of the notes shall be used only for the purposes for which the school may lawfully expend the anticipated foundation receipts. [Ohio Rev. Code § 3314.08(G)(1)(a)] B. A school may also borrow money for a term not to exceed fifteen years to acquire facilities. [Ohio Rev. Code § 3314.08(G)(1)(b)] C. A community school may borrow money from the school's operator (i.e. facilities loans / cash flow assistance), but such must be accounted for, documented, and bear interest at a fair market rate. [Ohio Rev. Code § 3314.03(A)(30)]
 - Lack of debt bearing interest rate, lack of supporting documentation.

Common Compliance Issues

- Ohio Rev. Code §§ 3314.032, 3314.0210 - Operator relationship with community schools
 - An operator shall not lease any parcel of real property to the community school until an independent professional in the real estate field verifies via addendum that at the time the lease was agreed to, the lease was commercially reasonable. This independent professional is immune from civil liability for any decision rendered. [Ohio Rev. Code § 3314.032(B)]
 - Lack of documentation to support lease was commercially reasonable.

Common Compliance Issues

Blended community school students work part of the time from home, and are required by the community school charter's Educational Plan and Student Policy Handbook to attend the school facility a majority of the time. There are several types of blended learning models. Ohio Rev. Code § 3301.079(B)(1) states "Blended learning" means the delivery of instruction in a combination of time primarily in a supervised physical location away from home and online delivery whereby the student has some element of control over time, place, path, or pace of learning and includes noncomputer-based learning opportunities. Ohio Admin. Code 3301-35-01 clarifies that for purposes of that definition, "primarily" means over the course of the school year, a student works more than fifty per cent of the time from a supervised physical location away from home.

- Not a majority of time spent in a physical location.

Common Compliance Issues

- Ohio Rev. Code §§ 149.351 –Prohibiting Destruction of Records
 - (A) All records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.55 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated, or transferred unlawfully.
 - General code section for anything lacking support such as invoices, pay stubs, etc. items deemed as a public record.

Common Compliance Issues

- Ohio Rev. Code §§ 3314.08 (h)(3) Annual enrollment reports, payments from department
 - The department shall determine each community school student's percentage of full-time equivalency based on the percentage of learning opportunities offered by the community school to that student, reported either as number of hours or number of days, is of the total learning opportunities offered by the community school to a student who attends for the school's entire school year. However, no internet- or computer-based community school shall be credited for any time a student spends participating in learning opportunities beyond ten hours within any period of twenty-four consecutive hours. Whether it reports hours or days of learning opportunities, each community school shall offer not less than nine hundred twenty hours of learning opportunities during the school year.
 - Total learning hours exceeding 10 per day in the FTE calc, or not offering 920 hours on updated school learning calendars.

Common Compliance Issues

Ohio Rev. Code § 3314.08(H)(2) states that a student shall be considered to be enrolled in a community school for the period of time beginning on the later of the date on which the school both has received documentation of the student's enrollment from a parent and the student has commenced participation in learning opportunities as defined in the contract with the sponsor, or thirty days prior to the date on which the student is entered into the education management information system established under section 3301.0714 of the Rev. Code.

Ohio Rev. Code § 3301.0714(A) and (B)(2) provides that the state board of education shall adopt rules for a statewide education management information system. These guidelines adopted under this section shall require the data maintained in the education management information system to include personnel and classroom enrollment data for each school district.

Ohio Department of Education FTE Review and Community School Enrollment Handbook, Revised January 2015. Section Entry Date/From Date states for an eSchool student, the "From Date" (or enrollment date) would be the later of either the first day of login or the date he/she receives a computer.

- Improper date of entry date later of first login date/receipt of computer.

Suggestions for Improvement

- Audit Adjustments
- The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. AU-C 265 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, AU-C 265 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Suggestions for Improvement

- AUC-265 continued (audit adjustments)
 - GASB 87 Leases not included in Net Investment in Capital Assets calculation
 - GASB 87 Lease Balances not inclusive of approved lease extensions throughout year causing remeasurement
 - GASB 87 Leases initiated based on term dates vs effective dates of lease
 - GASB 68/75 adjustments in regards to improper proportionate rate for the current measurement period
 - Reclassification of revenues between foundation and non-operating grants.(SWSF & quality community school support fund)
 - State/Federal grant receipts recorded as Misc. Revenue and or Contributions
 - Purchase of building and not accounting for Non-depreciable assets separately such as Land & CIP.
 - Lack of recording of Emergency Connectivity Fund
 - Management Fees, Sponsor Fees, Revenue not reflective of FTE adjustments approved by DEW prior to Hinkle Submission

Suggestions for Improvement

- AUC-265 continued (audit adjustments)
 - Capitalized Payables not reflective in Net Investment Capital Asset calculation, in addition to non-cash disclosure on Cash flows
 - Payables as of 6/30 were not included in Accounts Payable
 - Improper reporting of Unearned Grant Revenues (Accrued Revenue vs. Deferred Inflows)(OFCC Safety Grants)
 - Missing Non-cash transaction disclosure in the cash flow statements
 - School Operator Account Balance writeoffs
 - Loan Writeoffs
 - Capital Assets purchased on account (leases, direct financing, capitalized payables, building additions completed by the landlord schools is obligated to repay through rent payments)
 - Forgiveness of Accounts Payable by Vendor
 - Donated Assets

Suggestions for Improvement

- Improper Payments
 - Noted payments for schools which share a treasurer were posted to the wrong schools who were obligated to make the payment
- Lack of Supporting Documentation
 - Original Invoices to support the disbursements
 - Lack of Documentation to Support balances reported on T1 report submission
 - Credit Card Receipts
- Capital Asset Deficiencies
 - Lack of formal Capital asset policy defining capitalization threshold and useful lives of asset for depreciation adjustments
- Board Oversight, Review, Approval
 - Lack of Board approval of system generated detailed receipt, expense, budget to actual, bank reconciliations.
 - No board approval of opening of new account balances

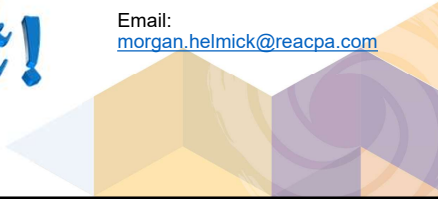
Suggestions for Improvement

- Management Company Advances
 - Improper reporting of advances from management company due cash flow concerns on the cash flow statements
- Cash Reconciliations
 - Not timely completed, reconciling items for outstanding checks spanning multiple fiscal years, lack of approval by management (board)

Questions?

*Thank
you!*

Morgan Helmick, CPA
Direct: 330-661-0234
Cell: 330-603-0738
Email:
morgan.helmick@reacpa.com

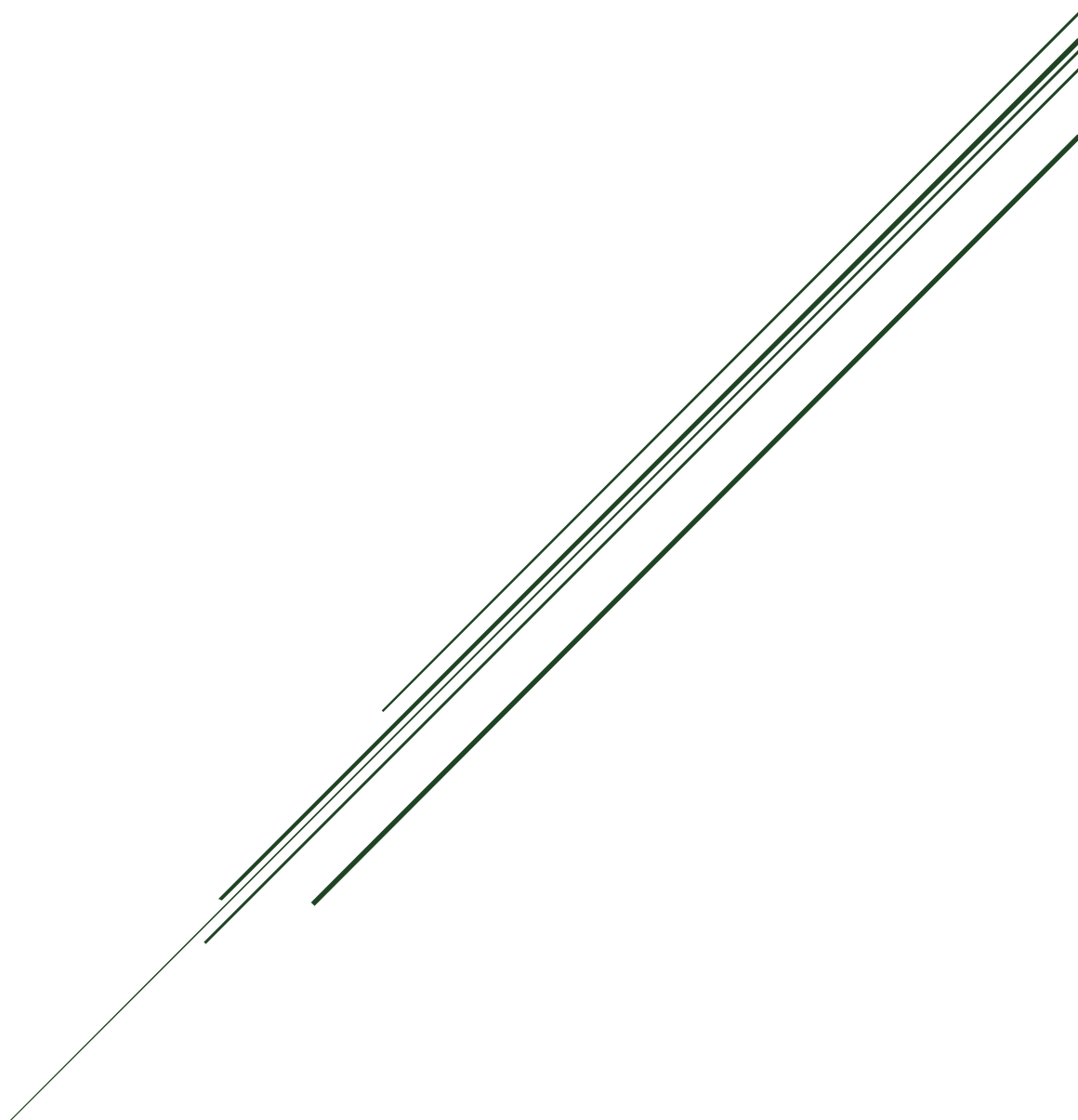


OHIO AUDITOR OF STATE
KEITH FABER



2024 DEW SCHOOL FUNDING UPDATE

James Lansden, Ohio Department of Education & Workforce



This 2024 Community School Update will focus on timely topics and key information for community schools, sponsors, and other community school stakeholders.



COMMUNITY SCHOOL FUNDING UPDATE

JAMES LANSDEN
Financial Program Manager
Community Schools Payment Administrator
August 2024

A photograph showing a teacher and several students in a classroom. The teacher is leaning over a desk, looking at a book with a student. Other students are visible in the background, some working at their desks.

Ohio

School Funding Updates

A close-up photograph of a blue piggy bank. The piggy bank is positioned in the bottom right corner of the slide, with its head facing left. The background is a light blue gradient.

Ohio

CHANGE IN ENROLLED ADM STATEWIDE – COMMUNITY/STEM SCHOOLS

Enrolled Average Daily Membership			
Fiscal Year	Enrolled ADM	Change	% Change
2018	107,572.22		
2019	105,920.21	-1,652.01	-1.54%
2020	106,266.18	345.97	0.33%
2021	117,671.44	11,405.26	10.73%
2022	115,089.13	-2,582.31	-2.19%
2023	115,878.65	789.52	0.69%
2024	120,741.73	4,863.08	4.20%

Increase of 13K between FY18 and FY24 or 12.2%



BASE COST INPUTS

Base Cost Inputs	FY18	FY19	FY20	FY21	FY22	% change between FY18 and FY22
Superintendent	\$115,615.69	\$117,788.55	\$120,119.93	\$122,841.98	\$123,639.30	6.94%
Other District Administrator	\$95,727.51	\$96,982.11	\$98,259.94	\$99,225.83	\$100,368.71	4.85%
Principal	\$91,720.36	\$93,457.69	\$95,405.07	\$96,538.15	\$97,627.89	6.44%
Teacher	\$62,696.18	\$64,225.25	\$65,839.10	\$67,117.78	\$68,022.22	8.50%
Counselor	\$63,269.80	\$64,787.46	\$66,630.50	\$68,100.87	\$68,712.57	8.61%
Librarian and Media staff	\$68,139.33	\$69,544.82	\$71,843.08	\$73,020.72	\$74,063.83	8.69%
EMIS Support Staff Employee	\$53,695.26	\$53,878.88	\$54,182.26	\$54,802.55	\$55,972.97	4.24%
Bookkeeping and Accounting Employee	\$45,387.82	\$46,317.55	\$47,638.00	\$48,306.26	\$49,696.52	9.49%
Administrative Assistant	\$44,955.10	\$44,733.92	\$45,013.26	\$44,352.41	\$45,333.05	0.84%
Clerical Staff	\$32,997.90	\$33,041.67	\$33,890.37	\$34,004.64	\$34,356.24	4.12%
Insurance Cost	\$14,265.53	\$15,995.31	\$16,395.74	\$16,930.91	\$17,152.68	20.24%
Teacher Benefits	\$10,031.39	\$10,276.04	\$10,534.26	\$10,738.84	\$10,883.56	8.50%
Academic Co-Curricular Activities	\$42.13	\$44.15	\$44.47	\$41.05	\$48.09	14.13%
Athletic Co-Curricular Activities	\$163.28	\$172.11	\$172.68	\$179.28	\$192.21	17.72%
Building Safety and Security	\$23.29	\$30.69	\$32.30	\$34.41	\$36.20	55.45%
Supplies and Academic Content	\$220.35	\$227.52	\$222.44	\$231.31	\$243.81	10.65%
Building Square Feet Per-Pupil	\$239.36	\$268.43	\$267.38	\$274.76	\$278.07	16.17%
Cost Per Square Foot	\$4.72	\$4.61	\$4.50	\$4.45	\$5.10	8.05%
Building	\$1,129.78	\$1,237.73	\$1,202.85	\$1,223.28	\$1,418.16	25.53%



FUNDING BASE

- 3317.02 (P)(1-3) Community Schools
- 3317.02 (Q)(1-3) STEM Schools

- Schools operating in FY20
 - Amount paid to school in FY20
 - FY20 Final #2 – Sum of Lines I, L and M
- Schools not in operation in FY20 - opened in FY21, FY22, FY23, FY24, FY25
 - Amount school would have been paid had it been opened in FY20



FORMULA TRANSITION SUPPLEMENT

- Calculated on a per-pupil basis
- FY21 funding components used to calculate the per-pupil amount:
 - Opportunity Grant (before the executive ordered reductions), Economically Disadvantaged, English Learners, Special Education, K-3 Literacy, Career-Tech, Transportation, Graduation Bonus, 3rd Grade Reading Bonus, and Student Wellness and Success



FORMULA TRANSITION SUPPLEMENT

District Factors			
a	Enrolled ADM		\$35.20
i	Formula Transition Supplement $\{f \text{ if } (i1-i2)*a>0 \text{ then } (i1-i2)*a \text{ else } 0\}$		\$1,578,462.98
i1	FY21 Per-Pupil $\{(i1+i1b)+\$40.00\}$		
i1a	FY21 Funding Base $\{FY21 SFPR \text{ Line I} + \text{Line L} + \text{Line M} + \text{Line N}\}$	\$2,269,032.53	\$12,770.29
i1b	FY21 Student FTE	178.24	
i2	FY24 Per-Pupil $\{(F+G+H)/a\}$		\$9,821.02



STATE FOUNDATION FUNDING

FY25 Updates (Year 4 of Fair School Funding Plan)

- Phase-In Percentage – 66.67%
- Move to FY25 Enrollment in October
- No change to base cost inputs
- Career Awareness and Exploration (\$10 pp) Increase



STATE FOUNDATION FUNDING

FY25 Updates (Cont.)

- Facilities amounts remain unchanged. (\$1,000 per FTE for Brick and Mortar Schools, and \$25 per FTE for E-Schools)
- Equity Supplement Payment amount remains unchanged. (\$650 per FTE)
 - Only brick and mortar community schools are eligible for this payment
 - STEM's are currently ineligible



TRANSITION TO FY25 DATA

- Transition to FY25 EMIS Data
 - All new community schools must have their FTE data entered prior to September 29th in order to receive their first payment in October
- Transition to FY25 Career-Tech Data
 - December timeframe to transition to current year career-tech data



PHASE-IN APPROACH* (FOR MOST SCHOOLS)

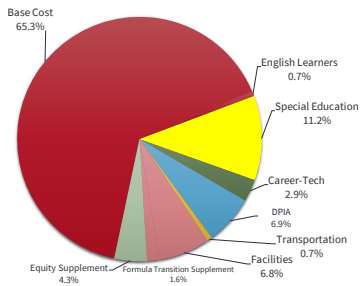
- Most schools will not see their full amount calculated by the formula in FY24 or FY25. They will gradually get there through a phase-in.
 - Phase-in percentage of 50% in FY24 and 66.67% in FY25.
 - Transportation funding not subject to phase-in.
 - Full phase-in period is over the course of 6 years.
- Some schools will receive the full amount in FY25 because it is less than their funding base and no phase-in necessary.



COMMUNITY/STEM SCHOOLS FUNDING – FY24

\$10,528 per pupil

\$1.28 Billion

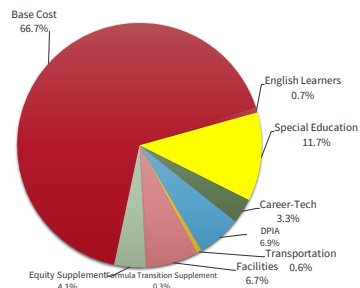


*FY24 April Payment

COMMUNITY/STEM SCHOOLS FUNDING – FY25

\$10,961 per pupil

\$1.32 Billion



*FY25 July Payment

COMMUNITY/STEM SCHOOLS – FY25 SUMMARY SFPR

	(a) Base State Funding	(b) Calculated State Funding	(c) = (b-a)*% Phase-In Funding ¹	(If F(b) > F(a)+c), d = b, else d = a+c) State Funding
State Support				
A Base Cost	\$697,374,348.14	\$983,024,746.07	\$190,966,941.59	\$882,307,855.96
B Special Education	\$126,162,824.77	\$173,253,286.96	\$31,380,309.66	\$155,167,745.03
C Disadvantaged Pupil Impact Aid (DPIA)	\$61,351,142.51	\$86,275,728.99	\$16,483,608.45	\$77,302,371.44
D English Learners	\$7,289,965.35	\$10,056,303.24	\$1,844,239.42	\$9,099,655.38
E Career Technical Education	\$22,727,858.48	\$53,787,843.12	\$30,706,657.45	\$48,713,940.50
F Core Foundation Funding (A + B + C + D + E)	\$915,126,119.26	\$1,307,197,908.38	\$261,381,205.78	\$1,167,585,568.31
G Transportation				\$8,578,071.12
H Equity Supplement				\$54,397,743.21
I Formula Transition Supplement				\$4,597,604.30
J Facilities				\$88,342,500.48
K Total State Support (F+G+H+I+J)				\$1,323,501,937.42

*FY25 July Payment

PAYMENT DATA CALENDAR

Community/STEM Schools

DATA ELEMENT	REPORT	DATA USED FROM	INITIATED / ANTICIPATED
Enrolled ADM	Base Cost, Detailed SFPR	FY 2025 Data	October
Athletic Eligibility	Base Cost	FY 2025 Data	August
Statewide Economically Disadvantaged Percentage	Detailed SFPR	Set at 60%	July
Statewide Economically Disadvantaged Percentage	Detailed SFPR	FY 2025 Data	January
Economically Disadvantaged, English Learners, Students with Disabilities-FTE	Detailed SFPR	FY 2025 Data	October
Career Technical Education Data	Detailed SFPR, Other Adjustments	FY 2025 Data	December
Transportation - Riders	Detailed SFPR	FY 2025 Data	December

<https://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/State-Funding-For-Schools/Payment-Report-Data-Calendar>



STATE FOUNDATION FUNDING

FY25 Updates - DPIA

- Community Eligibility Provision – New in FY25:
 - 92 traditional school districts
 - 31 community schools
 - 8 JVSDs
- Statewide Economically Disadvantaged Percentage (districts and community schools)
 - Will stay fixed through December at 60%
 - Starting with January - live calculation based on FY25 data
 - Anticipate – 60.54%



STATE FOUNDATION FUNDING

FY24 Closeout

- EMIS Reporting Window – Closed 7/17
- Data Appeals Window – Opened 7/18; File Appeal by 7/26; Filed updated data by 8/2
- Final #1 Payment (August #2/September)
- EMIS Financial Appeals Window – Opens 9/2; File Appeal by 9/26; File updated data by 10/4
- Final #2 Payment (November)



FY25 COMMUNITY/STEM SCHOOL PAYMENT CALCULATOR

SCHOOL FUNDING RESOURCES

- [A complete list and description of JV codes](#)
- [College Credit Plus Deduction Reports](#)
- [Foundation Legacy Payment Reports \(2002-2021\)](#)
- [Foundation Payment Reports](#)
- **NEW:** [FY25 Community/STEM Schools State Foundation Funding Calculator \(3.7.2024\)](#)
- [Payment Data Calendar](#)
- [Payment Letters - Community Schools](#)
- [Payment Schedule](#)
- [Statewide Payment Reports in Excel Format - Community Schools](#)

LITERACY PROFESSIONAL DEVELOPMENT

- Request reimbursement through Management Council K12 Portal.
- Upload spreadsheet with educator name, licenses number, pathway completed, and payment date
- Superintendent or Treasurer must sign off and assure
- Monthly reimbursement window
- April reimbursement requests paid in May, etc.
 - JV15 Science of Reading Professional Development Stipend Reimbursement
 - Receipt Code 001-3219
 - Suggested Expense Code 001-2213-139

ADDITIONAL PROGRAMS

- [Ohio Military Veteran Educators Program \(OhioMVEP\)](#)
 - JV90
- **CCP New Course Incentive Payments**
 - JV20



QUESTIONS?

EDUCATION.OHIO.GOV





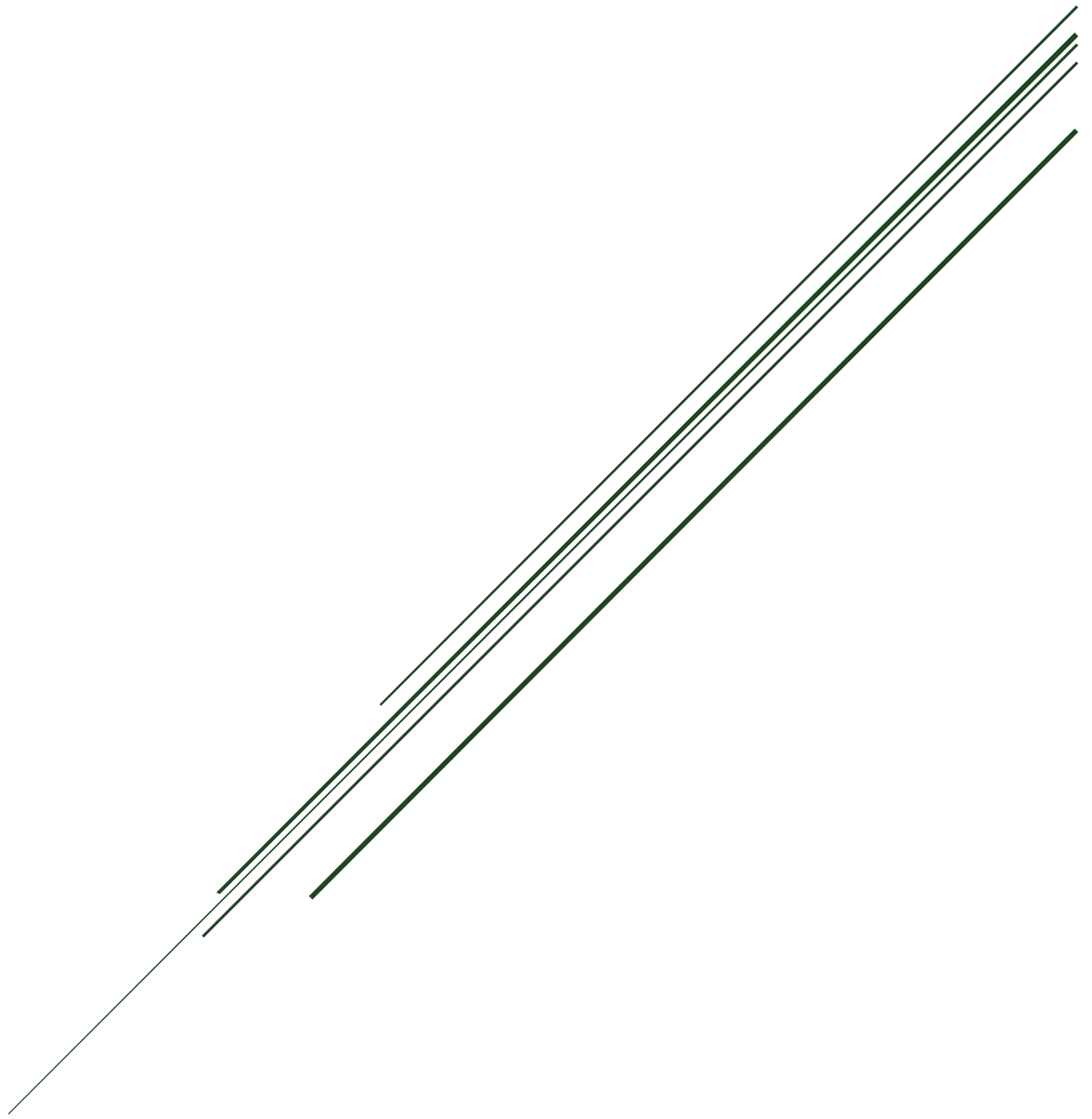
OHIO.ORG

OHIO AUDITOR OF STATE
KEITH FABER



HOW TO PREPARE FOR AN AUDIT

Kelly Berger-Davis, Ohio Auditor of State



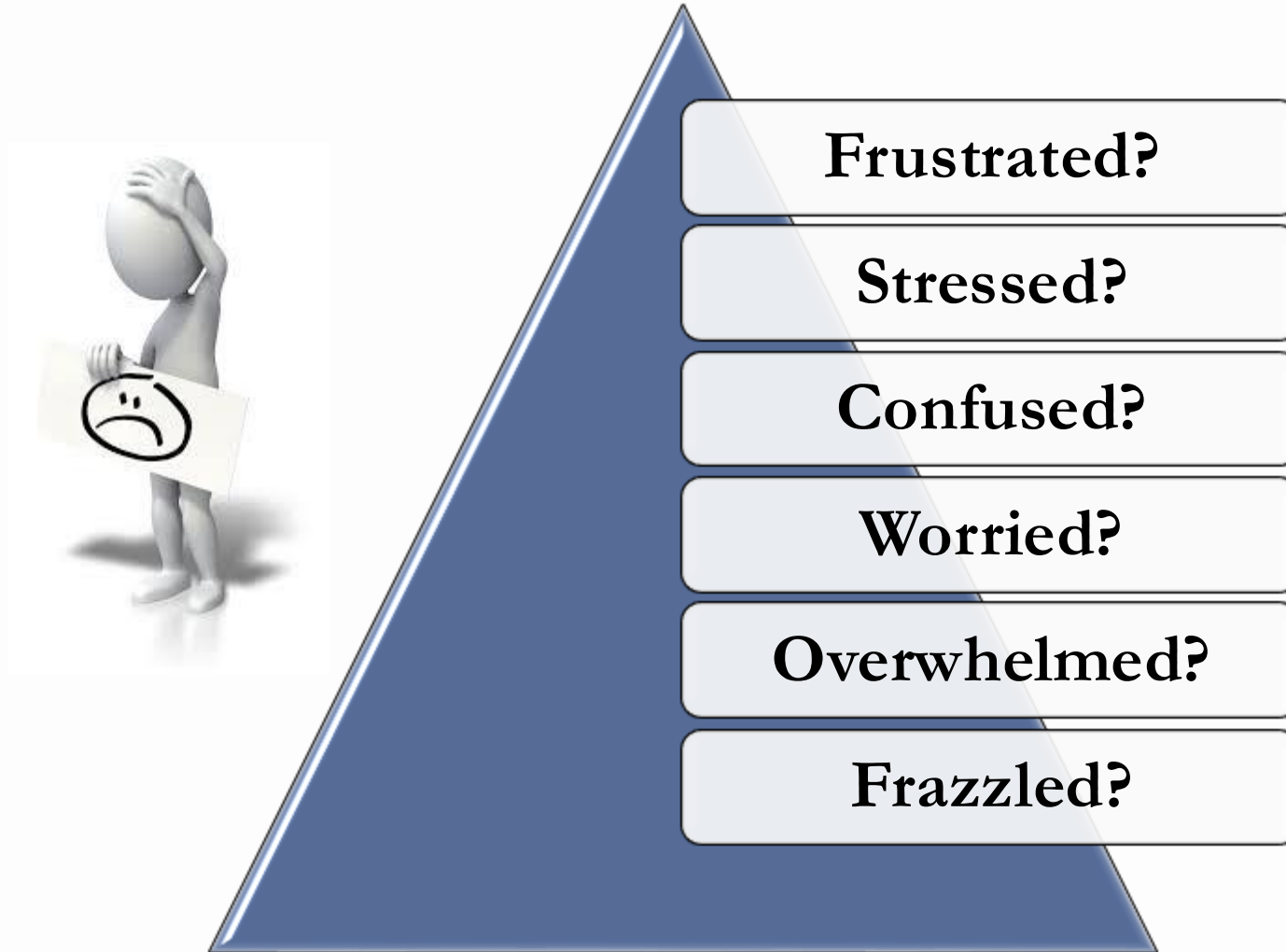
This session will provide information on preparing for an audit.

2024 Community School Training

Audit Preparation How to Make Your Audit Go Seamlessly

Kelly Berger-Davis, Center for Audit Excellence

How do you feel about your Audit?



Agenda

What is an audit?

Tips for an efficient audit

Important deadlines

Resources available on AOS webpage



“Audit” Types

Basic Audit
(Basic)

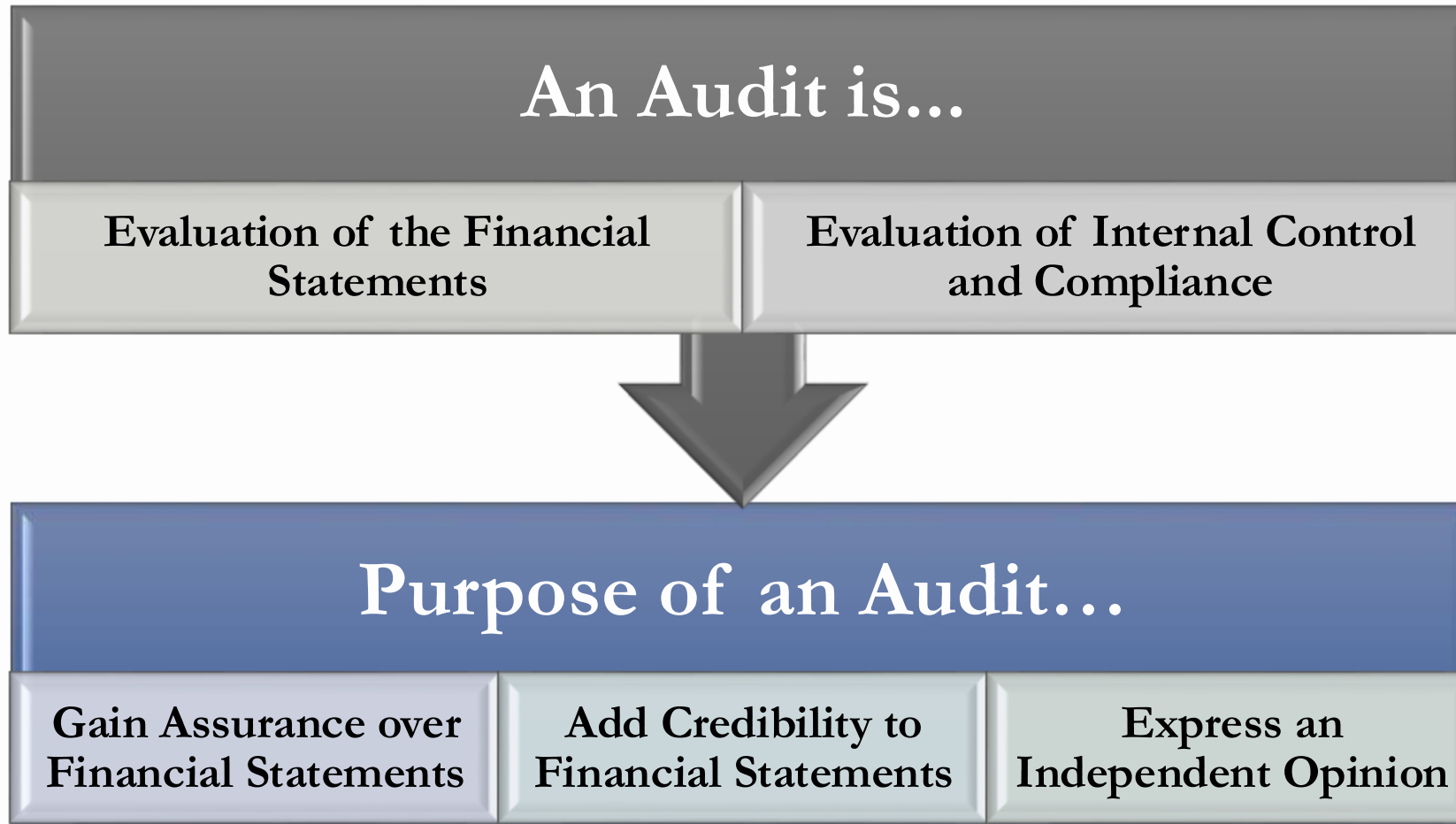
Agreed-Upon
Procedures
(AUP)

GAGAS
Financial
Statement Audit

ORC 117.11(B)
Public Interest
Audits

Single Audits
(Federal \$)

What is an Audit and Why do I Have to Have one?



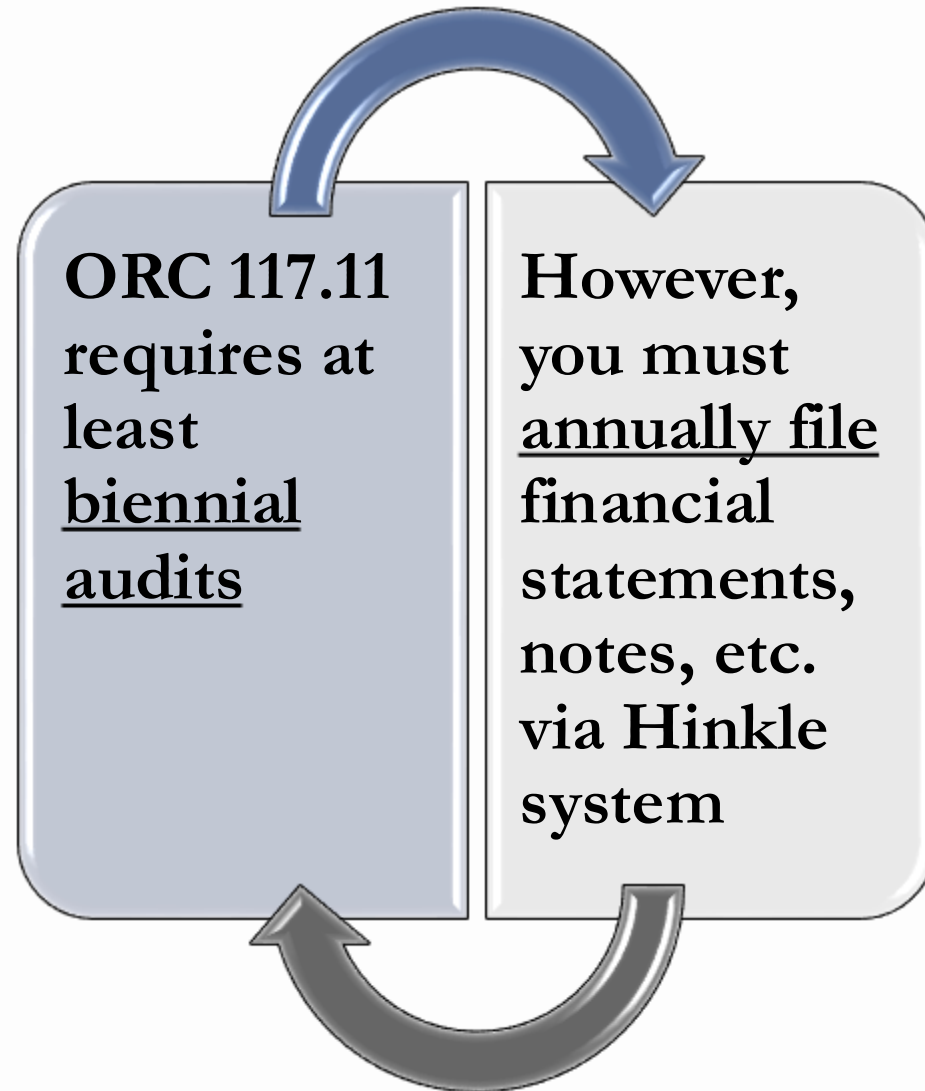
Audit Frequency

Ohio Law-
biennial

Federal
Single Audit -
\$750,000 in
Federal
Expenditures

Anytime –
Public Office
Request or
AOS
Initiative

Audits vs. Filing



Who Will be Doing the Audit?



Auditor of State



Independent
Public
Accountant



Auditor Letters

Independent Auditor's Report

- Opinion on fair presentation of financial statements
- Opinion on Schedule of Expenditures of Federal Awards (if applicable)

GAGAS Letter

- Generally Accepted Government Auditing Standards
- Results of tests of internal controls and compliance
- Financial statement impact

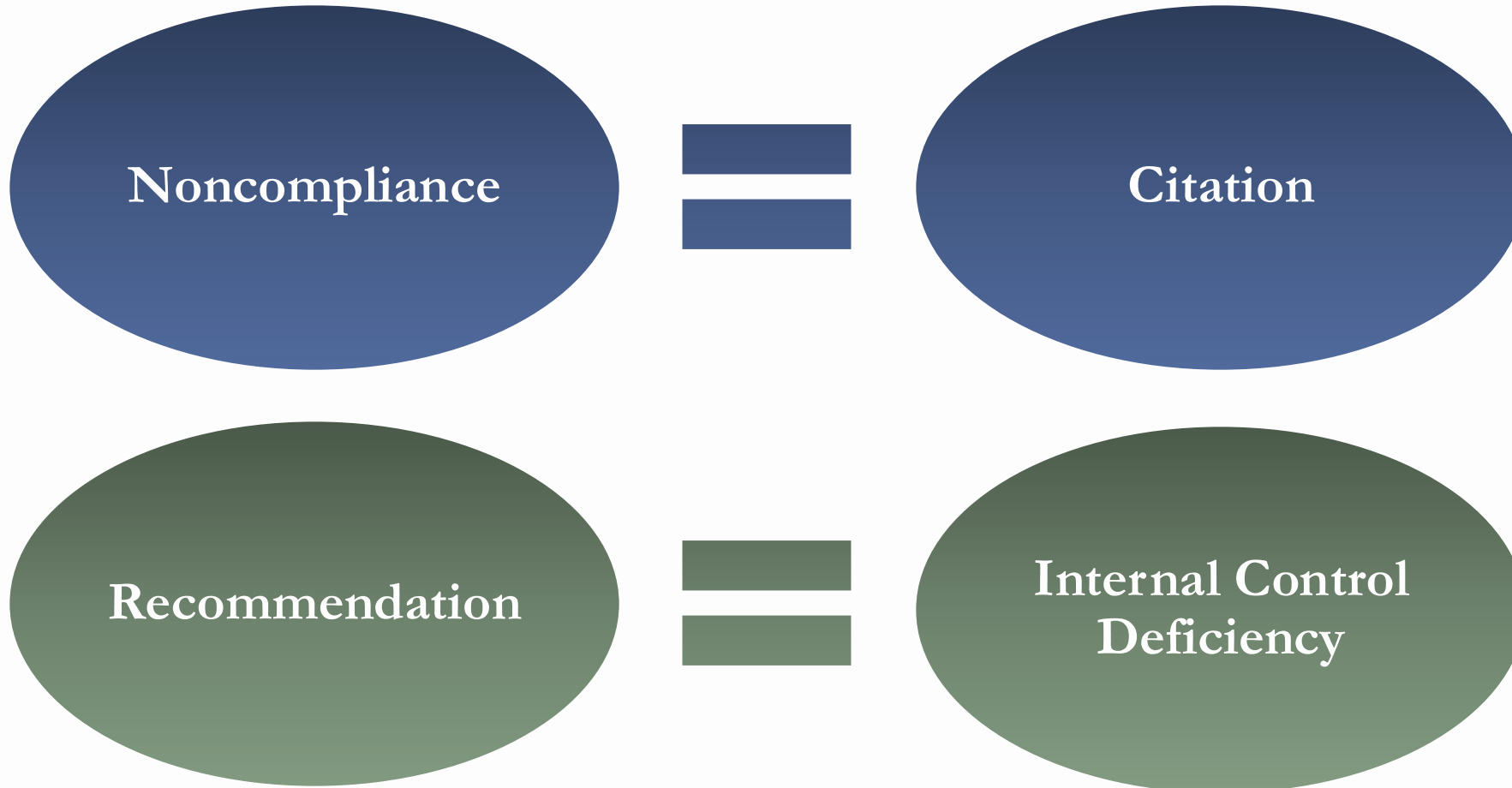
Single Audit Letter

- Opinion on compliance for each major program
- Results of tests of internal controls and compliance
- Federal program impact

Management Letter

- Communicates control deficiencies and non-compliance with a less-than-material effect on the financial statements or other issues with significance to the audit objectives
- Are not included in the audit report, or on AOS website

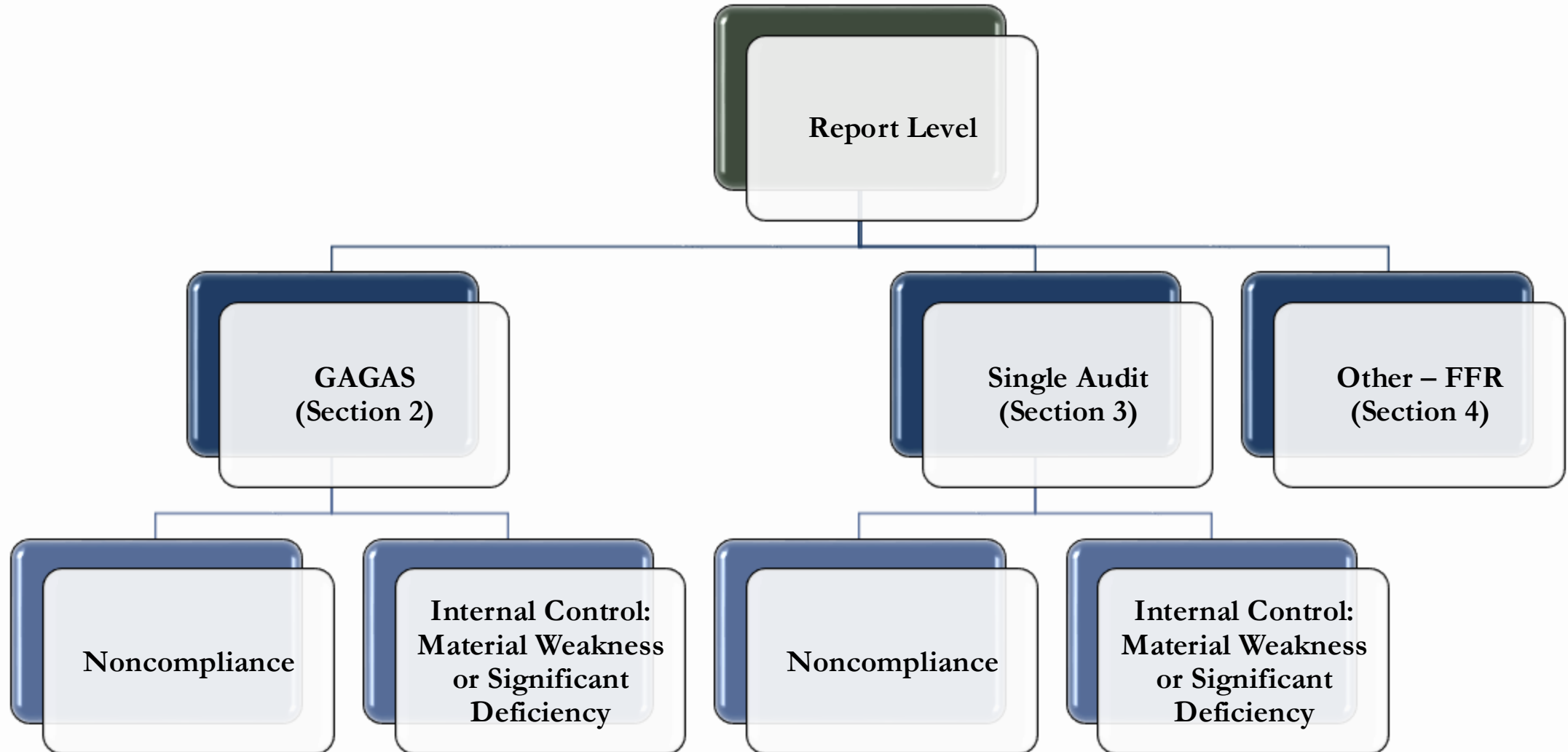
Terminology



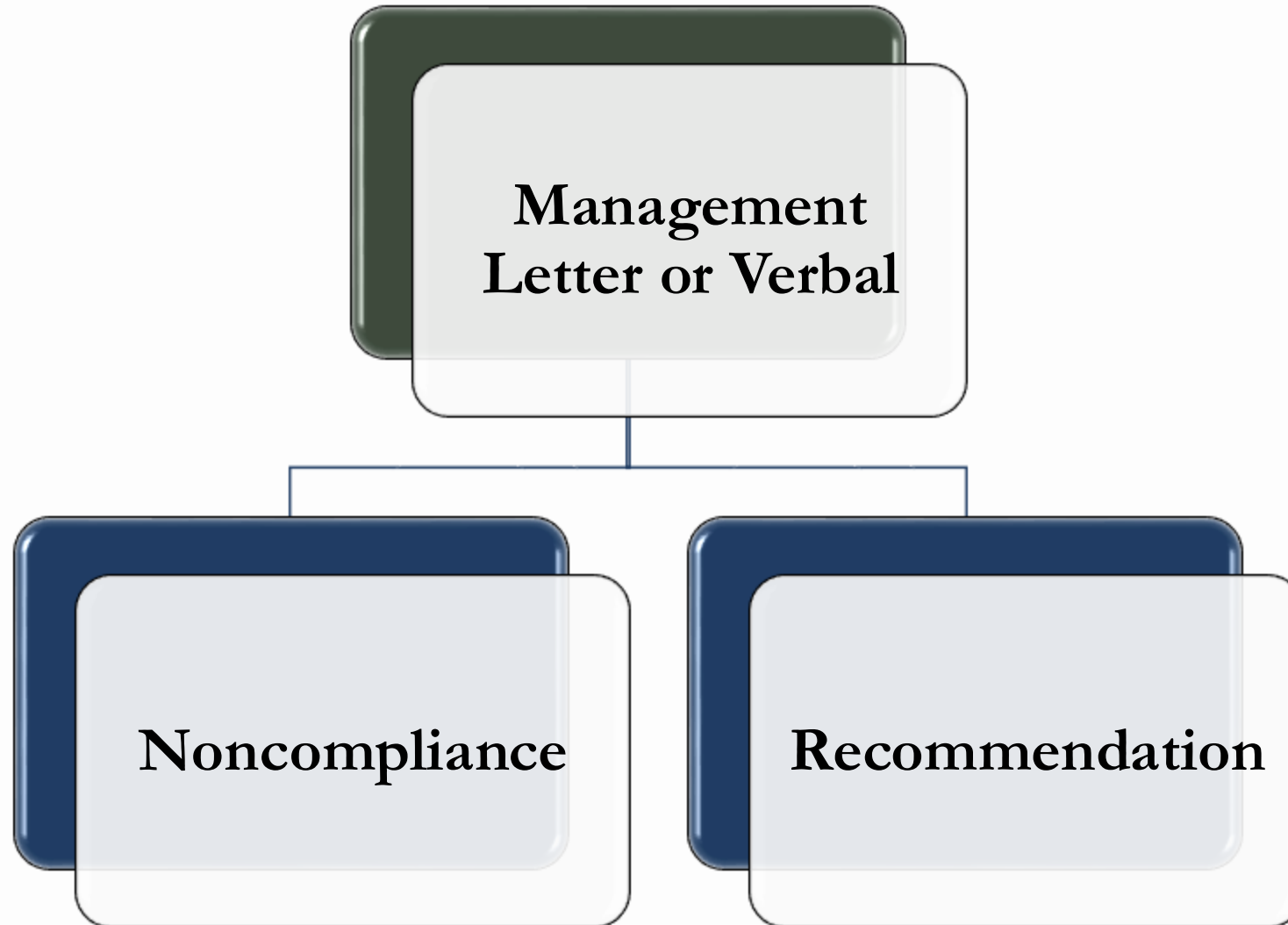
Types of Audit Comments



Types of Audit Comments



Types of Audit Comments





is an Audit Important?

Fulfill your fiduciary responsibility

Obtain assurance related to the financial integrity of funded programs

Identify possible non-compliance and other issues early, to avoid interruption of current funding

Lower the risk of future non-compliance

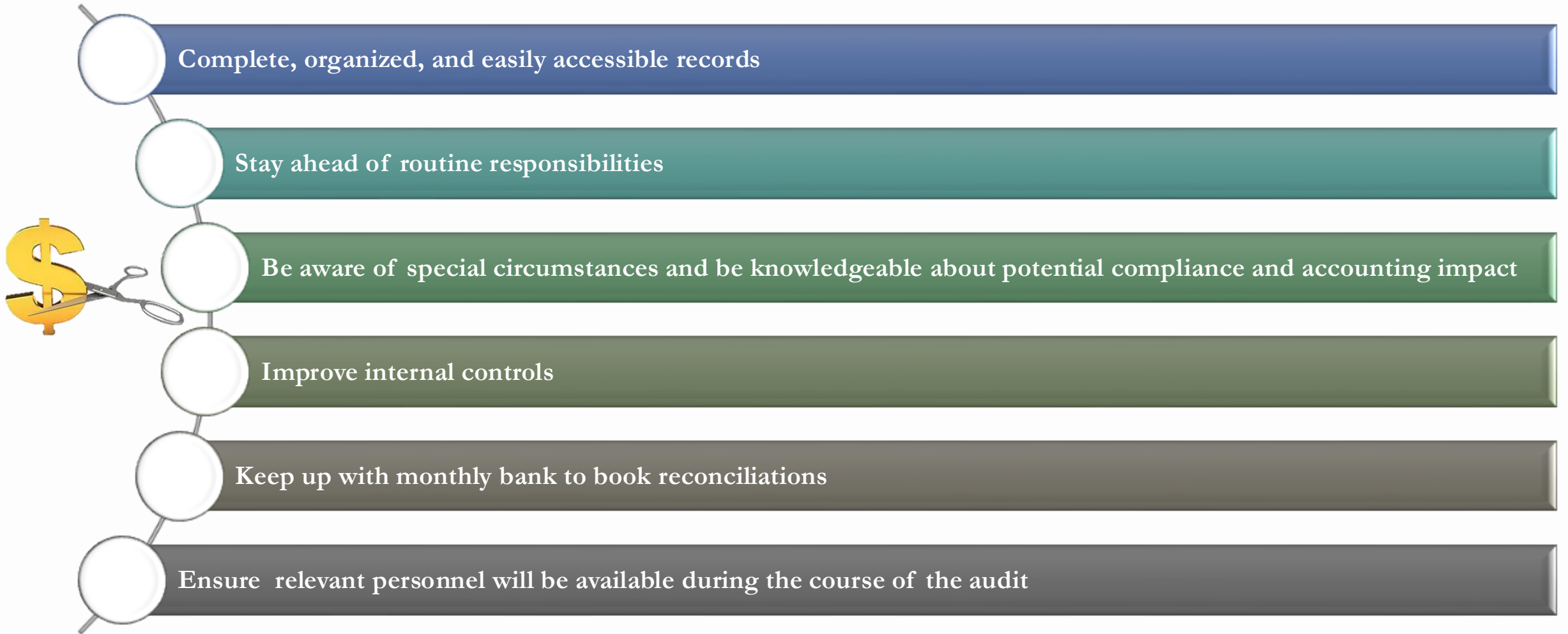
Build goodwill among taxpayers

Strengthen your ability to secure additional funding in the future.

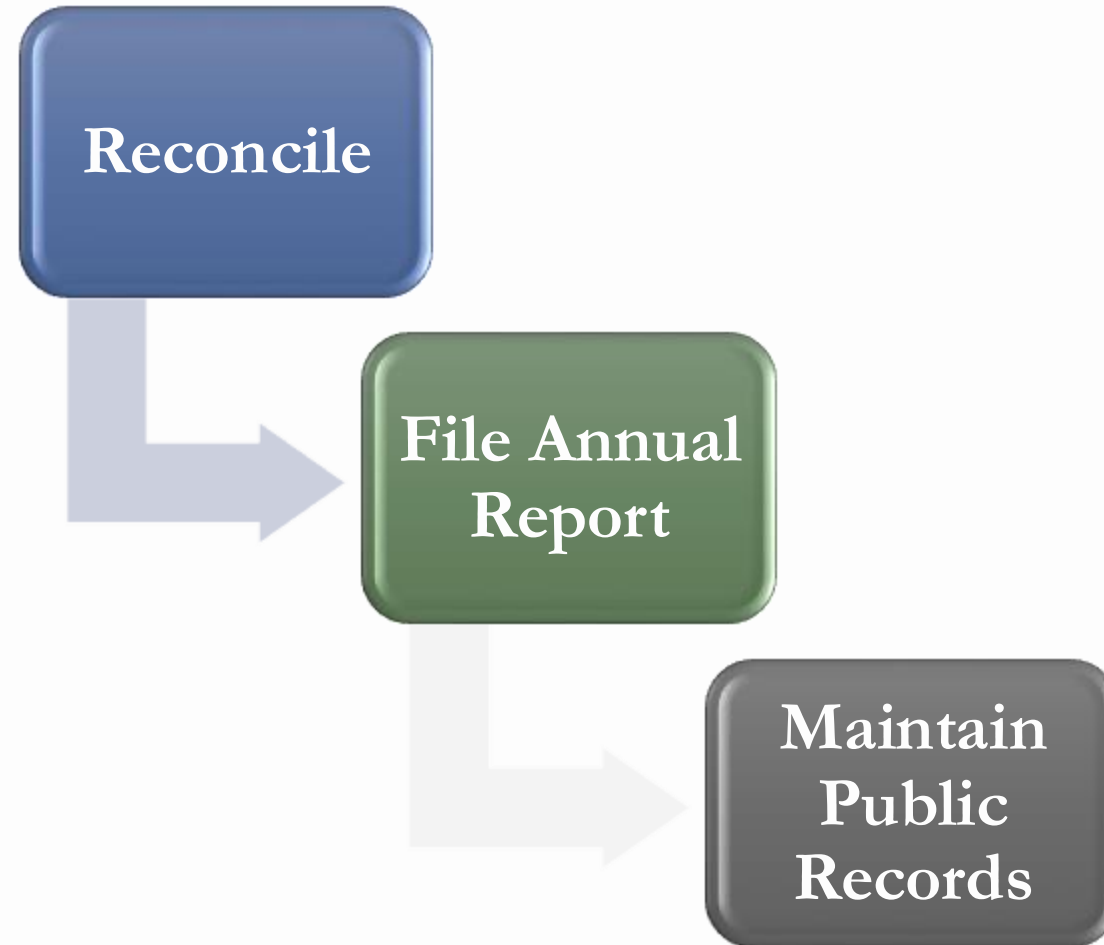
Source: <https://www.aicpa.org/interestareas/governmentalauditquality/resources/auditeeresourcecenter/whyauditqualityisimportantforauditees.html>

Tips For An Efficient Audit

What can I do to keep audit costs low?



Tips for an Efficient Audit



Tips for an Efficient Audit



Good communication with auditors before planned start date that auditors will arrive.

Provide information in an electronic format / ledgers in excel for sorting, searching, etc.

Will personnel be available for audit inquiries (vacations, etc.)?

Provide auditors with a list of who the 'go-to' person is for each area (to make inquiries/obtain documents).

If there is going to be a significant delay in getting records to the auditor, make them aware.

Tips for an Efficient Audit (Cont'd)

Discuss items auditors could gather ahead of starting the audit

- Minutes if accessible via the government's website, records on UAN, etc.

Location(s) auditors will perform audit work

- Client Location
- Regional Office
- Telework / Remote Work Location / Another audit site

Information needed for connectivity to internet at the client location

Tips for an Efficient Audit (Cont'd)

Communicate with your auditors before audit is started. Types of questions auditors may ask:

- Significant financial transactions incurred
- Compliance with requirements outlined in Ohio and Federal Compliance Supplements
- Internal controls, and any changes made
- Changes in significant personnel
- Status of audit comments from the prior audit

Tips for an Efficient Audit (Cont'd)

Often auditors will provide an initial audit documentation request list – be sure to have the documents pulled and ready in a timely manner. We also have a list available on our website:

<https://ohioauditor.gov/references/guidance/communityschools.html>

Community School Audit Preparation Checklist¹

The following is a preparation checklist of possible documentation an auditor may request for the upcoming community school financial statement audit.

Having the following items readily available, may help the audit process:

System Reports:

1. Year End Financial/Fund Report
2. Check Register
3. Detail Revenue Report
4. Detail Expenditure Report
5. Outstanding Purchase Order Report
6. Monthly Cash Reconciliations

If possible, auditors can download the above reports from your Information Technology Center (ITC). Please request they allow read-only access to your cash-basis reports (Budgetary CD and Payroll CD) as well as the WebGAAP reporting system.

Tips for an Efficient Audit (Cont'd)

General Information:

- Minutes from the audit period
- Sample of financial reports provided to Board Members
- Names, e-mail addresses, outside occupations, and business interests of the school board members holding position during our audit period and currently
- Names and e-mail addresses/contact information of the Sponsor's contact person holding position during our audit period and currently
- Names and e-mail addresses/contact information of the Operator/Management Company's contact person holding position during our audit period and currently (if applicable)

Sponsor Items:

- Copy of community school's charter and sponsor agreement
- Copy of Sponsor Oversight Review
- Ohio Department of Education Close out Checklist completed by Sponsor (only for closeout audits)

Tips for an Efficient Audit (Cont'd)

Operator/Management Company Items (if applicable):

- Copy of contract with operator/management company
- Information regarding expenses paid by the operator/management company for the community school
- If management company footnote is required by Ohio Rev. Code Section 3314.024, provide support for such. See the Auditor of State's Ohio Compliance Supplement, section 4B-2 for further information.

Cash Reconciliation:

- Bank reconciliation supporting documentation (bank statements, investment statements, outstanding check lists, etc.) for the audit period
- Access to online statements for confirmation of accounts (with community school's assistance)
- Daily sweep account confirmations, if applicable
- Copy of current investment policies and bank depository agreements

Receipt Testing:

- Access to duplicate receipts or "pay-in book", if used
- Validated deposit slips
- School Foundation Settlement sheets including receipt documentation

Tips for an Efficient Audit (Cont'd)

Non-Payroll:

- A list of requested expenditures will be provided to you during the audit. Personnel may pull the following information for the auditors related to those expenditures:
 - Vouchers
 - Requisitions
 - Purchase orders (if used)
 - Invoices
 - Cancelled check
- 1099s issued in January for period under audit

Payroll Testing

- A list of requested payroll transactions will be provided to you during the audit. Personnel may pull the following information for the auditors related to those payroll transactions:
 - Salary authorizations
 - Time sheets (if applicable)
 - Leave forms (if applicable)
 - Personnel files
- Federal 941s, pension filings, and related supporting documentation (deduction reports and payment support)
- List of retired or terminated employees and related pay-out calculations
- Updated/new Negotiated Agreements for Unions (if applicable)(electronic format, if possible)
- W-2's issued in January for the period under audit

Tips for an Efficient Audit (Cont'd)

Debt/Leases:

- Copies of debt/lease agreements and any other debt support for new debt issued or refunded
- Detailed schedule of outstanding debt

Federal Testing (if applicable):

- Schedule of Expenditures of Federal Awards
- Documentation support for schedule

Food Service:

- CN-6 and CN-7 Reports for the audit period
- Final Value of Commodities received by the community school

EMIS information:

- District Master Calendar
- R500 reports for each building
- Enrollment listing for audit period
- Withdrawal listing for audit period

Tips for an Efficient Audit (Cont'd)

Other Items:

- Chart of Accountsⁱⁱ
- List of significant changes from prior period
- Updated internal control narratives
- Access to employee personnel manual and policies and/or copies of updated policies during the audit period including credit cards, cell phones and travel reimbursement
- SOC Report for service providers (if applicable)
- Insurance Policies - copies of surety bonds and general liability insurance documents
- Copies of public official bonds covering the audit period.
- Legal counsel information - including address, email address, phone and fax numbers
- Summary Schedule of Prior Audit Findings and Questioned Costs (If necessary), including corrective action taken
- School administrators certificates indicating completion of annual training on public records and open meeting laws (Ohio Rev. Code 3314.037)

Tips for an Efficient Audit (Cont'd)

Understand compliance requirements (federal, state, etc.)

Gather and provide documentation to show that your entity is in compliance with applicable requirements

- Ohio Compliance Supplement (OCS)
<https://ohioauditor.gov/references/compliancemanuals.html>
- Federal (OMB) Compliance Supplement - <https://www.whitehouse.gov/omb/office-federal-financial-management/>
- Federal Award Compliance Control Records (FACCR) -
<https://ohioauditor.gov/references/practiceaids/faccrs.html>

Good communication between the Fiscal Officer & auditors on the estimated date in which the report will be completed and filed with AOS

What Will the Auditors Look At?

No one size fits all audit

- Depends on the entity, the reporting basis, the activity, etc.

Be prepared for the auditors to look at everything

- Nothing is off the table

What the auditors plan to look at the start of the audit may change

- We follow the evidence

What Will the Auditors Look At?

Audit Sampling is an audit testing method where less than 100% of the total items within the population or account balance are selected to be reviewed

- Auditors will provide you with a list of items selected for review in the Audit Sample.
- Examples of an audit sample request:
 - Non-payroll for selected expenditures
 - Checks
 - Invoices
 - Purchase Orders
 - Payroll Items for selected employees
 - Time Sheets
 - Employment Contracts
 - Leave Records



Important Deadlines

Important Deadlines



Ohio Administrative Code Financial Statement Basis

Financial Statement Filing Requirements (OAC 117-2-03(B) and (C))

GAAP

- Counties
- Cities
- Schools, including ESCs and **Comm Schools**
- Government Insurance Pools (some)

Special Purpose Framework

- All Others

Uniform Guidance / Single Audit Financial Statement Basis

2 CFR 200.514(b)

```
graph TD; A[2 CFR 200.514(b)] --> B[Requires auditors to determine whether the financial statements of the auditee are presented fairly in all material respects in accordance with GAAP.]; B --> C[Therefore, auditees required to have a single audit (federal) are required to file on a GAAP basis of accounting regardless of OAC requirements.];
```

Requires auditors to determine whether the financial statements of the auditee are presented fairly in all material respects in accordance with GAAP.

Therefore, auditees required to have a single audit (federal) are required to file on a GAAP basis of accounting regardless of OAC requirements.

Financial Statement Filing Requirements

Ohio Rev. Code § 117.38 (ORC) requires that local public offices file their annual financial reports with the Auditor of State (AOS).

- Entities filing on a GAAP basis have 150 days following the end of the fiscal year to submit their financial reports to the AOS.
- Other entities required to file and GAAP-mandated entities choosing to not file on a GAAP basis, have 60 days following fiscal year-end to complete their submission to AOS.

Section 117.38 | Annual reports.

[Ohio Revised Code](#) / [Title 1 State Government](#) / [Chapter 117 Auditor of State](#)

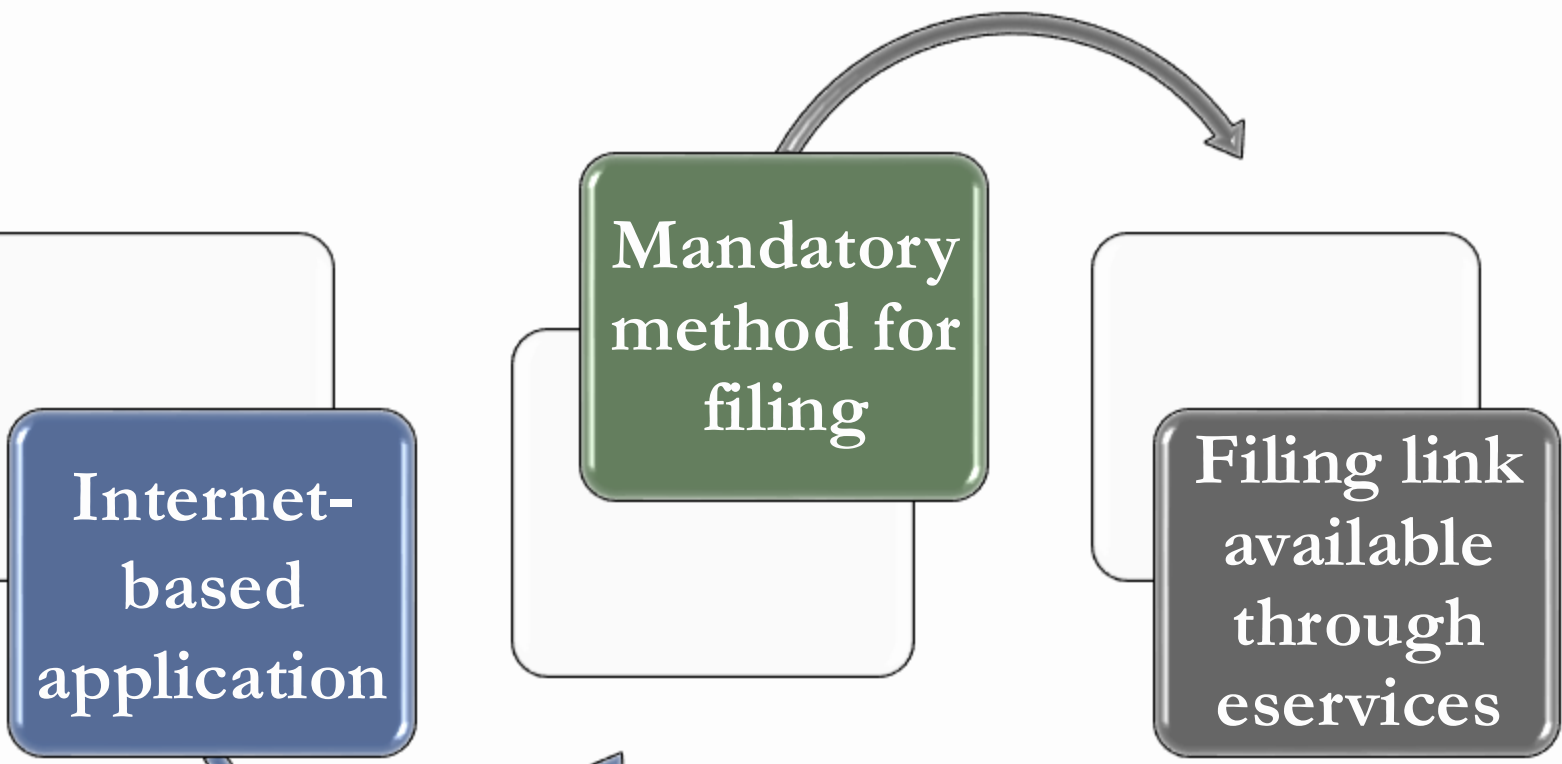
[◀ Previous](#) [Next ▶](#)

Effective: November 2, 2018 *Latest Legislation:* House Bill 312 - 132nd General Assembly *PDF:* [Download Authenticated PDF](#)

(A) Each public office, other than a state agency, shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

(B) The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The auditor of state may extend the deadline for filing a financial report and establish terms and conditions for any such extension. At the time the report is filed with the auditor of state, the chief fiscal officer, except as otherwise provided in section [319.11](#) of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer.

HINKLE System Annual Financial Data Reporting System



AOS Bulletin
2015-007

<https://ohioauditor.gov/financialreporting/default.html>

OCS 1-14

Required Financial Statement Elements

GAAP	Cash / Modified Cash	AOS Regulatory Basis
<ul style="list-style-type: none">• MD&A• Basic Financial Statements• Notes to the Basic Financial Statements• Required Supplementary Information	<ul style="list-style-type: none">• Government-Wide and Fund Financial Statements• Notes to Basic Financial Statements• MD&A and other supplemental information are optional	<ul style="list-style-type: none">• Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances• Notes to the Basic Financial Statements
<p>https://ohioauditor.gov/references/shells.html</p>		

Single Audit (federal) Deadline

March 31 is deadline for 6/30 fiscal year end clients

- 12/31 fiscal year end clients have different deadline

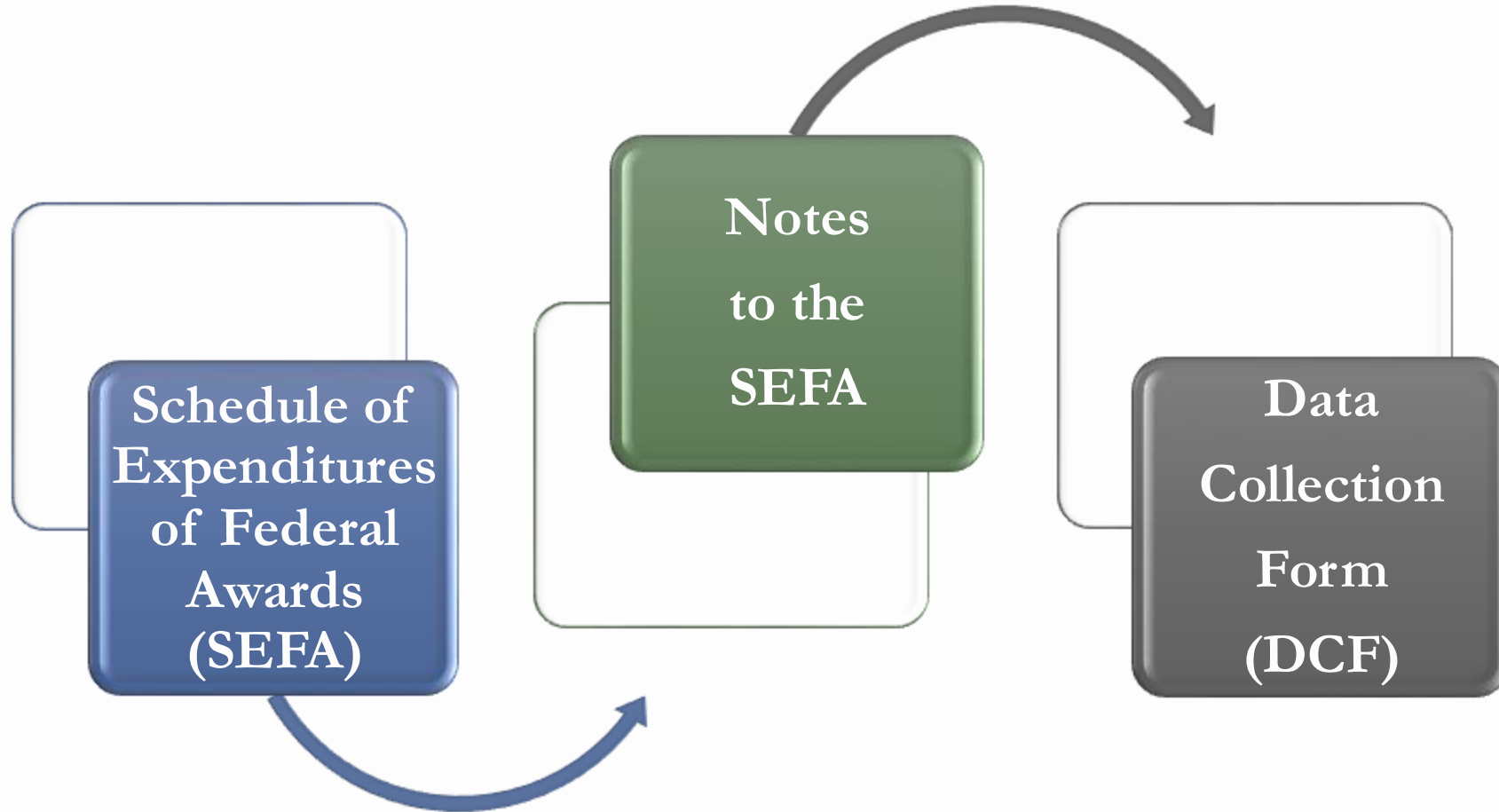
Must file audit report with the Federal Audit Clearinghouse (FAC)

- FAC distributes single audit reporting packages to federal agencies
- Database of completed audits

Filing Requirement Not Met = Not Low Risk Auditee

- Additional audit testing required for subsequent two audits = increased audit cost

Single Audit Reporting Items



<https://ohioauditor.gov/references/practiceaids.html>

Important Notes!!

Uniform Guidance requires the government to prepare a schedule of expenditures of federal awards (SEFA).

Auditing standards require the auditor to determine and provide an “in relation to” opinion on, whether the auditee’s schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Auditors must be able to audit original records.

Auditing standards require the auditor to provide an opinion on, each Major Federal Program Compliance Requirement.

How Do I Know How Much in Federal Funds My Government Has Spent?

It is **VERY IMPORTANT** that the Fiscal Officer has a method in place to track federal expenditures by Assistance Listing (AL) # / Cluster!

As an example: Each federal grant is tracked in a separate fund &/or cost center. At year end, as part of closing out the books, a Schedule of Expenditures of Federal Awards is prepared to determine if federal expenditures are \$750,000 or more.

How Do I Know if a Program is Reported on the SEFA?

Governments MUST assess their grant relationship with their distributing agency!

- Relationships could be: Subrecipients, vendors, and for some programs, like CRF & SLFRF, beneficiaries
- Review the terms and conditions of the award
- Subrecipient relationships are reported on the SEFA
- Vendor and beneficiary relationships are not reported on the SEFA.

GFOA Deadlines



Certificate of Achievement For Excellence in Financial Reporting

- Annual Comprehensive Financial Report (ACFR)
- Additional reporting requirements beyond GAAP
- Must be submitted within 6 months after the fiscal year end

Popular Annual Financial Reporting Award

- Extraction of high level information from ACFR for use of general public
- Must submit ACFR to participate
- Must be submitted within 6 months after the fiscal year end

Other Regulator Deadlines

Debt
covenants

MSRB/SID-
Municipal
Securities

Contractual
agreements

Other
Government
Agencies

Bond Ratings
on subsequent
debt issuances



Service Organization Control Reports (SOC 1 Reports)

Service organizations (SO) provide services for governments such as:

- Payroll processing
- Self Insurance Third Party Administrators
- Investment Purchasers



Service Organization Control Reports (SOC 1 Reports) (Cont'd)

Auditors have responsibility to evaluate internal controls related to all of the government's significant financial activity

If significant financial activity is handled by SO, a separate report on the internal controls at the SO needs completed by a separate auditor, a SOC 1 report

Your government needs to ensure that all service organizations will have a SOC 1 report available for the audit period

Your government should review the SOC 1 report for any significant subservice organizations identified and review the subservice organization's SOC 1 report as well

SOC 1 report needs provided to AOS or IPA auditor as soon as it is available

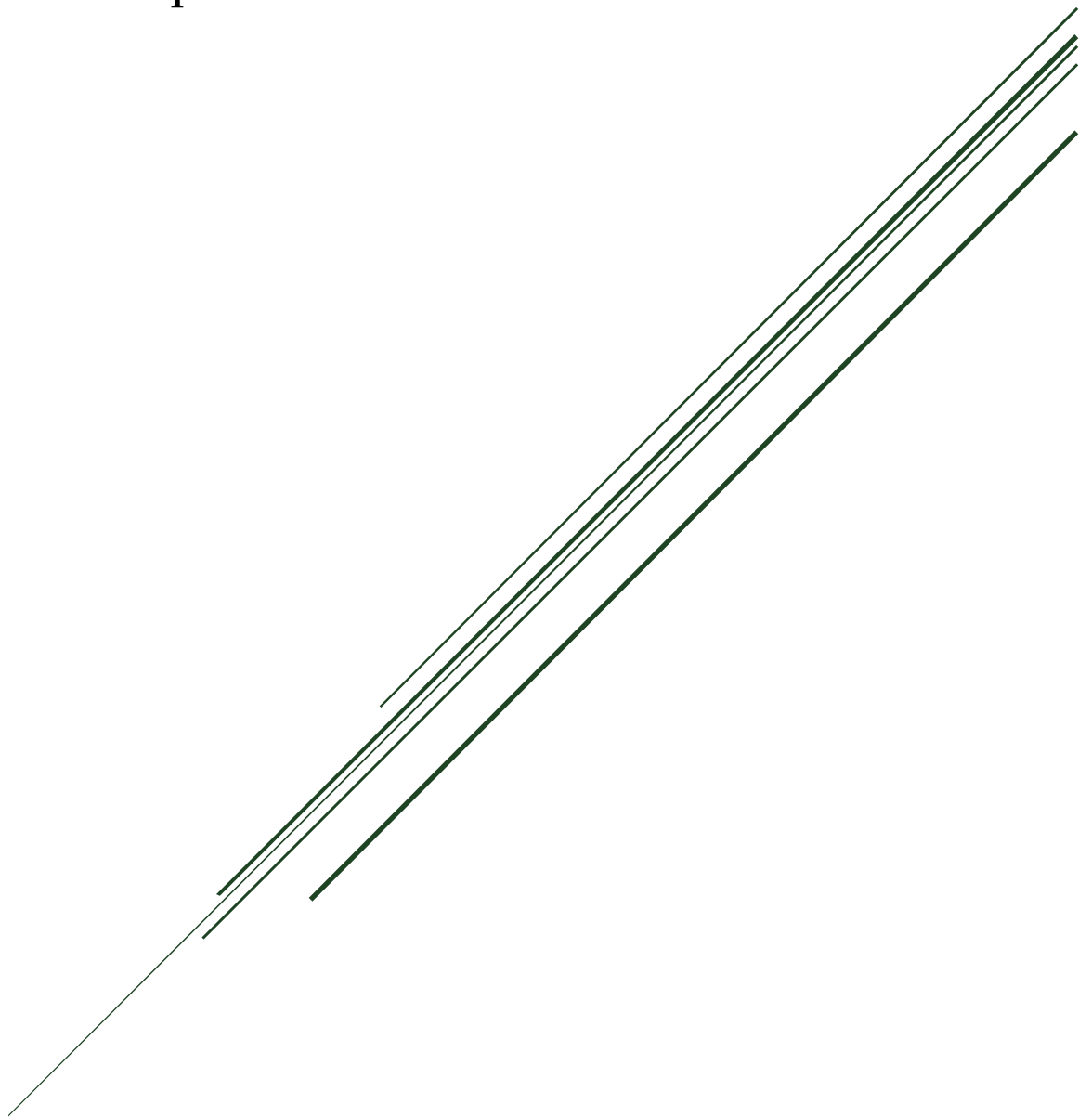
Kelly Berger-Davis
Kmberger-davis@ohioauditor.gov

OHIO AUDITOR OF STATE
KEITH FABER



ESSER FISCAL FUNDING CLIFF

**James Lansden, Jana Fornario, Morgan Brown, and Sarah
Andreas, Ohio Department of Education & Workforce**



This session will focus on what community schools should be thinking about as ESSER funding comes to end. Speakers from the Department of Education and Workforce will discuss how schools can continue accelerating learning for students and adjust to the fiscal impact, as well as best leverage existing resources such as a five-year fiscal forecast.

2024 COMMUNITY
SCHOOLS TRAINING

Navigating Beyond
ESSER



Department of
Education &
Workforce

Jana Fornario, Chief
Future Forward Ohio
Jana.Fornario@education.ohio.gov

Morgan Brown, Associate Administrator
Office of Federal Programs
Morgan.Brown@education.ohio.gov

Sarah Andreas, Assistant Administrator
Office of Federal Programs
Sarah.Andreas@education.ohio.gov

James Lansden, Financial Program Manager
Office of Budget and School Funding
James.Lansden@education.ohio.gov

AGENDA

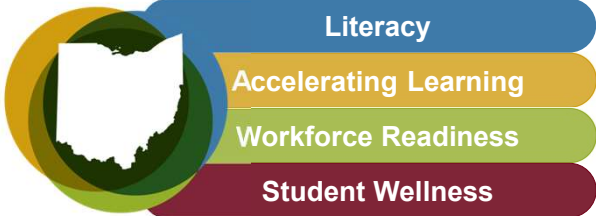
- ESSER Overview
- Office of Federal Programs Updates
- State Foundation Funding



ESSER OVERVIEW

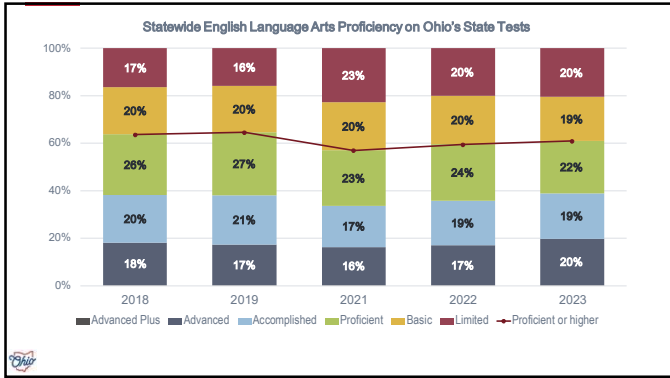


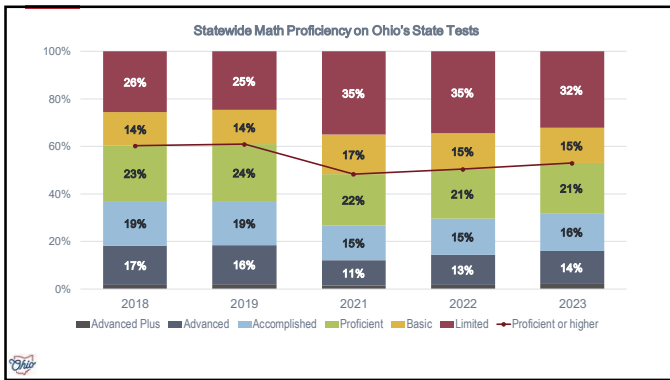
FUTURE FORWARD OHIO PRIORITIES

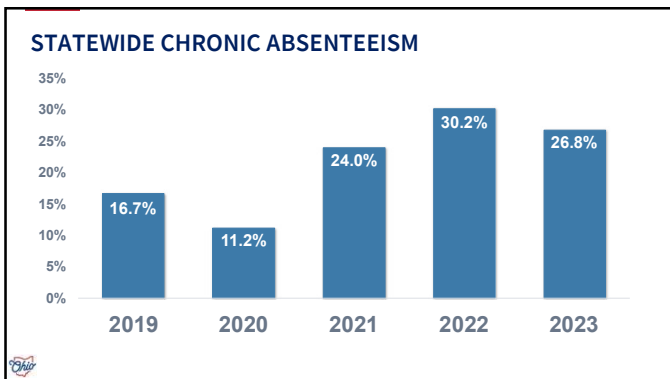


All Student Groups Improved in Math and English Language Arts

Statewide Proficiency by Demographic Group by Year					
Demographic Group	Subject	2018-2019	2021-2022	2022-2023	
All Students	English Language Arts	64.6%	59.5%	60.9%	▲ +1.4
	Mathematics	61.0%	50.5%	53.0%	▲ +2.5
Economic Disadvantaged	English Language Arts	49.5%	42.0%	44.6%	▲ +2.6
	Mathematics	45.5%	32.6%	35.7%	▲ +3.1
Students with Disabilities	English Language Arts	29.9%	20.9%	21.9%	▲ +1.0
	Mathematics	28.2%	17.4%	19.2%	▲ +1.8
English Learners	English Language Arts	43.7%	35.9%	38.4%	▲ +2.5
	Mathematics	45.7%	31.4%	35.9%	▲ +4.5
White, Non-Hispanic	English Language Arts	71.7%	67.6%	69.2%	▲ +1.6
	Mathematics	69.9%	59.6%	62.6%	▲ +3.0
Black, Non-Hispanic	English Language Arts	39.3%	32.2%	35.2%	▲ +3.0
	Mathematics	32.5%	20.4%	23.0%	▲ +2.6
Hispanic	English Language Arts	51.2%	45.1%	45.6%	▲ +0.7
	Mathematics	47.9%	35.4%	37.9%	▲ +2.5
Multiracial	English Language Arts	59.6%	54.6%	55.6%	▲ +1.2
	Mathematics	54.6%	42.8%	45.4%	▲ +2.6
Asian or Pacific Islander	English Language Arts	75.6%	73.7%	73.8%	▲ +0.1
	Mathematics	78.7%	71.4%	72.2%	▲ +0.8
Alaska Native or American Indian	English Language Arts	60.0%	51.6%	52.9%	▲ +1.3
	Mathematics	54.0%	40.6%	42.7%	▲ +2.1





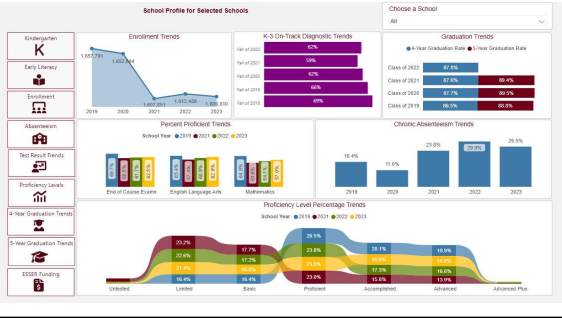


STRATEGIES TO BOOST ACHIEVEMENT

- High quality instructional materials
 - Science of reading
 - Math
- Individualized supports
 - Tutoring
 - Math
- Chronic absenteeism supports



DATA: DRIVING STUDENT RECOVERY



ARP ESSER CLOSEOUT



ARP ESSER CLOSEOUT DEADLINES

Grant	FY24 CCIP Budget Revision Deadline	Obligation Deadline (see 34 CFR §75.707)	FY24 Project Cash Request (PCR) Deadline	FY24 Final Expenditure Report (FER) Deadline*
ARP ESSER	9/2/24	9/30/24	11/20/24	12/2/24

Special Note: While the final due date for the FY24 FER is 12/2/24, the Department recommends that LEAs and educational entities submit the FER as soon as all expenditures are fully paid through the PCR process for the fiscal year. This is to facilitate the Department's FER review process to ensure expenditures are finalized in a timely manner.



FLEXIBILITY FOR STUDENT SUPPORT COSTS

- The Department will allow a one-time exception for LEAs with remaining ARP ESSER funds to submit project cash requests for certain support costs obligated on or before September 30, 2024, in which the services are rendered after the normal liquidation period but before the end of the 2024-25 school year (June 30th, 2025).



FLEXIBILITY FOR STUDENT SUPPORT COSTS

- This exception is **only offered for ARP ESSER** and will not be permitted for any other current or past federal grant.
- The obligation and costs must meet the intent and purpose of the ARP ESSER grant, address student learning needs, and be properly budgeted and identified on an approved ARP ESSER application.
- If necessary, the LEA interested in this flexibility may need to submit an ARP ESSER budget revision and/or adjust their budget to include applicable costs.



ARP ESSER LATE LIQUIDATION PROCESS

- Late liquidation process for ARP ESSER is like the late liquidation requests for other COVID aid, CARES Act for ESSER I and CRRSA Act ESSER II.
- Generally, costs must be obligated on or before 9/30/2024, with extenuating circumstance be submitted to the Department through the late liquidation process.
- See [CCIP Note 554](#)



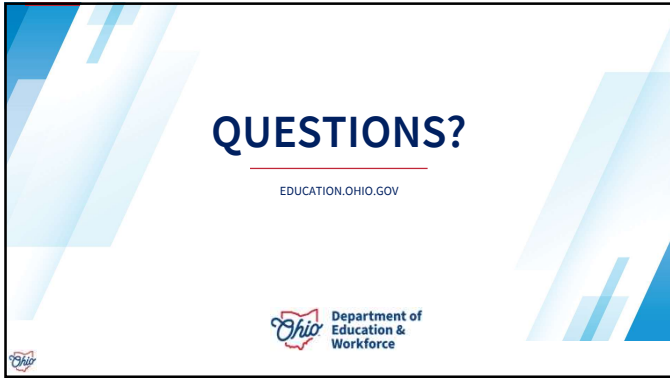
STATE FOUNDATION FUNDING



FY25 STATE FOUNDATION FUNDING


- This revenue stream will continue after ESSER has discontinued
- Year 4 of the implementation of the Fair School Funding Plan
- Phase-In percentage has increased to 66.67%
- Equity supplement payments will continue at \$650 per FTE
- Although there are some foundation payment items that have restricted funding, there is not a supplement not supplant requirement that federal funding carries

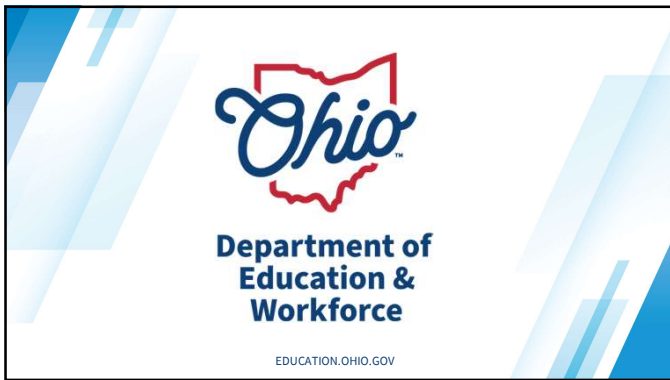





QUESTIONS?

EDUCATION.OHIO.GOV

 Department of
Education &
Workforce



**Ohio**TM

**Department of
Education &
Workforce**

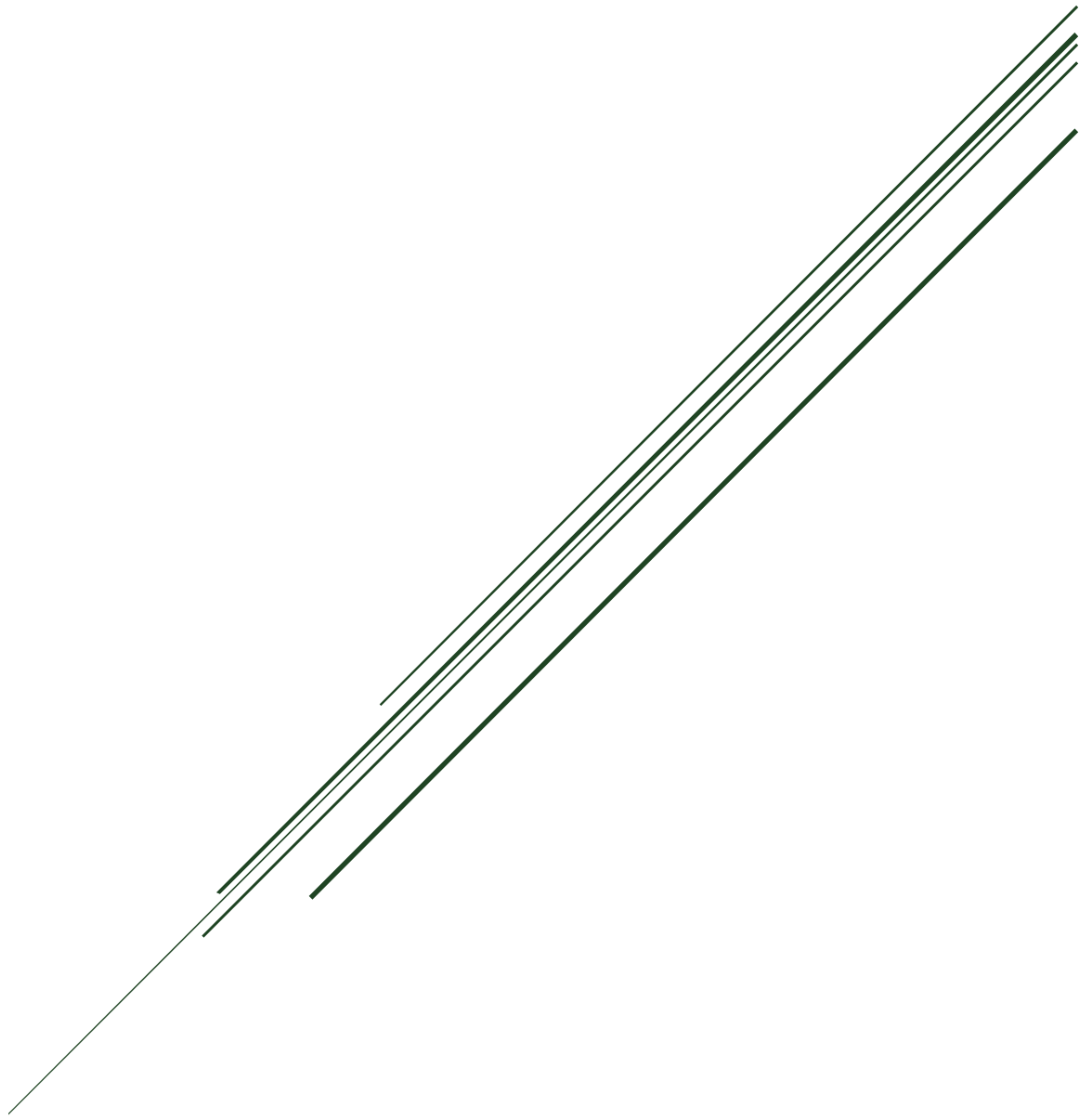
EDUCATION.OHIO.GOV

OHIO AUDITOR OF STATE
KEITH FABER



2024 FEDERAL UPDATE

Amanda Stidham, Ohio Auditor of State



This session will cover what a single audit is and how to prepare for one, common issues in single audits, Federal Audit Clearinghouse updates, and other Federal changes which will impact 2024 single audits.

OHIO AUDITOR OF STATE
KEITH FABER

Federal Update
2024 Community School Training
August 27, 2024

Presented By:
Amanda Stidham, CPA, CFE
Quality Assurance and Technical Specialist

Efficient • Effective • Transparent 1

Agenda

- What is a Single Audit?
- How to Prepare for a Single Audit
- Common Issues in Single Audits
- Other Federal Updates

Efficient • Effective • Transparent 2

What is a Single Audit?

Efficient • Effective • Transparent 3

What is a Single Audit?

Required if a non-Federal entity expends \$750,000 or more of Federal awards during a single fiscal year.

What is a Single Audit?

Performed in Conjunction with Financial Statement Audit

Opinion Issued on Financial Statements

In-Relation Opinion on the Federal Schedule

Major Federal Programs

- Internal Controls Testing
- Compliance Opinion

Required Frequency of an Audit

Ohio Law- Biennial

Federal Single Audit - Annual

Public Office Request or AOS Initiative – If Requested / Necessary

Required Financial Statement Basis

Ohio Admin.
Code 117-2-
03(B)

- Schools must file on GAAP basis.

2 CFR
200.514(b)

- Auditors must determine whether financial statements are presented fairly in all material respects in accordance with GAAP.

Deadlines to Consider

Financial Statement Filing Deadline

- GAAP: 150 Days After Year-End
- Non-GAAP: 60 Days After Year-End

Single Audit Reporting Deadline

- 30 Days after Auditor's Report Date
- OR
- 9 Months After Year-End

Other Deadlines

- Grantor
- Debt Rating
- ACFR

Auditee Responsible: Financial Statement Components

GAAP Basis

- Management Discussion and Analysis
- Financial Statements
- Notes to the Financial Statements
- Other Required Supplementary Information

Auditee Responsibility: Single Audit

- Schedule of Expenditures of Federal Awards (SEFA)
- Notes to the SEFA
- Data Collection Form - Federal Audit Clearinghouse
- Corrective Action Plan (If Applicable)
- Summary Schedule of Prior Audit Findings (If Applicable)

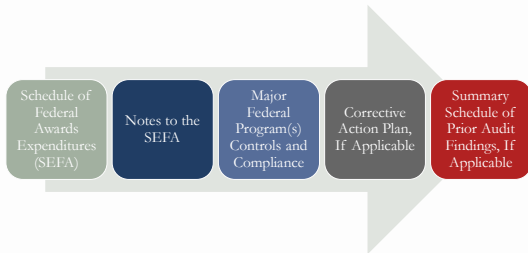
Auditor Responsibility: Single Audit Letter

Compliance Opinion	Basis for Opinion	Entity Management and Auditor Responsibilities
Other Matters	Assessment of Internal Controls Over Compliance	In Relation Opinion on Federal Schedule

Auditee and Auditor Responsibility: Data Collection Form (DCF)

Auditors Fill Out a Majority of the Form	School Certifies Information Entered by the Auditor	Information from Audited Schedule of Expenditures of Federal Awards(SEFA), Notes to the SEFA, and Audit Report
------------------------------------------	-----------------------------------------------------	----------------------------------------------------------------------------------------------------------------

What Auditors Test During a Single Audit



What Auditors Test During a Single Audit: Major Programs

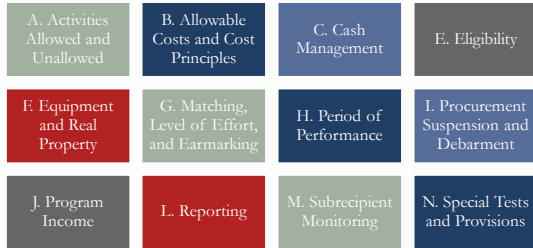


Major Program Testing

OMB Compliance Supplement

- Issued by Federal Office of Management and Budget (OMB) each year to assist auditors in performing single audits.
- Contains sections required to be audited and suggested audit procedures.

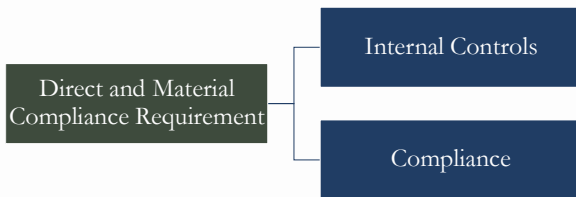
Major Program Testing: Compliance Sections Tested by Auditors



Major Program Testing: Compliance Sections Tested by Auditors

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
	Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Program Number												
84.424	Y	Y	Y	Y	N	Y	Y	N	N	N	N	Y
84.425 Section 1 ESF	Y	Y	N	N	Y	Y	N	N	N	Y	Y	Y
84.425 Section 2 HEERF	Y	Y	Y	N	N	Y	Y	Y	N	Y	N	N

Major Program Testing



Major Program Testing

Internal Controls

2 CFR 200.303

Internal controls required over federal grants.

Best Practices: COSO and GAO's Green Book

Efficient • Effective • Transparent 19

How to Prepare for a Single Audit

Efficient • Effective • Transparent 20

How to Prepare for a Single Audit

Remain Alert for New Federal Awards

- Talk to Department Heads
- Pay Attention to Board Approvals

Track Federal Activity

- Retain Copies of Grant Awards Letters and Other Documents
- Record Financial Activity in Separate Fund and/or Cost Center

Adopt Required Policies

Efficient • Effective • Transparent 21

Required Written Policies under Uniform Guidance

Cost Principles

- Allowability of costs in accordance with Cost Principles 2 CFR 200.302(b)(7)
- Employee Compensation, including Time and Effort 2 CFR 200.430
- Leave Policies 2 CFR 200.431
- Reimbursement of relocation costs 2 CFR 200.464(a)(2)
- Travel Reimbursements 2 CFR 200.475

Cash Management

- Cash Management requirements of 2 CFR 200.305 2 CFR 200.302(b)(6)

Required Written Policies under Uniform Guidance

Procurement

- Conflicts of Interest 2 CFR 200.318(c)(1)
- Organizational Conflicts of Interest 2 CFR 200.318(c)(2)
- Method for Conducting Technical Evaluations of Competitive Proposals 2 CFR 200.320(b)(2)
- Procurement Transactions 2 CFR 200.319(d)

Schedule of Expenditures of Federal Awards (SEFA)

List Individual Federal Programs by Agency, Including Assistance Listing Number

Federal Clusters Must Include Cluster Name (and Individual Programs)

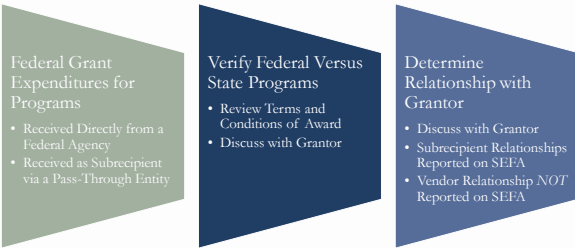
Cash and Non-Cash Expenditures for Each Program and Totals by Program, Cluster, and Agency

Pass-through Entity Name and Identifying Number

Amount Provided to Subrecipients From Each Program

COVID Funding Must be Separately Identified

What Programs Are Reported on the SEFA?



Federal Grant Expenditures for Programs

- Received Directly from a Federal Agency
- Received as Subrecipient via a Pass-Through Entity

Verify Federal Versus State Programs

- Review Terms and Conditions of Award
- Discuss with Grantor

Determine Relationship with Grantor

- Discuss with Grantor
- Subrecipient Relationships Reported on SEFA
- Vendor Relationship *NOT* Reported on SEFA

How to Prepare the SEFA



Gather Grant Information

Review SEFA Completeness Guidance

Utilize Support to Compile SEFA Using Shell

SEFA Completeness Guidance

Updated Annually

Single Audit Practice Aids and Audit Report Shells
Page of AOS Website

Single Audit Practice Aids & Audit Report Shells
Single Audit Practice Aids

- Federal Award Compliance Control Records (FACCR)
- Record of Single Audit Risk & Major Program Determination (RSAR) (xlsx) (For 2022 Audits)
- Record of Single Audit Risk & Major Program Determination (RSAR) (xlsx) (For June 30, 2023 – June 29, 2024, Year End Audits)
- School SEFA Transaction Presentations – May 2024 (pdf)
- 2023 SEFA Completeness Guide – rev. May 2024 (pdf) ←

SEFA Completeness Guidance

#84.010 Title I Grants to Local Educational Agencies

Title IA 15% Carryover Limitation and Waiver

The United States Department of Education approved Ohio's waiver request and the Ohio Department of Education and Workforce announced this on October 28, 2022 in CDP Note 525. However, the waiver was for Federal fiscal year (FFY) 2021 (State Fiscal Year 2022) Title I, Part A funds. The waiver was for the funds carried into FY23. In addition, the waiver only waived the requirement that limits a State educational agency's (Ohio Department of Education and Workforce's) ability to grant to its LEAs a waiver of the 15 percent Title I, Part A carryover limitation in section 157704 to once every three years. This means that the Ohio Department of Education and Workforce was able to grant a waiver of the waiver requirement to all districts that had funds originally awarded in State Fiscal Year 2022 that carried over into State Fiscal Year 2023. The Ohio Department of Education and Workforce has not been awarded a waiver of this requirement for funds awarded in State Fiscal Year 2023. LEAs will follow our existing waiver process for these funds as they complete the Final Expenditure report for FY23 and plan to carry over into FY24. For more information, please see CDP Note 525.

(Source: CDP Note 525)

1. Consolidation of Administrative Funds (SEAs and LEAs)

ESEA programs in this Supplement to which this section applies are Title I, Part A (84.010); MEP (84.011); CSP (84.262); 21st CCLG (84.287); Title II, Part A (84.365); Title II, Part A (84.367); and Title IV, Part A (84.450).

This section also applies to ESSER, GEER, and EANS (84.420C, D, R, U, and V).

State and local administrative funds that are consolidated (as described in 84.1, "Activities Allowed or Unallowed - Consolidation of Administrative Funds (SEAs and LEAs)") should be included in the audit universe and the total expenditures of the programs from which they originated for purposes of (1) determining Type A programs and (2) completing the Schedule of Expenditures of Federal Awards (SEFA). A footnote showing, by program, amounts of administrative funds consolidated is encouraged.

SEFA Shell

Single Audit Practice Aids and Audit Report Shells Page of AOS Website

Single Audit Report Shells

- Sample Corrective Action Plan Uniform Guidance (docx)
- Schedule of Expenditures of Federal Awards Uniform Guidance – Nov 2023 (xlsx) ←
- Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance – May 2024 (docx)
- Schedule of Findings and Questioned Costs Uniform Guidance (docx)
- Schedule of Prior Findings and Questioned Costs Uniform Guidance – Nov. 2023 (docx)

<https://ohioauditor.gov/references/practiceaids.html>

SEFA Shell

[ENTITY NAME]
[COUNTY NAME] COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED [FYE DATE]

[7] and [8]	[1]	[5]	[2]	[3 - 6]
FEDERAL GRANTOR	Federal	Pass Through	Provided	
Pass Through Grantor Program / Cluster Title	AL Number	Entity Identifying Number	to Subrecipients	Total Federal Expenditures

U.S. DEPARTMENT OF [AGENCY NAME]
Passed Through Ohio Department of [Agency Name]

Total U.S. Department of [Agency Name]

Notes to the Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

Summary of Significant Accounting Policies

Indirect Cost Rate

Other Information

Efficient • Effective • Transparent

31

Notes to the SEFA Shell

Single Audit Practice Aids and Audit Report Shells Page of AOS Website

Single Audit Report Shells

- Sample Corrective Action Plan Uniform Guidance (docx)
- Schedule of Expenditures of Federal Awards Uniform Guidance – Nov 2023 (xlsx)
- Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance – May 2024 (docx) →
- Schedule of Findings and Questioned Costs Uniform Guidance (docx)
- Schedule of Prior Findings and Questioned Costs Uniform Guidance – Nov. 2023 (docx)

<https://ohioauditor.gov/references/practiceaids.html>

Efficient • Effective • Transparent

32

Notes to the SEFA Shell

(CLIENT NAME)
 (COUNTY NAME) COUNTY
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 2 CFR 200.310(b)(6)
 FOR THE YEAR ENDED (FYE DATE)
 May 2024

(Note: This shell is an example of disclosures for the Schedule of Expenditures of Federal Awards. Auditors should review 2 CFR 200 and Chapter 7 of the AICPA Single Audit Guide for additional guidance to consider. Blue font language should be removed when submitted for audit.)

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of (NAME OF ENTITY) (the Entity) under programs of the federal government for the year ended (FYE DATE). The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Entity, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Entity (modify as necessary depending on the financial statements financial reporting framework).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis (1) of accounting. (2) Expenditures passed through (that pass-through agency or program) are presented on an accrual basis. (3) Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Efficient • Effective • Transparent

33

Corrective Action Plan (CAP)

For Each Report-Level Audit Finding

Name(s) of Contact Person Responsible	Planned Corrective Action	Anticipated Completion Date
---------------------------------------	---------------------------	-----------------------------

Efficient • Effective • Transparent 34

Summary Schedule of Prior Audit Findings

```

graph LR
    A[Status of Findings Reported in Prior Audit] --> B[Fully Corrected]
    A --> C[Partially Corrected or Not Corrected]
    A --> D[No Longer Valid]
    C --> E[Describe Reason(s) and Partial / Planned Corrective Action]
    D --> F[Describe Reason(s)]
  
```

Efficient • Effective • Transparent 35

Typical Records Requested During a Single Audit

Ledgers to Support SEFA	Grant Agreements, Award Letters, Communications	Minutes	Asset Records
Receipt Support	Procurement Records	Contracts	Policies and Procedures
Support for Expenditures (Payroll and Nonpayroll)	Reports Required by Grantor	Eligibility Determinations	Subgrant Agreements

Efficient • Effective • Transparent 36

Common Issues in Single Audits

Common Issues in Single Audits

Schedule of Expenditures
of Federal Awards
(SEFA) Errors
• 2 CFR 200.510(b)



How to Avoid

- Implement Controls
- SEFA Completeness Guidance
- Communication Between Departments

Common Issues in Single Audits

Allowable
Costs / Cost
Principles

- Grant Award
- 2 CFR Subpart E



How to Avoid

- Implement Controls

Common Issues in Single Audits

Procurement, Suspension, Debarment

- 2 CFR 200.318-.327
- 2 CFR Part 180

How to Avoid

- Implement Controls
- Free Training from AOS
- Federal Resources from AOS

Efficient • Effective • Transparent 40

Other Federal Updates

Efficient • Effective • Transparent 41

New Federal Audit Clearinghouse (FAC)

Transition from Census to GSA October 2023

- www.FAC.gov

Must have a Login.gov account

Must have a Unique Entity Identifier (UEI)

Continuous Improvement Process by GSA

Efficient • Effective • Transparent 42

Uniform Guidance Updates

Sweeping Updates to Uniform Guidance

Single Audit and Type A Program Threshold Increase	Plain Language Updates	Increase to Equipment Threshold	Requirement to Document Internal Controls	Increase to De Minimis Rate
----------------------------------------------------	------------------------	---------------------------------	-------------------------------------------	-----------------------------

Efficient • Effective • Transparent 43

Uniform Guidance Updates

Effective Dates

Federal Agency Adoption

Required by October 1, 2024

Early Implementation is Permitted for Federal Agencies

Efficient • Effective • Transparent 44

Uniform Guidance Updates

Schools Must Review Grant Agreements to Determine Whether Grants Fall Under New or Old Requirements

Efficient • Effective • Transparent 45

Uniform Guidance Updates

Effective Dates

Audit Requirements

Effective for Audits of Fiscal Years Beginning on or After October 1, 2024

Fiscal Year 2026 for Schools

Early Adoption Not Permitted for the Audit Requirements

Education Stabilization Fund (ESF) Update



Resources

Federal Resources from AOS

General Federal Resources



General resources for Ohio governments who receive and expend Federal funding, including governments subject to a single audit.

- Federal Resources
- Cybersecurity Resources

COVID-19 Resources



Resources and guidance for funding provided by COVID-19 federal funding streams.

- COVID-19 Resources
- Fiscal Tracking
- Guidance for Clients
- FAQs

Infrastructure Resources



Resources and guidance for funding provided by the Infrastructure Investment and Jobs Act.

- Infrastructure Investment and Jobs Act

<https://ohioauditor.gov/resources/federal.html>

Efficient • Effective • Transparent

49

Additional Free Training

Training Department

The Auditor of State, Ohio provides educational opportunities to help Ohio's local government officials up to date on Ohio law. Our department is continuously pursuing additional training opportunities. Because training dates are forthcoming and the page changes regularly, be sure to check back for new info.

Training Alerts

- List of All Trainings
- Local Government Officials
- Local Gov. and Schools
- Village Fiscal Officer
- CPFF
- Community Schools
- County Assessors
- WPA and Auditors
- Fire District Officials
- Prison Training
- Cybersecurity

Required Fraud Reporting and Training

This is a 30-minute, on-demand training that employees can watch for free. Certificates will be provided once the training is complete.

[Learn More](#)

Upcoming Events

See what's next with this alert list of the next 5 upcoming trainings.

Date	Training
July 16, 2024	Certified Public Records Training
Aug. 13, 2024	Certified Public Records Training

<https://ohioauditor.gov/trainings/default.html>

Efficient • Effective • Transparent

50

Questions?

Efficient • Effective • Transparent

51

Amanda Stidham, CPA, CFE
Quality Assurance and Technical Specialist
Center for Audit Excellence
AOSFederal@ohioauditor.gov
