

Semi-Annual Performance Report

July 1-December 31, 2019

GRANT ACTIVITIES

Between January 1 and June 30, 2019, the Ohio Department of Education performed the following grant activities.

- **CSP Round 3 Subgrantee Awards:**
 - July 12, 2019: Approved CSP Sub-Grantees (3 Expansion Subgrantees Year 1 subgrantees/2 New Implementation Year 1 subgrantees)
 - August 9, 2019: ReGeneration Bond Hill revised award letter sent
 - Subgrantee had to submit a revised budgeted amount of \$350,00.00 and a signed lease along with an explanation of why it was not included with the original application
 - August 13, 2019: Westside Academy revised award letter sent
 - Subgrantee had to submit a revised explanation of expenses budgeted in the amount of \$350,00.00
- **CSP Subgrantee Monitoring:**
 - July 1, 2019: FY2019 CSP Grant Progress Final Review Opened
 - July 25, 2019: CSP Sub-Grant Awardee Training
 - July 30, 2019: Ohio AUP submitted to USED
 - August 7, 2019: Held conference call with sponsor concerning Southwest Ohio Preparatory Academy's leadership changes.
 - August 9, 2019: Southwest Ohio Preparatory Academy grant status conference call
 - August 30, 2019: FY2019 CSP Final Review Survey complete
 - November 4, 2019: FY2020 CSP Fall Review Compliance Survey opened
 - November 15, 2020: Letter requesting a CAP sent to Citizens Academy Southeast
 - November 20, 2019: USED Quarterly Technical Assistant Call
 - December 2, 2019: FY2020 CSP Fall Review Compliance Survey closes
 - December 6, 2019: Citizen Academy Southeast CAP is due
 - Subgrantee had to submit a CAP outlining activities that meet and show sustainability of the CSP high-quality definition. This CAP was required due to an overall drop in letter grade from a C to a D
 - December 10, 2019: Citizens Academy Southeast's CAP is approved and closed
- **CSP Advisory Committee:**
 - July 1, 2019: Steve Dackin was appointed to the State Board of Education
 - The OCS began search to replace Mr. Dackin's seat on the committee
 - July 10, 2019: Semi-Annual CSP Advisory Committee Skype Meeting to discuss CSP Grant competition results and semi-annual report.
 - October 4, 2019: John Dues accepted invite serve as a member on CSP Advisory Committee
 - November 6, 2019: Dr. Chris Woolard invited to serve as a member on the CSP Advisory Committee
 - December 20, 2019: Semi Annual CSP Advisory Committee Skype Meeting to discuss CSP Grant Subgrantees, Upcoming RFA changes, and semi-annual report
- **Independent Monitor:**
 - July 31, 2019: All requested Agreed-upon Procedures items submitted for review by the independent monitor.
 - October 7, 2019: Independent Monitor asked for extension date to complete review to be November 15, 2019.
 - October 15, 2019: USED approved November 15, 2019 AUP extension date.

- December 5, 2019: Independent Monitor Response Letter
- December 18, 2019: USED approved and closed AUP report.
- **WestEd Monitoring:**
 - August 27-30, 2019: WestEd Monitoring visit at ODE
 - August 29, 2019: WestEd Monitoring visit at Westside Academy and Arts & College Prep Academy
 - August 30, 2019 WestEd Monitoring visit at Southwest Ohio Prep Academy
- **CSP Round 4**
 - December 9, 2019: Developed CSP Round 4 Workplan

GRANT EXPENDITURES:

\$1,159,206.49 were expended from the grant for the current reporting period.

UPDATE ON GRANT PROJECT TIMELINES:

The project timeline has been updated.

*Attached: Ohio CSP Workplan

UPDATES ON AUDIT FINDINGS AND RESOLUTIONS OF AUDITS INVOLVING CHARTER SCHOOLS IN OHIO, INCLUDING THE AUTHORIZERS' RESPONSIBILITIES AND INVOLVEMENT:

Attached: Appendix C 11 30 2019 CS Audit Reports

Appendix C provides a biannual update on Fiscal Years 2017 through 2019 community school audit findings and resolutions that have occurred since the May 2019 report. This update includes the number of community school audits performed by the Auditor of State, a summary of the community school single audits and findings, and an update on findings for recovery that have been resolved by the Attorney General's Office. Appendix C includes information for the single audit issued during this reporting period, and includes a separate spreadsheet on active findings for recovery. Schools with repayments to the Attorney General's Office during the reporting period are highlighted.

The Auditor of State's Office performs financial audits (regular and single audits) and various other special audits, retirement system examinations, and agreed upon procedures of community schools. Regular financial statement audits are independent, objective evaluations of an organization's financial reports and financial reporting processes. The primary purpose of regular financial audits is to give regulators, investors, directors, and managers reasonable assurance that financial statements are accurate and complete.

Single audits combine the annual financial statement audit with additional audit coverage of federal funds. The single audit is intended to meet the basic audit needs of both the non-federal entity and federal awarding agencies. Before Dec. 26, 2014, all community schools receiving at least \$500,000 annually required a single audit. All awards made on or after Dec. 26, 2014, were subject to the Uniform Guidance, which sets the threshold at \$750,000 or more.

The Auditor of State may declare community schools as "unauditable." The auditor finds a school unauditable if its financial records are not sufficient to complete an audit. There are no community schools on the list for this reporting period.

1. Auditor of State Community School Audit Updates

The Auditor of State completed and issued 50 community school audit reports since the Department's last report to the USED. This includes 45 financial audits and one other audit. Table 1 reflects the audit reports released between June 1, 2019 and November 30, 2019.

Table 1: Community School Audit Reports – Summary by Type

| Fiscal Year | Regular Audit | Single Audit | Other Audits | Total Audits |
|--------------|---------------|--------------|--------------|--------------|
| 2019 | 10 | 1 | 5 | 16 |
| 2018 ^ | 33 | 0 | 0 | 33 |
| 2017 | 1 | 0 | 0 | 1 |
| Total | 44 | 1 | 5 | 50 |

^ The regular audits include three reports that covered FY17 and FY18, and two audit reports that covered FY18 and the first quarter of FY19.

2. New Financial Audit Findings - All Fiscal Years

The Auditor of State issued one single audit report during the reporting period. No findings were issued in the report. Since there were no findings in the report, no management decisions were issued. We have updated Table 2 to reflect this information.

Table 2: Financial Audits – Summary of Single Audit Community School Findings

| Year | Single Audit Reports | Single Audit Findings | | Findings for Recovery | |
|--------------|----------------------|-----------------------|------------|-----------------------|--------------|
| | | Schools | Unresolved | Schools | Unresolved * |
| 2019 | 1 | 0 | 0 | 0 | 0 |
| 2018 | 0 | 0 | 0 | 3 | 1 |
| Total | 1 | 0 | 0 | 3 | 1 |

* "Unresolved" means the findings for recovery were not repaid under audit and have not been certified to the Attorney General's Office as of the end of this reporting period.

Appendix C includes a summary of the audit findings. We continue to review the single audit reports and will make management decisions pursuant to 2 CFR § 200.521(d). Information on the decisions made for previously reported single audits is listed in the "Prior 'In Process' Audits" spreadsheet.

3. Summary of Resolutions for Previously Unresolved Findings

The Department received an updated report on the status of findings for recovery being handled by the Attorney General's Office. Findings for recovery in "active" collection status are listed in Appendix C. (See the "Active Findings for Recovery" spreadsheet.) The schools with repayment activity during this reporting period are highlighted on the spreadsheet.

During this reporting period, the Auditor of State issued findings for recovery to three schools. Amounts for two of the schools were repaid under audit or resolved. The amount for the remaining school is pending resolution.

4. Other Audit Findings

The Auditor of State performed five audits of community school management assertions regarding the census data and pensionable wages reported to the State Teachers Retirement System of Ohio and the School Employees Retirement System of Ohio. No findings were issued in the audit reports.