



# Financial Review: *a large school requirement*

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Information for School  
Administrators



**Opportunity Scholarship** • **Disabilities Grant** • **Education Savings Account**

# Financial Review

- **Required of:**
  - Schools which receive \$300,000 or more in one school year from a single K12 Program *(in the past, through the 2021-2022 school year)*
  - Schools which receive funds on behalf of 70 or more students in one school year from a single K12 Program *(going forward; as of the 2022-2023 school year)*
- **Prepared by:** a certified public accountant (CPA) licensed in North Carolina
- **Due:** within 150 days (5 months) of the end of the nonpublic school's fiscal year
- **Format:** electronic

# What is a *school year*?

- Reporting requirements are based on gross receipts during the *school* year.
- The amounts reported in the financial statements are based on the school's *fiscal* year.

# Selecting a Certified Public Accountant (CPA)

- The CPA must be qualified to conduct Financial Reviews in the state of North Carolina.
- **RECOMMENDATION:** Schools should request a copy of the CPA's latest peer review to ensure that the CPA is qualified and in good standing with the North Carolina Board of CPAs.
- **RECOMMENDATION:** Provide the CPA with a copy of the North Carolina statute that establishes the Financial Review requirement, as well as SEAA's Financial Review policies.
- Click [here](#) to access a lookup tool of CPAs certified by the North Carolina State Board of CPA Examiners. While SEAA cannot recommend a particular CPA, schools can use this tool to locate a board-certified CPA in their area.



# Generally Accepted Accounting Principles

**The Financial Review is required by North Carolina Statute to be performed “consistent with generally accepted accounting principles” and should therefore include the following:**

- Statement of Assets, Liabilities and Net Assets (categorized by current vs. long term)
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

*A statement of cash flows is always required, even if the school operates on a cash basis for accounting purposes*

- Notes to financial statement



# Program Funds Received

Indicate the total amount of money your school received from SEAA in Opportunity Scholarship, Disabilities Grant, and ESA funds for the school year at issue.

- Funds received must be listed by program (Opportunity, Disabilities, or ESA).
- These amounts must be compatible to SEAA's records. Discrepancies must be reconcilable.
- This disclosure can be on the face of the Financial Statements or in the notes.

# Deadlines



The Financial Review is due to SEAA **150 days (5 months)** from the school's fiscal year end.

# Additional Information



[www.ncseaa.edu](http://www.ncseaa.edu)



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