**Sample Contingency Footnotes[[1]](#endnote-1)**

[You must modify these sample footnotes based on the timing, and the circumstances of the School.]

[The contingency footnote is not required if ODE has completed all FTE adjustments for the year, the school is not appealing their FTE review final determination results, and if material, the liability is on the statements and disclosed in the footnotes.]

**School Foundation (Community Schools)**

1. [Use this footnote if the School did not appeal their Fy 202X FTE review final determination results, or ODE did not perform a Fy 202X FTE review.]

School foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student.  However, there is an important nexus between attendance and enrollment for Foundation funding purposes.  Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE performed such a review on the School for fiscal year 202X. [OR As of the date of this report, ODE has not performed an FTE review on the School for fiscal year 202X.]

As of the date of this report, additional ODE adjustments for fiscal year 202X are not finalized.  As a result, the impact of future FTE adjustments on the fiscal year 202X financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School.

[You must modify this paragraph based on the contracts or other documents involved & related language. The first sentence may need split out for each contract/agreement depending on the terms.] In addition, the School’s contracts with their [Sponsor, Management Company and [software] vendor] require payment based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 202X are not finalized. Until such adjustments are finalized by ODE, the impact on the fiscal year 202X financial statements, related to additional reconciliation necessary with these contracts/agreements, is not determinable. Management believes this may result in either an additional receivable to, or liability of, the School.

1. [Use this footnote if the school did appeal their Fy 202X FTE review final determination results, and the appeal has not yet been settled.]

School foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student.  However, there is an important nexus between attendance and enrollment for Foundation funding purposes.  Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08 ODE may also perform a FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE performed such a review on the School for fiscal year 202X. The School appealed their fiscal year 202X FTE review final determination results, which as of the date of this report, has not been settled. As a result, the impact of the appealed FTE review final determination on the fiscal year 202X financial statements is not determinable, at this time. Management believes this may result in a liability of the School.

As of the date of this report, additional ODE adjustments for fiscal year 202X are not finalized.  As a result, the impact of future FTE adjustments on the fiscal year 202X financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School.

[You must modify this paragraph based on the contracts or other documents involved & related language. The first sentence may need split out for each contract/agreement depending on the terms.] In addition, the School’s contracts with their [Sponsor, Management Company and [software] vendor] require payment based on revenues received from the State. As discussed above, the fiscal year 202X FTE review final determination appeal is not finalized. Until ODE finalizes this appeal, the impact on the fiscal year 202X financial statements related to additional reconciliation necessary with these contracts/agreements, is not determinable. Management believes this may result in a receivable to the School.

**School Foundation (Traditional Schools)**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.  As of the date of this report, additional ODE adjustments for fiscal year 202X are not finalized.  As a result, the impact of future FTE adjustments on the fiscal year 202X financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

1. File updated August 2023 to remove Fy 2021 sample subsequent event footnotes – changes not marked. No edits to contingency footnotes. [↑](#endnote-ref-1)