

A photograph of the Georgia State Capitol building, a large, ornate, light-colored stone structure with a prominent golden dome topped by a statue. The building is set against a clear blue sky with some wispy clouds. In the foreground, there is a well-maintained green lawn and some trees. A semi-transparent white banner is overlaid across the middle of the image, containing the text "Audit Updates – GAINS 2025".

Audit Updates – GAINS 2025

Agenda

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Important
Due Dates

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Communication

03
Accounting
and Reporting
Issues

04
Standards
Updates

05
Award of
Distinction

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Federal
Updates

07
Deficiency
Reporting



Important Dates and Other Reminders

Important Due Dates

Payments/Purchase Card Files (TIGA)	Salary and Travel Collection System (TIGA)	Immigration Compliance Reporting
For Compliance with the Transparency in Government Act (TIGA)	For Compliance with the Transparency in Government Act (TIGA)	Submission information in compliance with Georgia's Illegal Immigration Reform and Enforcement Act
2025 Fiscal Year	2025 Fiscal Year	2025 Fiscal Year
Opens: July 7, 2025	Opens: July 7, 2025	Opened: November 1, 2025
Due: October 1, 2025	Due: August 15, 2025	Due: December 31, 2025

Important Due Dates

Schedule of SPLOST Expenditures	Financial Statements: Certificate of Distinction	Financial Statements: All Others
2025 Fiscal Year	2025 Fiscal Year	2025 Fiscal Year
Opens: Now	Open: Now	Opened: Now
Due: December 4, 2025	Due: November 15, 2025	Due: December 31, 2025

Important Dates

Availability of Audit Tools

- Financial Statement Templates
 - July 31, 2025
- Notes to the Basic Financial Statements
 - August 15, 2025

GASBO Financial Statement Workshop

- Tuesday, November 4, 2025
- GaDOE/DOAA Year-End Workshops
 - June 2025

DOAA Engagement Efficiencies

Review / Update Risk Assessments

Review Previous Reports

Learn from prior observations (both findings & comments)

Review your financial statements

Maintain documentation used to prepare your financial statements

Consider uploading documentation as you go

DOAA Engagement Efficiencies (continued)

Review ledger/financial statements to supporting documentation

Understand your financial information

Look for red flags in advance

Maintain robust, detailed documentation to support manual journal entries



Client Communication Items

Client Portal Features

1. Individual File Upload Boxes
 - a. Drag & Drop
 - b. No quantity limit
 - c. 500MB max size per file
 - d. SOC 2 Type 1 and Type 2 certified (Secure)
2. Yes/No Questions with Branching
 - a. A "Yes" response will create an additional item with file upload box
3. Stage Filters
 - a. Filter out items you've already submitted
 - b. Focus on Action Items

The screenshot displays the 'LEA Request List' interface for the Cloud County Board of Education. The interface is divided into three main sections: a left sidebar for filters and question sets, a top header for request status, and a main content area for individual questions.

- Callout 1:** Points to the 'File upload' section of the 'C.2 June Bank Reconciliations' question, which includes a dashed box for dragging and dropping files and a 'Copy from cloud' link.
- Callout 2:** Points to the 'Picklist' section of the 'C.1 New Trust or Custodial Accounts' question, which includes a 'Yes' button and a 'No' button.
- Callout 3:** Points to the 'FILTERS' section on the left sidebar, which includes checkboxes for 'Awaiting Response' (59 items), 'Response Submitted' (0 items), and 'Returned' (0 items), as well as a 'Mark all responded' button.

The interface also includes a 'QUESTION SETS' section on the left sidebar, listing various question sets such as 'General', 'Communications Confirmation', 'A: General Auditing & Completion', 'A.1 Client Inquiry Form - Planning', 'A.2 Required Submissions', 'A.3 Journal Entries Detail', 'A.4 C & C Inquiry', 'A.5 Entity Contact Listing', 'A.6 Audit Letters', 'B: General Planning', 'B.1 All Funds Listing', and 'B.2 Clearance Letter'.

Returning Client Portal Users

You should receive an email when
the Request Lists are ready

Login to your account

Go to
<https://us.casewarecloud.com/doaa/>

Find the list under "My Work" and
drag in files as before

New to Client Portal

1

Ga Dept of Audits and Accounts

Hi S D,

Steven DesBoeufs has created an account for you in the Ga Dept of Audits and Accounts online portal.

Your new account will help you collaborate with Ga Dept of Audits and Accounts using CaseWare Cloud.

This invitation will expire in five days or after you change your password.

The email address associated with your account is [REDACTED]


[Activate Account](#)

Link not working? Copy and paste the following URL into your browser:
<https://ga.casewarecloud.com/doaa/passwordreset/Application.html?m=nb&=2f395eca-cf58-6a30-d602-b6e7c9508292&f=doaa>

This email was sent to: [REDACTED]
This email was sent by: Ga Dept of Audits and Accounts

Powered by CaseWare Cloud

2

 **DOAA**
Georgia Department of Audits & Accounts

Ga Dept of Audits and Accounts

[Back](#)

Activate Your Account

Email address
[REDACTED]

Choose a password
[REDACTED]

Re-type your chosen password
[REDACTED]

Very Strong ?

[Activate Your Account](#)

3

 **DOAA**
Georgia Department of Audits & Accounts

Welcome to the DOAA Client Portal!

If you are an audit client, please input your Username and Password. If your account has not been created, please contact your audit team. For our auditors, please utilize the "Go to Single Sign-On" option.

[Go to Single Sign-On](#)

OR

Email
[REDACTED]

Password
[REDACTED]

☒ Stay signed in for 120 hours

[Sign In](#)

New to Client Portal

4

Go to Single Sign-On

OR

Enter a phone number that can be used to receive a verification code by text message.

Country

United States of America

Mobile Phone

+1

Submit

5

Go to Single Sign-On

OR

Enter your verification code.

Verification Code

223733

Verify

6

My Work

1-1

Subject	Assigned To	Status	Due	Created
LEA Request List	Test Test, S D	Open		03/21/2024 (Steven DesBoeufs)

Files

No files have been added that match the selected filters.

School System Financial Dashboard

- Provides information and trends related to revenue, expenditures, fund balance and fiscal health for all Georgia School Districts.
- Dashboard currently includes financial information from each School District's audited financial statements for FY2019-2023.
- In March 2025, an updated report was published summarizing the results of all completed FY2023 audits.
- Located on [DOAA website](#)

School System Financial Dashboard

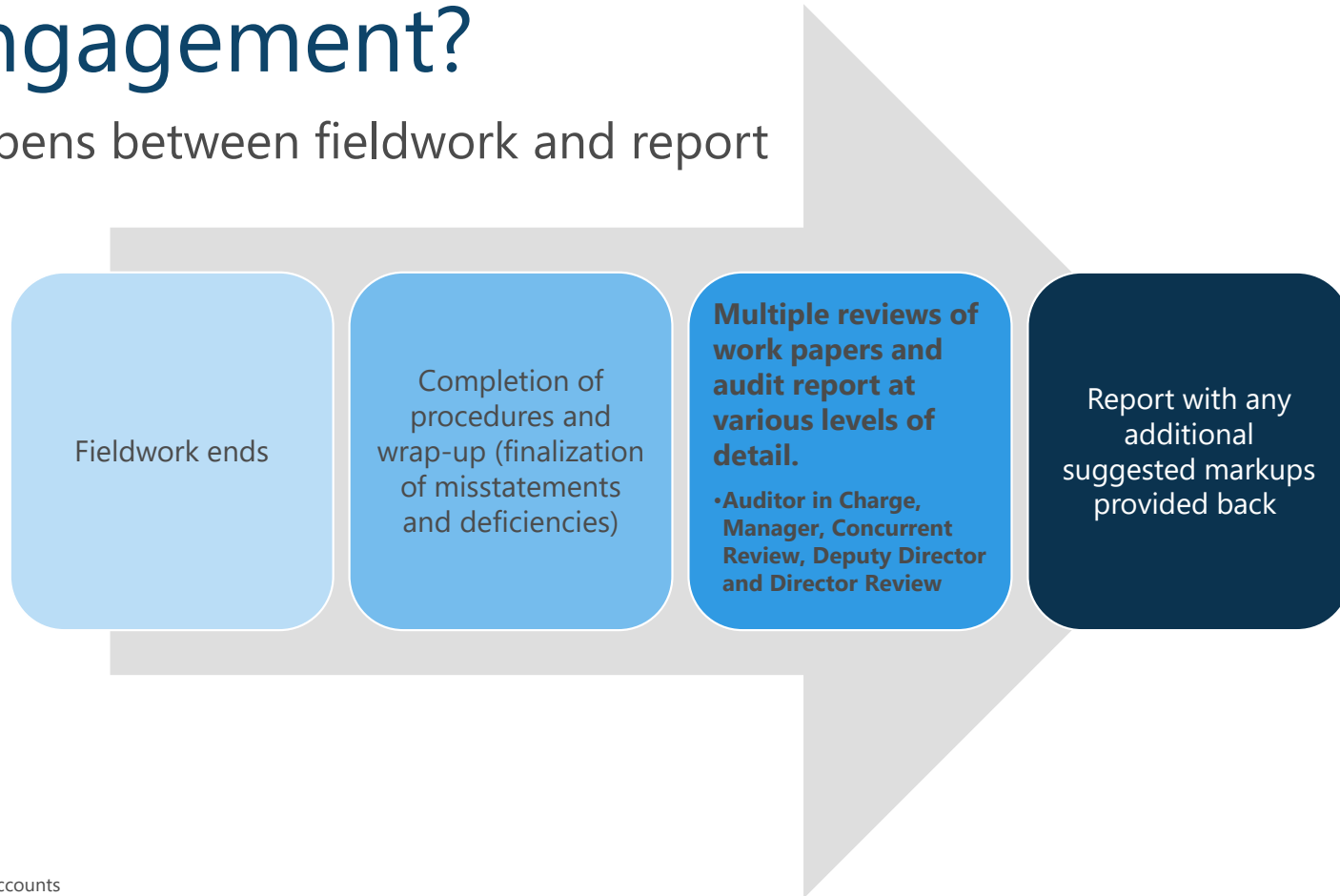
Provides revenue, expenditures, fund balance, and fiscal health information for the 180 public school systems operating in Georgia. This dashboard is a comprehensive report that discusses overall trends (fiscal years 2019-2023).

To begin, please select from the following financial reports:



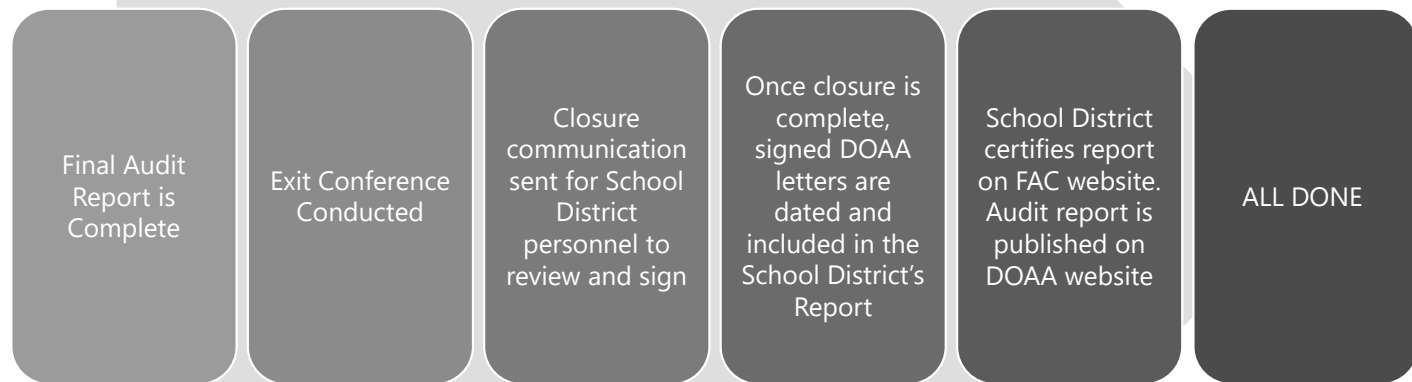
The DOAA team seems done. Where is our Engagement?

What happens between fieldwork and report issuance?



The DOAA team seems done. Where is our Engagement?

What happens during the closure process?



Accounting and Reporting Issues



Post ESSER Landscape: What We're Seeing as Auditors

Auditors are observing that, with the expiration of federal pandemic relief funding, school districts are being forced to make difficult budget decisions. In some cases, expenditures have not been proportionally reduced, raising concerns about long-term fiscal sustainability.



Trend: Declining unassigned general fund balances



Spending patterns still reflect "high-water" funding years.



Structural deficits emerging as ESSER funds expire.

Budgeting Pitfalls to Avoid

Using one-time funds for recurring costs

Lack of a multi-year financial plan

Delay actions on right-sizing expenditures



Building a Sustainable Budget



Multi-year Forecasting



Differentiating one-time vs. recurring revenues



Monitoring cost driver (e.g., staffing, benefits, inflation)

Reassessing ESSER-Funded Programs

1

Inventory of ESSER supported positions/programs

2

Evaluate sustainability and impact

3

Align spending with strategic goals and student outcomes

Fund Balance Health



IMPORTANCE OF
MAINTAINING RESERVES



ENGAGE BOARDS AND
STAKEHOLDERS EARLY



SHARE LONG-TERM
FINANCIAL OUTLOOKS

Standards and Other Updates



Standards Updates

GASB No. 101 – Compensated Absences (FY25)

- Replaces Statement 16. Creates a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

GASB No. 102 – Certain Risk Disclosures (FY25)

- Requires disclosures about certain concentrations and constraints that could affect a government's ability to provide services or meet obligations.

Standards Updates

GASB No. 103 – Financial Reporting Model Improvements

- 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.

GASB No. 104 – Certain Capital Assets and Capital Asset Disclosures

- Provides guidance on the disclosure of certain capital assets, including those held for sale, and clarifies existing standards.

GASB No. 101 *Compensated Absences*

Old Approach

Varies by type of leave

Some leaves not recognized

Pay rate when earned

New Approach

Single recognition model for all types of leave

Some leave types not recognized

Pay rate at financial statement date

GASB No. 101 *Compensated Absences*

What is the recognition criteria?

- Leave accumulates and attributable to past service
- More likely than not that it will be used or paid
- Liability recognized when both are met

GASB No. 101 *Compensated Absences*

Measurement of Liability

- Based on current pay rates
- Includes salary-related payments (FICA, retirement)
- Requires regular updating of leave balances and rates

GASB NO. 101 *COMPENSATED ABSENCES*

Type of Leave Covered:

- Vacation or (annual) leave
- Sick leave
- Paid time off (PTO)
- Holiday pay (when it is taken at the discretion of the employee)
- Bereavement leave

Excludes:

- Sabbatical leave
- Jury Duty (unless compensated and meets criteria)

GASB No. 101 *Compensated Absences*

Why this Matters to School Districts?

1. School Districts leave policies vary
2. Must ensure systems capture accumulating and vesting attributes
3. Need to update policies if they are unclear
4. Important for audit readiness and financial transparency

GASB No. 101 *Compensated Absences*

Scenario 1: Sick Leave Payout at Retirement

A School District allows employees to accumulate up to 120 days of sick leave. Employees who retire from the School District can receive a payout of 50% of unused sick leave up to 60 days.

Application:

- Liability is recognized as the sick leave is earned.
- Since a payout is probable upon retirement, and it is attributable to past service, the school district must record a liability annually as leave is accrued.
- The liability is measured at current pay rates + salary-related benefits.

GASB No. 101 *Compensated Absences*

Scenario 2: Use-it-or-Lose-it Sick Leave

A school district offers sick leave that does not accumulate, or vest-employees must use the leave within the fiscal year, or it is forfeited.

Because there is no carryover or payout at separation, no liability is recognized under GASB No. 101 until the leave is used. This approach simplifies accounting but requires clear policy documentation to confirm that the leave does not meet the criteria for recognition.

GASB No. 101 *Compensated Absences*

Scenario 3: Accumulated Vacation Leave

A school district allows classified employees to accrue 10 days of vacation leave annually, which rolls over each year and is paid out upon separation from service. An employee who uses fewer days than they accrue accumulates a growing balance of unused vacation.

Fiscal Year	Vacation Days Accrued	Days Used	Unused Days (Accumulated)	Daily Pay Rate	Estimated Liability
2023	10	5	5	\$200	\$1,000
2024	10	4	11	\$210	\$2,310
2025	10	3	18	\$220	\$3,960

GASB No. 101 *Compensated Absences*

What Questions Should You Be Considering?

1. Are our leave policies clearly defined?
2. Can we identify which leave types vest or accumulate?
3. Is our HR/Payroll system able to track leave balance accurately?
4. Are we prepared for FY 2025 implementation?

GASB No. 102 *Certain Risk Disclosures*

...designed to improve transparency about risks that could significantly impact a government's ability to continue providing services or meet its obligations. It focuses on **disclosures** of **concentrations** and **constraints** that could jeopardize financial stability.

GASB No. 102 *Certain Risk Disclosures*

Key Requirements

Government must disclose risks that:

1. Are known to the government prior to the issuance of financial statements
2. Could have a substantial negative effect on ability to meet obligations, and
3. Are at least reasonably possible to occur

GASB No. 102 *Certain Risk Disclosures*

Types of Disclosure

1. Concentrations
2. Constraints

Examples Scenarios for School Districts

- Heavy reliance on a single industry for property tax revenue.
- A significant portion of state funding tied to legislative approval each year
- Legal constraints that prevent the district from reallocating resources

GASB No. 103 *Financial Reporting Model Improvements*

...modernizes and enhances the existing financial reporting model used by state and local governments. Its goal is to improve the **clarity**, **consistency**, and **usefulness** of governmental fund financial statements for decision-makers and stakeholders.

GASB No. 103 *Financial Reporting Model Improvements*

Areas of Impact

- Management's Discussion and Analysis
- Unusual or Infrequent Items
- Presentation of Proprietary Funds
- Major Component Unit Information
- Budgetary Comparison Information

GASB No. 104 *Disclosure of Certain Capital Assets*

...introduces enhanced disclosure requirements for specific capital assets in governmental financial statements.

- Replaces the capital asset disclosure requirements in GASB 34
- Issued to improve clarity, consistency, and usefulness of capital asset disclosures

GASB No. 104 *Disclosure of Certain Capital Assets*

- Separate disclosure requirements for:
 - Capital assets held for sale
 - Right-to-Use-Assets
- Evaluation of Assets Held for Sale
 - The School District has decided to pursue the sale of the capital asset and,
 - It is probable that the sale will be finalized within one year of the financial statement date.
- Remember no changes to recognition or measurement!

DOAA Award of Distinction for Excellent Financial Reporting

Award Criteria

Criteria	Description of Best Practices
Timeliness	<p>Financial Statements including MD&A, note disclosures, required supplementary information and supplementary schedules and all key supporting evidence were available for auditors by November 15.</p> <p>Compliance with Transparency in Government Act Accurate information submitted by the following established deadlines:</p> <ul style="list-style-type: none"> • Salary and Travel Information: August 15 • Audit History/Payments Files: October 1 • SPLOST Schedule: December 4
Quality of Financial Statements	<p>First set of financial statements, MD&A, notes, required supplementary information and supplementary information provided for audit required only minimal adjustments during the audit.</p>

Award Criteria

Criteria	Description of Best Practices
Quality of Audit Documentation	Full supporting documentation to substantiate financial statements provided in a timely manner. Evidence easy to locate and use for audit.
Resolution of Accounting Standards / Presentation Issues	Management resolved all accounting standards and presentation issues in a timely manner.
Key Staff	Key staff readily available and cooperative during the audit and did not contribute to any delays in finalizing the audit.
Number/Significance of Deficiencies Identified	No significant deficiencies or material weaknesses noted during the audit.
Clean Audit Opinion	Unmodified Opinion

CONGRATULATIONS TO THE AWARD RECIPIENTS!

DOAA Award of Distinction Recipients FY2024

- Bulloch County
- Charlton County
- City of Bremen
- City of Gainesville
- City of Social Circle
- City of Vidalia
- Decatur County
- Elbert County
- Fannin County
- Gilmer County
- Greene County
- Hart County
- Jasper County
- Lee County
- McDuffie County
- McIntosh County
- Paulding County
- Thomas County
- Tift County
- Toombs County
- Towns County
- Treutlen County
- Ware County
- Washington County
- Whitfield County
- Wilcox County

A low-angle, upward-looking photograph of the classical columns of a grand building, likely the U.S. Supreme Court. The columns are made of light-colored stone with fluted shafts and ornate Corinthian capitals. They converge towards the top of the frame, creating a sense of height and grandeur. The sky is a clear, pale blue. The text "Federal Updates" is overlaid in the center in a dark blue, sans-serif font.

Federal Updates

Commonly Used Acronyms

Acronym	Description
AICPA	American Institute of Certified Public Accountants
ALN	Assistance Listing Number (formerly CFDA)
CAP	Corrective Action Plan
CDHV	Clean Heavy-Duty Vehicles
CFR	Code of Federal Regulations
CNC	Child Nutrition Cluster
ConApp	Consolidated Application
CSB	Clean School Bus
DOAA	Georgia Department of Audits & Accounts
ECF	Emergency Connectivity Fund
ED	U.S. Department of Education

Commonly Used Acronyms *(continued)*

Acronym	Description
ESF	Education Stabilization Fund
ESSER	Elementary and Secondary School Emergency Relief Fund
FMT	Findings Management Tool
GaDOE	Georgia Department of Education
LEA	Local Educational Agency
NSAA	National State Auditors Association
OMB	U.S. Office of Management and Budget
SAO	State Accounting Office
SEFA	Schedule of Expenditures of Federal Awards
SSAE	Student Support and Academic Enrichment
UG	Uniform Guidance

ESSER Liquidation

We are entering our last fiscal year of potential ESSER audits.

- US ED issued memo that amended the liquidation period to end on March 28, 2025:
 - Link: [ESF Funding Letter- Sec McMahon](#)
 - Any previous liquidation extensions granted were rescinded.

The Department's initial approval of your extension request does not change anything. The extension approval was issued recently, so any reliance interests developed are minimal. Moreover, an agency may reconsider its prior decision.¹ So you could not rely on the Department adhering to its original decision. That is especially true because the extension was a matter of administrative grace. You were entitled to the full award only if you liquidated all financial obligations within 120 days of the end of the period of performance. You failed to do so. Any reliance on a discretionary extension subject to reconsideration by the agency was unreasonable. Accordingly, on reconsideration, the Department amends the period of liquidation to end on March 28, 2025, at 5:00pm ET.

Interim Work

School districts may be contacted by DOAA to begin interim federal compliance work for FY2025 during the summer and early fall.

- The cloud-based request list will be made available for school districts to begin uploading information.
- The more that auditors can complete in the interim, the less time it will take to complete the engagement later on.

Draft Compliance Supplement



Review Process

Draft Compliance Supplement sections are sent to the AICPA and NSAA for comment each year.

Typically, only programs with changes will be submitted for review.



Higher Risk Programs

No LEA programs are expected to be designated as higher risk.

Draft Compliance Supplement (*continued*)

The following LEA federal compliance sections were provided to DOAA for review:

- Student Support and Academic Enrichment (84.424)
 - Added information about the Stronger Connections Grant (84.424H)
 - Stronger Connections Grant funding cannot be transferred to another program
 - Added testing of earmarking requirements associated with well-rounded educational opportunities, safe and healthy students, and technology expenditures
- Child Nutrition Cluster
 - No significant changes
- Emergency Connectivity Fund
 - No significant changes
- Cross-Cutting Procedures
 - Added information about the Stronger Connections Grant (84.424H)

Uniform Guidance Update

Federal agencies were required to put the revisions into place by October 1, 2024.

Significant changes that may affect LEAs are as follows:

- Equipment threshold has been moved from \$5,000 to \$10,000 for purchases with federal funding awarded on or after October 1, 2024.
- Single Audit and Type A threshold will be increased from \$750,000 to \$1,000,000 for FY2026 audits.
- De minimus indirect cost rate has increased from 10% to 15%.

Clean School Bus and Clean Heavy-Duty Vehicles Programs

The CSB & CHDV programs consist of multiple waves of funding:

Description	Subject to Audit/ Reported on SEFA?	Assistance Listing Number (CFDA)	Other Comments
2022 CSB Rebates	No	N/A	
2023 CSB Rebates	No	N/A	
2023 CSB Grants	Yes	66.045	
2024 CSB Rebates	No	N/A	Recipients should be notified this month
2024 CHDV Grants	Yes	66.049	No school districts reflected as tentatively selected

Schedule of Expenditures of Federal Awards



New Programs

Please email me if there are any federal programs that your school district would like added to the FY25 SEFA template.

Current additions:

- 84.424H – Stronger Connections



Transfers

Use caution when transferring funds between programs.

- Verify allowability
- Review effect on programs

Wage Rate Requirements

Construction-Related Expenditures

- Auditors will continue to review construction-related expenditures to ensure that the appropriate clauses are reflected in contracts and certified payrolls were obtained.
- Applies to federally-funded construction projects over \$2,000 for which laborers or mechanics are used:
 - Examples of laborers or mechanics – Plumber, electrician, carpenter, painter, etc.
 - Does not apply to labor performed by LEA employees, timekeepers, inspectors, architects, engineers, or executive/administrative/professional employees.
- Definition of Construction – Includes construction, alteration, or repair, including painting and decorating, of a public building or public works of the Government that are located in a State.

Trends in Worsening Issues

Procurement and Suspension and Debarment

- Auditors test compliance with each school district's procurement policy.
 - Procurement documentation should be maintained to support micro-purchases, small purchases, and simplified acquisition purchases accordingly.
 - Suspension and debarment documentation should be maintained according to the procurement policy, as well.



Micro-Purchases

\$10,000 or less

No quotations required



Small Purchases

\$10,001 to \$249,999 (rounded)

Price or rate quotations from adequate number of qualified sources



Simplified Acquisition

\$250,000+

Sealed bids, competitive proposals, or noncompetitive proposals

Trends in Worsening Issues *(continued)*

Unallowable Indirect Costs

- Auditors test the calculation of indirect cost expenditures.
 - Issues have been identified with the indirect cost rate utilized, calculation of base expenditures, and using the budgeted indirect cost expenditures rather than calculating the appropriate amount.

Program Expenditures Grand Total	\$\$\$
Less: Exclusions*	\$
Net Expenditures	\$\$\$
Multiplied by: Indirect Cost Rate	%
Maximum Indirect Costs	\$A
Actual Indirect Costs (880)	\$B
Variance	<u>\$A - \$B</u> <i>If negative, overclaimed (questioned costs)</i>

*Exclusions

Equipment
Capital Expenditures
Rental Costs
Tuition, Scholarships, Fellowships
Payments to Charters
Subawards in Excess of \$25k
Indirect Costs

Deficiency Reporting

A white calculator with a small screen is positioned on the left, resting on a blue notebook. The notebook is open, showing blank pages. To the right of the notebook is a brown leather-bound book with a metal clasp. The background is a solid blue color.

Current Year Findings Process

We will continue to use the Findings Management Tool (FMT) during the FY25 engagement cycle.

- Once findings are thoroughly reviewed and approved by DOAA, findings will be entered in FMT and sent to the institutions to obtain the CAP.
 - Each institution will receive an email alerting them to begin the CAP process.
- Please ensure that each CAP submission includes the following:
 - A description of the steps the school district will take to correct the deficiencies identified in the finding.
 - Date on which the CAP should be fully implemented.
 - Complete client contact information, including First Name, Last Name, Title, Telephone Number, and Email Address.

Current Year Findings Process *(continued)*

When the CAP is received:

- The completed CAP template Word/PDF file will be compiled by auditors and emailed to the engagement contact.
- The client should print the CAP on the school district's letterhead, have the Superintendent sign the document, and return the file to the auditors.

Prior Year Finding Follow-Up

Prior year finding follow-up procedures should also be completed in the FMT.

- This will allow the institution to enter the following for the prior year finding:
 - Status
 - Response
 - Contact Information

Findings Management Tool Reminders

Findings Management Tool Tips

- Instructions for the findings process can be found at:

- [Federal Compliance Reporting | State Accounting Office of Georgia](#)

Please note that some of the information about SAO's involvement will not apply to LEAs as the DOAA IT team has removed SAO from the LEA process.

- Access to the system can be found at:

- [Transparency in Government Act - DOAA \(ga.gov\)](#)

Submissions

Quick Links



Access the submissions portal for your documents here.



Questions?

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