

MSBO School Finance Services Committee Northern Michigan Workshop October 18, 2024

Accounting and Auditing Update

Presented By
Eric Formberg, CPA, CGFM
Retired Partner



1



A&A Topics Impacting K12

- GASB Update
- Federal Grants, the Compliance Supplement and the Single Audit
- Bond and Sinking Fund Audits
- K12 "issues of the day"

2



A&A Topics Impacting K12

In-class homework

- 1 – ask questions as we go!
- 2 – identify 2 things about this year's audit that were difficult
- 3-identify 1 thing you wish you understood better
- 4-identify one thing that went better this year

3



4



GASB UPDATE

Key GASB's Impacting K12...2024 and beyond Implementation Timeline

GASB standard	Effective years beginning after	March year-end	June year-end	September year-end	December year-end
99 – Omnibus 2022, paragraphs 4-10	June 15, 2023	March 31, 2025	June 30, 2024	Sept. 30, 2024	Dec. 31, 2024
100 – Accounting Changes and Error Corrections	June 15, 2023	March 31, 2025	June 30, 2024	Sept. 30, 2024	Dec. 31, 2024
101 – Compensated Absences	Dec 15, 2023	March 31, 2025	June 30, 2025	Sept. 30, 2025	Dec. 31, 2024
102 – Certain Risk Disclosures	June 15, 2024	March 31, 2026	June 30, 2025	Sept. 30, 2025	Dec. 31, 2025
103 – Financial Reporting Model Improvements	June 15, 2025	March 31, 2027	June 30, 2026	Sept. 30, 2026	Dec. 31, 2026



GASB UPDATE

Key GASB's Impacting K12...2024 and beyond 2024

- **GASB 100 - Accounting Changes/Error Corrections**
 - Answers “When is something a prior period adjustment and when is it applied from this period forward”
 - Change in major fund must be displayed on face of statements
- **Implementation Guides – 2021-1 update (5.1), 2023-1**
 - Guides are “GAAP” and provide guidance on how to address implementation issues, provide clarifications
 - No updates in 2024
 - Next update Fall 2025



GASB UPDATE

Key issue from implementation guides

Capitalization policy

- 5.1. Q—Should a government's capitalization policy be applied only to individual assets or can it be applied to a group of assets acquired together? Consider a government that has established a capitalization threshold of \$5,000 for equipment. If the government purchases 100 computers costing \$1,500 each, should the computers be capitalized?

A—Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture, and library books are examples of asset types that may not meet a capitalization policy on an individual basis, yet could be significant collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers.



GASB UPDATE

Key GASB's Impacting K12...2023 and beyond

Beyond - 2025

- GASB 101 - Compensated Absences

Beyond - Horizon

- GASB 102 - Risk and Uncertainties
- GASB 103 - Financial Reporting Model Improvements
- GASB 104 Classification of Nonfinancial Assets
 - Effective YE June 30, 2026
- Revenue and Expense Recognition (2027?)
- Going Concern (2027?)
- Infrastructure Assets (2027?)
- Subsequent Events (2025?)



GASB UPDATE

"Future GASB's" Impacting K12

- Revenue and Expense Recognition - PV 2020, ED expected 2025
 - project objective - Develop a comprehensive, principles-based model for the recognition of revenues and expenses that arise from nonexchange, exchange, and exchange-like transactions, including guidance for exchange transactions that has not been specifically addressed in the current literature. (pretty much all transactions!)
- Purpose:
 - (1) to improve revenues and expenses information that users need to make decisions and assess accountability,
 - (2) to provide guidance regarding exchange and exchange-like transactions not specifically addressed in GASB 33 and 36,
 - (3) to evaluate revenue and expense recognition in context of the conceptual framework,
 - (4) to address application issues identified in practice.



GASB UPDATE

Other Topics up for Discussion

- Going Concern (PV expected in 2024)
- Project considers:
 - (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify circumstances under which disclosure is appropriate,
 - (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress,
 - (3) what information about a government's exposure to severe financial stress is necessary to disclose.



GASB UPDATE

Other Topics up for Discussion

- Infrastructure Assets (PV expected in 2024)
- Project considers:
 - Issues related to accounting and financial reporting for infrastructure assets, including how they should be recognized and measured, evaluation of modified approach, and whether additional information should be presented in the financial statements
 - Likely not a substantive impact on most schools

11



12



GASB UPDATE- 87/96 Agreements

- General concept – similar to fixed assets, aka financing a bus!
- Fund level “modified accrual” impact – capital asset and debt
- Governmentwide Impact – recognizing right to use asset and long term liability
- Management suggestions:
 - What Accounting policies selected/applied? (capitalization thresholds)
 - Identifying new leases/agreements, tracking old ones
 - Working threshold for assessing materiality
 - Process to evaluate terms of lease/agreement (tools/spreadsheets calculations)
 - Do transactions can have components that are operating and should not be capitalized? Process for allocating
 - Valuing the asset, amortization period, and liability
 - Tools are similar for Leases and SBITA's
- Lease/SBITA inventory – what are you leasing/subscribing to and where are the contracts? Understand terms to apply recognition criteria.
- Standard excludes certain arrangements – ex intangible assets (copyrights, software), inventory, power purchase agreements)
- What if you are leasing to others? Creates lease receivable!

13

- **GASB 101 -
Compensated
Absences**

*Effective for June 30, 2025
year end*

14



GASB 101

Compensated Absences

Effective date

- Fiscal years beginning after Dec. 15, 2023
- June 30, 2025 YE for K12

What is a compensated absence?

- Leave for which employees may receive one or more:
 - Cash payment (for time off or otherwise)
 - Noncash settlement (such as conversion to a postemployment benefit)



Liability recognition

Leave that hasn't been used:

(a) Attributable to services already performed.

(b) Accumulates.

(c) More likely than not to be used for time off or otherwise paid in cash or settled.

Also, recognize leave that has been used but not yet paid in cash or settled.



Exceptions

- Leave more likely than not to be settled through conversion to defined benefit postemployment benefits.
- Leave dependent upon occurrence of sporadic events that impact a small population of employees (parental leave, jury duty, military leave).
- Unlimited leave and holiday leave taken on specific dates.

17



Measurement of liability



Use employee's pay rate as of the date of the financial statements *unless*:



Amount will be paid out at a different rate (like at half their pay rate)



If settled through noncash means, measured based on amount for which it's more likely than not to be settled



Consider salary-related payments (like the employer share of Social Security or Medicare taxes)

18



Top considerations



View a replay of our detailed GASB 101 webinar here: plantemoran.com/explore-our-thinking/events/2024/05/gasb-101-compensated-absences-are-you-ready

19



GASB 101 - Compensated Absences



Key Concepts

- vested leave and an estimated amount of nonvested leave based on *more likely than not use for time off, or future retirement*.
- Will create higher compensated absence liabilities reported.
- Less rules, more applied concepts approach.
- *probability of retirement* no longer important

Note – **accounting** for the liability under modified accrual and full accrual is **not changing**. Only the valuation of the liability, and presentation in the footnotes!

20



GASB 101 - Compensated Absences

Examples:

- vacation (or annual) leave, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, certain types of sabbatical leave;
- Note - Certain types of compensated absences are not recorded until the leave commences. Examples: parental, military, holiday, and jury duty leave.
- Rate of pay – what is the rate at time of FS or what rate will be paid when benefit used, if known. Includes related fringes tied to payroll.

21



GASB 101 - Compensated Absences

Application comments

- Footnote will disclose liability similar to current presentation
- Small “win”, will only report the net change in the notes, won't have to track additions and reductions to report gross changes
- Calculations will require judgements re “more likely than not”. Judgements will need to be supported with data.
- Important to document judgements so they can be “audited”

22



Compensated Absences Example – Sick Leave

Facts	<ul style="list-style-type: none"> Sick leave termination payment at \$15/hour for unused sick hours for all employees that retire with the District Unused sick leave for employees that do not retire with the District is forfeited Sick leave balance for employees eligible for retirement: 5,000 hours Average pay rate for employees eligible for retirement: \$28/hour Expected future usage rate based on historical data: 80% of the hours for employees eligible for retirement will be used for time off versus paid out at retirement. Sick leave is attributable to services already rendered and accumulates. <i>Note: this example does not incorporate the sick leave for employees not yet eligible for retirement which should be considered when accruing the total compensated absences liability.</i> 	
Standard	GASB 16	GASB 101


23



Compensated Absences Example – Sick Leave

Liability concepts	<u>Termination Payment Method:</u> Considers the leave that will be paid out upon termination/retirement.	Considers the leave that will be paid out upon termination/retirement (vested portion) and an estimated leave amount for the nonvested portion based on <u>more likely than not</u> use for <u>time off</u> or otherwise paid in cash.
Liability calculation for portion related to employees eligible for retirement	The termination payments due to eligible employees of retirement age would be recorded at \$75,000 (5,000 hours x \$15/hour)	<p>Sick leave for employees eligible for retirement must be bifurcated between expected future usage and amount to be settled through a termination payment.</p> <p>Amount to be used for future time off at current average pay rate for employees at retirement age = \$112,000 (5,000 x 80% x \$28 = \$112,000)</p> <p>Unused sick leave to be settled in the form of a termination payment at \$15/hour = \$15,000 (5,000 x 20% x \$15 = \$15,000)</p>
Liability amount for portion related to employees eligible for retirement	\$75,000+Salary-related payments	\$127,000+Salary-related payments

24




- **GASB 102 -
Certain Risk
Disclosures**

*Effective for June 30, 2025
year end*

25

25



GASB 102 – Overview

- Certain Risk Disclosures
- Effective date
 - Fiscal years beginning after June 15, 2024
- Impacts disclosures only
 - Provides users better information to understand and anticipate certain risks to a government's financial condition

plante moran | Audit, Tax, Consulting,
Wealth Management.

26

26



GASB 102 - Concentrations or constraints

Vulnerabilities that limit a government's ability to acquire resources or control spending

Concentration: Lack of diversity related to an aspect of a significant inflow of resources or outflow of resources

Questions

will state funding qualify?

Labor agreements?



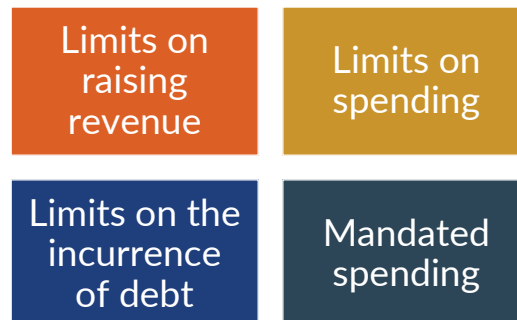
27



GASB 102 - Concentrations or constraints

Constraint: Limitation imposed by an external party or by formal action of a government's highest level of decision-making authority

Question: Will Proposal A property tax levy limitations apply?



28



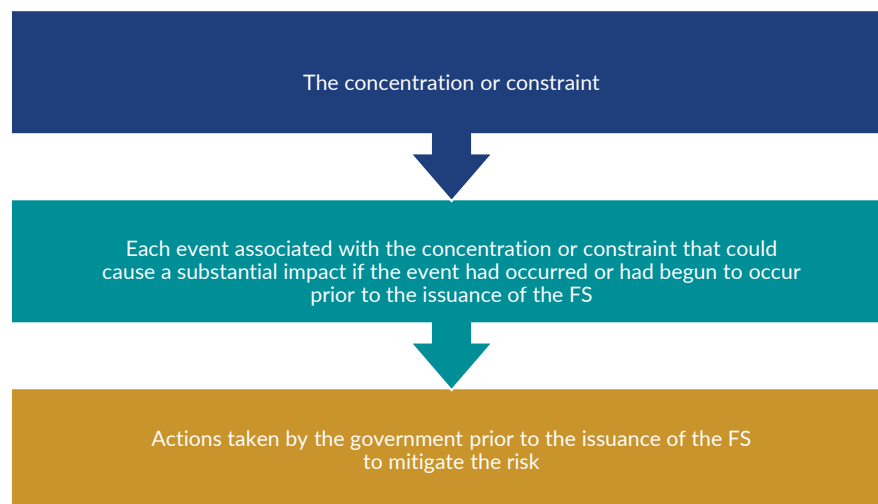
GASB 102 - Criteria for disclosure

- Disclosures required if ALL of the following are met:
 - Concentration or constraint is known prior to the issuance of the FS
 - Concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact
 - Event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the FS are issued

29



GASB 102 - What to disclose



30



GASB 102 Considerations

Level at which to evaluate the criteria

- Primary government and all other reporting units that report a liability for revenue debt

Unnecessary duplication

- Would these disclosures supplement other required disclosures?
- Information that's the same for more than one reporting unit
- Disclosure requirements for discretely presented component units

31



• GASB 103 - Financial Reporting Model

*Effective for June 30, 2026
year end*

32



GASB 103 Reporting Model

Financial Reporting Model Improvements

Effective date

- Fiscal years beginning after June 15, 2025

Objective

- Improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability.
- Good news – MUCH LESS than originally planned!

33



GASB 103 Financial Reporting Model

Overview

- MD&A
- Operating vs. nonoperating (proprietary funds)
- Presentation of proprietary funds
- Budgetary comparisons
- Unusual or infrequent items
- Major component unit presentation
- Statistical section
- GASB removed potential changes to the governmental funds measurement focus from project. If the GASB proceeds with changes to governmental funds, it will be as a separate project.

34




- **GASB 104 - disclosure of certain capital assets**

Effective for June 30, 2026 year end

35

35



GASB 104 Disclosure of Certain Capital Assets

- Objective- reconsider the existing classification of nonfinancial assets and other related sub-classifications (for example, capital assets or intangible assets - aka leases and SBITA's)
- Goals
 - (1) assets are classified in a way that provides most relevant financial information and
 - (2) the definitions of classifications are understandable and appropriate to meet financial reporting objectives.
- Disclosure guidance considers:
 - Lease assets, by major class of underlying asset (as already required by Statement 87)
 - Public-public partnership assets, by major class of underlying asset
 - Subscription assets in the aggregate (as already required by Statement 96)
 - Other intangible assets, by major class of asset.
- Standard does NOT reexamine recognition or measurement of nonfinancial assets

plante moran | Audit, Tax, Consulting, Wealth Management.

36

36



37



Bond and Sinking Fund Reminders

3 different sinking fund laws – which one(s) apply to you?

Update to bond and sinking fund audit guidance

Changes to reporting out bond and sinking fund performance/audited results

38



Bond and Sinking Fund Update

Changes to Sinking Fund Under new law

- New law passed in 2023 (Public Act 26 of 2023), increases sinking fund uses
- Added allowable uses include:
 - Student Transportation
 - Trucks/vans for building maintenance
 - Parts, supplies, equipment to maintain vehicles
- Only applies if millage enacted under new law



Bond and Sinking Fund Update

Sinking Fund usage under each law

Sinking Funds	Prior to 3/29/2017	3/29/2017 to 5/7/2023	After 5/7/2023
Maximum Levy	5 Mills	3 Mills	3 Mills
Maximum Period	20 Years	10 Years	10 Years
*Allowable Use Categories:			
Purchase of Real Estate	Yes	Yes	Yes
New Construction	Yes	Yes	Yes
Repairs	Yes	Yes	Yes
Security Improvements	No	Yes	Yes
Technology	No	Yes	Yes
Student Transportation Vehicles	No	No	Yes
Trucks and Vans	No	No	Yes

**Contact bond counsel for specific allowable uses.*

“Student transportation vehicles” as used in Section 1212 is defined by Treasury to mean school buses or other school-related vehicles that are used to transport students.



Bond and Sinking Fund Update

Update of bond and sinking fund audit guide

- Michigan Department of Treasury most recent guidance, Numbered Letter 2023-1
 - Guidance addresses accounting, reporting, and auditing for bonds and sinking funds
 - Requires activity associated with any sinking fund levies renewed after May 7, 2023 be accounted for in a separate capital projects fund from any remaining fund balance associated with levies authorized prior to May 7, 2023.
 - Implication: separate sinking fund millages must be accounted for separately.



Bond and Sinking Fund Update

Update of bond and sinking fund audit guidance

- Michigan Department of Treasury most recent guidance, Numbered Letter 2023-1
 - Bond Construction fund audits can continue to be done annual or on a cumulative basis at the end (this auditor's preferences is to not do this option!)
 - Change – completion date of bond audit is now June 30 of the fiscal year when:
 - The last certificate of substantial completion is issued. OR
 - 95% of bond proceeds expended
 - If following the above guidelines, no extension request is required
 - Footnote disclosures essentially the same as old guidance
 - Completion reports due no later than November 1 following the fiscal year completed
 - Completion letter in guidance includes required content
 - **Change** - school districts no longer need to formally request approval from Treasury to combine more than one series into a BCF audit.
- Sinking fund still required to be tested annual including footnote disclosures



Bond and Sinking Fund Update

Footnote guidance -**must** include the following disclosures
Audited on an annual basis:

The Capital Projects Fund includes capital project activities funded with bonds. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected (if applicable).

Plus in final year

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the Capital Projects Fund. The project for which the___ (name, describe) Bonds, Series I (or more series if applicable), were issued was considered complete on June 30, 20xx (June 30 immediately following date of Certificate of Substantial Completion or 95% of proceeds expended) and the cumulative expenditures recognized for the construction period were \$___.

If audited cumulatively (not annually) the disclosures only done in final year

43



Bond and Sinking Fund Update

If done by different firm

- No disclosure in fn's by FS audit firm
- Compliance testing auditor provides compliance letter with specific content
- District provides compliance letter to MDE
- See following slide for list of content items

44



Bond and Sinking Fund Update

If done by different firm – letter content

- i. Compliance Testing Audit Firm Name
- ii. School District Name
- iii. Fund Name
- iv. Title of Bonds (list all series)
- v. Amount of Bond Issuance
- vi. Fiscal Year(s) Covered
- vii. Completion Date (*if applicable*)
- viii. Results of compliance testing. Has school district complied with Section 1351a of the Revised School Code?
- ix. Total expenditures for which compliance testing was performed (should agree with total expenditures in annual audited financial statements). If the compliance testing was performed on a cumulative basis instead of an annual basis, then the letter should include a breakdown of expenditures for each fiscal year the BCF was open, which again should agree with the annual audited financial statements.

45



46



Federal Grants

- DCF (Data Collection Form)
 - Filing with GSA – year 2
 - Under new process likely you are reviewing an excel workbook (vs a form on the clearinghouse web site)
 - Accuracy is essential
 - 30 day window APPLIES!
 - You must submit right after auditor lets you know DCF is read for review
 - Failure to submit timely means cannot be low risk auditee next year
 - Result likely **more audit work**, and **more fees!**
 - MDE to be notified when dcf is filed

47



Federal Grants

- Grant requirements
 - 2024 compliance supplement issued in May
 - A few items of note:
 - ESF was not high risk in 24. possible auditors did not test it this year.
 - Since ESF ends 9.30.24, likely will still be on 2025 SEFA. Might still be a Type A program.
 - Universal Service fund was NOT federal assistance in 2024 and unlikely for 2025.
 - Compliance requirements required to be tested changed for some programs
 - Guidance on cash management requirement updated
 - Note MDE positions on cash management have not been modified (yet)
 - Unclear how MDE will move forward
 - Compliance supplement is clear, can request reimbursement when funds expended. MDE still "struggling" with this change.
 - Guidance on Buy American updated, including terms for food service management contracts. Make sure new agreements have correct requirements
 - Food service – with the state's funding of all meals, making sure the federal and state systems are working together. Sd must participate in CNC to be eligible for state funded program.

48



Where to find the CS

<https://www.whitehouse.gov/omb/office-federal-financial-management/current-compliance-supplement/>



Administration Priorities The Record Briefing Room Español

CURRENT COMPLIANCE SUPPLEMENT

OMB OFFICE OF FEDERAL FINANCIAL MANAGEMENT

- 2024 Compliance Supplement – 2 CFR Part 200 Appendix XI (May 2024)
 - Title page and Table of Contents (9 pages, 452 KB)
 - Part 1 – Background, Purpose, and Applicability (9 pages, 216 KB)
 - [Part 2 – Matrix of Compliance Requirements](#) (7 pages, 427 KB)
 - Part 3 – Compliance Requirements (101 pages, 925 KB)
 - Part 4 – Agency Program Requirements (1 page, 19 KB)
 - Part 4 – Department of Agriculture (USDA) (144 pages, 2 MB)
 - [Part 4 – Department of Commerce \(DOC\)](#) (77 pages, 903 KB)
 - Part 4 – Department of Defense (9 pages, 109 KB)

OFFICE OF FEDERAL
FINANCIAL MANAGEMENT

Current Compliance
Supplement

[Past Compliance
Supplement](#)

plante moran

Audit, Tax, Consulting,
Wealth Management.

49

49



CS: Table of contents

- Part 1 – Background, purpose, and applicability
- Part 2 – Matrix of compliance requirements
- Part 3 – Compliance requirements
- Part 4 – Agency program requirements
- Part 5 – Clusters of programs
- Part 6 – Internal control
- Part 7 – Guidance for auditing programs not included
in this Compliance Supplement
- Part 8 – Appendices

plante moran

Audit, Tax, Consulting,
Wealth Management.

50

50



2024 CS: Part 3 – Compliance requirements

- Clarification of compliance requirements:
- **Improper payments** – When missing or deficient supporting documentation prevents an agency from determining if a payment is improper, the payment shall be treated as an **improper** payment.
- **Equipment and real property management** – Impact on auditors only. Clarifies the guidance related to auditing dispositions is relevant to all nonfederal entities, including states.

51



2024 CS: Part 3 – Compliance changes

- Clarification of compliance requirements (continued):
- Build America, Buy America Act –
 - Clarified the existing compliance requirements.
 - **Adds requirement** for auditors to test the nonfederal entity's documentation supporting monitoring of contractor compliance with the BABA provisions (infrastructure projects only).
 - Reminder: BABA requires contractors give preference to domestic sources when making procurement decisions.
 - Does affect non infrastructure contracting
 - You can find more information at the General Services Administration's (GSA) Made in America website.

52



2024 CS: Part 4 agency program requirements

- Changes to common programs
- Education Stabilization Fund – No longer designated as higher risk. Minor changes to program requirements.
 - Likely many auditors did not test in 2024
- Child Nutrition Cluster – Clarified guidance related to eligibility for subrecipients, allowable costs, and inventory management for USDA-donated foods.
 - Likely experienced different testing if CNC was audited this year

53



2024 CS: Part 5 clusters

- Clusters were added and deleted but generally would not have impacted funds received by school districts

54



2024 CS: Appendix IV – Higher risk designation



- Programs removed from higher risk list
- 84.425 – Education Stabilization Fund
- 93.498 – Provider Relief Fund
- 21.026 – Homeowner Assistance Fund
- 21.029 – Coronavirus Capital Projects Fund
- 96.001/96.006 – Disability Insurance/Supplemental Security Income

55



CS - Increased audit threshold

- Increased audit threshold from \$750,000 to \$1,000,000 for auditee fiscal years **beginning on or after Oct. 1, 2024** *(so starting with 9/30/2025 year ends).*
- Major Program Type A threshold increases from \$750,000 to \$1,000,000
- Impacts June 30, 2026 school district audits ☹
- Expect more information on this change in 2025

56



Compliance Supplement – School District Use

- Handy summary of compliance requirements, including specific UG references to dive deeper.
- Only source for cluster information that is necessary to consider when preparing the SEFA.
- Includes important annual updates for other SEFA presentation and DCF reporting.
- Internal control guidance.
- Helpful resource for audit preparation.
- Use on combination with School Audit Manual

57



Common single audit issues

- **Schedule of Expenditures of Federal Awards (SEFA) completeness**
 - Determination of subrecipient vs. beneficiary.
 - Pass-through awards not identified as federal.
 - Identification of clusters.
- **Tips to ensure completeness:**
 - Nonfederal entity search on USAspending.gov, TAGGS, and HUD websites.
 - Scan nonfederal revenue detail.
 - Carefully review ISD confirmation
 - Tie out to grant section auditors report
 - Inquire of grants directors within the district

58



Common single audit issues

- **Internal Controls**
 - Confusion over process vs control
 - Missing or deficient controls over compliance or evidence of the control occurring isn't retained.
 - Failure to identify changes in compliance requirements and/or clarifying guidance from funding agencies.
 - Necessary changes in control environment aren't identified or addressed.
 - Policies don't align with Uniform Guidance and/or aren't written, when required by UG.
- Auditors may ask different or expanded questions under SAS 145/148 to complete control testing.
- Very likely Districts had more internal control findings in 2024



Common single audit issues

- **Noncompliance errors**
 - Failure to understand your responsibility as dictated by the federal agency or pass-through entity.
 - Failure to understand compliance requirements considering the changes as a result of pre- and post-COVID-19.
 - Failure to update documentation for changes to requirements



Deliverables & DCF

Reporting package

B. MDE

1. Per MCL 388.1618, each public school district, ISD and public school academy must file one copy of their audit reporting package (financial audit, single audit if required, corrective action plan, and summary schedule of prior audit findings, if findings were reported in the prior year) and management letter with MDE by **November 1**.
2. Public school districts, ISDs and public school academies are required to submit their audit packages to MDE electronically via e-mail.
3. The e-mail address is MDE-FinAudit@michigan.gov. Specific instructions may be found on the [MDE Office of Financial Management - Audits website](#).
4. MDE reserves the right to request a hard copy of the audit package if for any reason the electronic submission process is not successful. The hard copy should be mailed to:

Michigan Department of Education
Office of Financial Management - Audits
Hannah Building, 4th Floor, B-17
P.O. Box 30008, 608 West Allegan Street
Lansing, Michigan 48909 (for P.O. Box) **OR** 48933 (for street address)

61



Deliverables & DCF

- Lessons learned from year one of Federal Auditing Clearinghouse transition to General Services Administration platform
- Upfront reviews of the DCF excel workbooks is crucial.
- Importance of communication (no automated emails).
- Detailed review is critical to avoid resubmissions.
- Timely review by District is essential

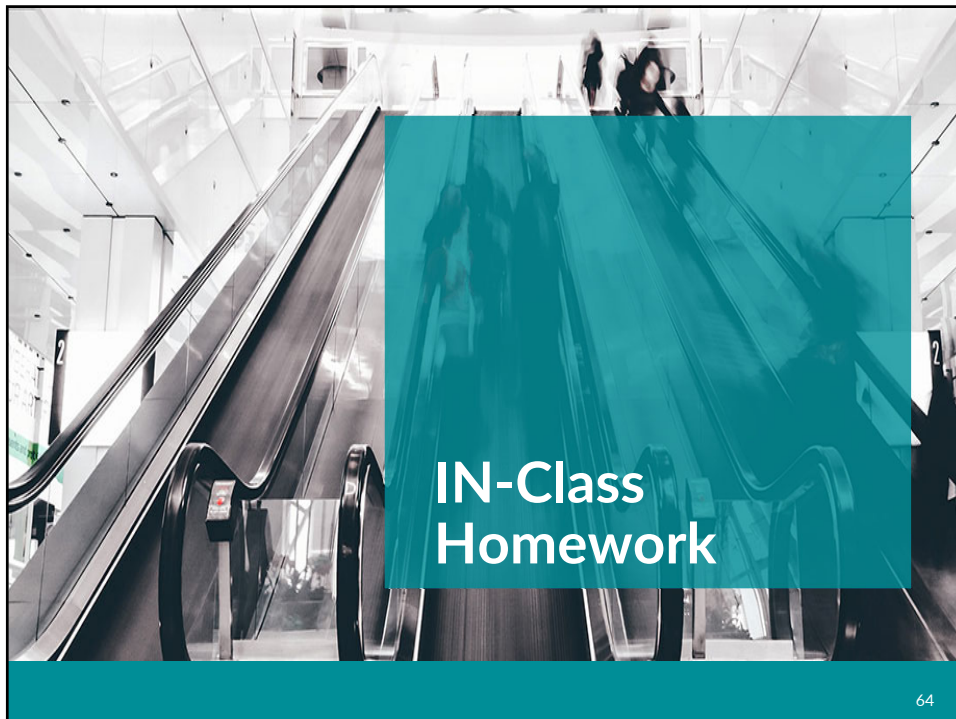
62



Deliverables & DCF

- How do funding agencies use this information?
- Verify federal expenditures of nonfederal entities.
 - MDE checks every report and compares content between DCF and single audit report
 - Follows up on differences
 - Each department evaluates finding that apply to their programs
- Monitor nonfederal entities.
 - OAG evaluates MDE monitoring process as part of its audit of the MDE

63



64



A&A Topics Impacting K12

In-class homework - Results

- 1 – ask questions as we go!
- 2 – identify 2 things about this year's audit that were difficult
- 3-identify 1 thing you wish you understood better
- 4-identify one thing that went better this year

For items 2-4, discuss with your table and identify

- 1 area that was difficult in this year's audit
- 1 topic you wish you knew better
- 1 area that went better this year

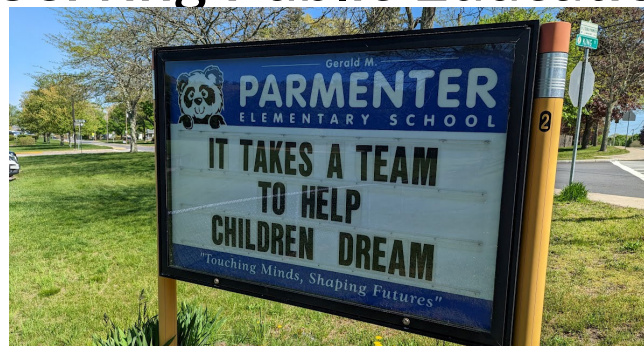
You will report out one or more of the above!

65



Thank You

For Serving Public Education!



66