***Use for 2022-2023 or 2023 AUPs [[1]](#endnote-1) [[2]](#endnote-2)***

***(Conservancy District AUP – Per AT-C 105 & 215 & GAGAS, January 2024[[3]](#endnote-3))*** ***[[4]](#endnote-4)***

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES**

[Name of] Conservancy District

[Name of] County

[Address]

[City], Ohio [Zip Code]

We have performed the procedures enumerated below on the [Name of] Conservancy District’s (the District) receipts, disbursements and balances recorded in the cash-basis accounting records for the years ended December 31, 2023 and 2022, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the District. The District is responsible for receipts, disbursements, and balances recorded in the cash basis accounting records for the year ended December 31, 2023 and 2022 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District.

The Board of Directors and the management of the District have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the District’s receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2023 and 2022, and certain compliance requirements related to these transactions and balances. **[Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes.]*[[5]](#endnote-5) [<<IPAs must insert this. AOS staff should never insert this].***  No other party acknowledged the appropriateness of the procedures***.*** This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding $10.

The procedures and the associated findings are as follows:

**Cash [and Investments] *[if applicable] [[6]](#endnote-6)***

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for [each fund]***[[7]](#endnote-7)*** recorded in the [Fund Ledger Report]***[[8]](#endnote-8)*** to the December 31, 2021 balances in the prior year [audited statements] ***OR*** [documentation in the prior year Agreed-Upon Procedures working papers]. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the [Fund Ledger Report] to the December 31, 2022 balances in the [Fund Ledger Report]. We found no exceptions.
3. We agreed the 2023 and 2022 bank reconciliation [adjusted UAN Balances and Adjusted Bank Balances] as of December 31, 2023 and 2022 to the total fund cash balances reported in the [Fund Status Report] and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2023 bankaccount balance(s) with [the District’s financial institution(s), Ohio Pooled Collateral System, confirmation.com] ***<<<modify as needed]***. [We found no exceptions.] ***OR*** [We observed the year-end bank balance(s) on the financial institution’s website. The balance(s) agreed.] We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation: ***[Delete this procedure if there were no reconciling debits]***
   1. We traced each debit to the subsequent January and February ***[List only the months they cleared]*** [bank statement(s)] ***OR***[financial institutions website transaction listing]. We found no exceptions.
   2. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected 5 reconciling credits (such as deposits in transit) from the December 31, 2023 bank reconciliation: ***[Delete this procedure if there were no reconciling credits]***
   1. We traced each credit to the credit appearing in the subsequent January or February ***[List only the months they cleared]*** [bank statement(s)] ***OR***[financial institutions website transaction listing]. We found no exceptions.
   2. We agreed the credit amounts to the [Receipts Register] and determined they were dated prior to December 31. We found no exceptions.
7. We inspected the [Fund Status Report] to determine whether the Finding(s) For Adjustment identified in the prior [audit report] ***OR***[agreed-upon procedures report]*,* due from the X fund, payable to the Y fund,was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions. ***[Delete procedure if not applicable. If the adjustment was not properly posted, you should reissue the FFA in this AUP.]***
8. We traced interbank account transfers occurring in December of 2023 and 2022 to the accounting records and [bank statements] ***OR*** [reconciliation]***[[9]](#endnote-9)*** to determine if they were properly recorded. We found no exceptions. ***[If there is only one bank account, or if no transfers were noted near year-end, delete this procedure.]***
9. We inspected investments held at December 31, 2023 and December 31, 2022 to determine that they: ***[Delete procedure if no investments (or CDs)]***
   1. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. We found no exceptions.
   2. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 135.13 or 135.14. We found no exceptions. ***[2024 OCS 2A-14 & 2A-16]***

***For applicability of Receipt Testing sections below see guidance in footnotes 4 and 11 and the AUP Additional Guidance Document.***

**Special Assessments, Intergovernmental and Other Confirmable Cash Receipts**

***[Modify these procedures as appropriate. For example not all entities receive special assessment advances.]***

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes,* the State Distribution Transaction Lists (DTL) and the County Auditor’s DTLs ***[<<<insert exact report name]*** from 2023 and a total of 5 from 2022: ***[Modify this procedure as appropriate. For example if no County DTL receipts, delete that sentence.]***
   1. We compared the amount from the above named report(s)to the amount recorded in the [Receipt Register Report]. The amounts agreed.
   2. We inspected the [Receipt Register Report] to confirm the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code §§ 6101.44, 5705.05 and 5705.10. We found no exceptions. ***[2024 OCS 1 - 5]***
   3. We inspected the [Receipt Register Report] to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. ***For other confirmable receipts, either confirm them or agree them to documentation supporting the amount received. [Note: This procedure is intended to test a funding source not already tested. For example, county receipts are already tested in procedure 1, and state receipts appearing on the DTL are already tested in procedure 1.] Example:*** We confirmed the [total amount paid] ***OR*** [individual amounts paid] from the [XXX***[[10]](#endnote-10)*** Metro Parks] to the District during [2022] with the Metro Parks. We found no exceptions.
   1. We inspected the [Receipt Register Report] to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.
   2. We inspected the [Receipt Register Report] to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Other Receipts*****[[11]](#endnote-11)***

We selected 10 other receipts from the year ended December 31, 2023 and 10 other receipts from the year ended 2022 and:

* 1. Agreed the receipt amount recorded in the [Receipt Register Report] to supporting documentation. The amounts agreed.
  2. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions. ***[If applicable]***
  3. Inspected the [Receipt Register Report] to determine the receipt was posted to the proper fund(s), and was recorded in the proper year. [We found no exceptions.] ***OR*** [We found 1 receipt of $100 for a xxx recorded in the Y fund that should have been recorded in the Z fund. We brought this to management’s attention. They corrected the fund Y and Z fund balances for this item. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.]

**Debt *[Modify as applicable, and include only the procedures applicable during the AUP period. Procedures 1 and 2 always apply (to help determine completeness). Debt must be tested regardless of materiality.***

1. From the prior [audit] ***OR*** [agreed-upon procedures]documentation, we observed the following [bonds, notes, loans, and leases] ***[<<modify as needed]*** were outstanding as of December 31, 2021.
   1. These amounts agreed to the District’s January 1, 2022 balances on the summary we used in procedure 3.
   2. ***[Note: This procedure is intended to determine compliance with debt covenants; specifically looking for debt covenants in which failure to follow the terms expressly indicates as a possible outcome modification of the payment terms or calling of the debt issue. For example if the District fails to make the payment on time or fails to follow the debt covenants does it result in modifications to the terms such as restructuring of the debt, additional interest charges, debt being due in full, etc.]*** We inspected the debt’s [final offering documents] ***<<< modify as needed ]*** for all outstanding debt, and we confirmed [the District does not have any debt covenants] ***OR*** [the debt covenants did not have requirements that failing to follow the terms indicates possible outcome modification of the debt terms] ***OR*** [the District was in compliance with the debt covenants listed below] ***OR*** [the District was in compliance with the listed covenants with the exception of [list the covenant violations].

|  |  |  |
| --- | --- | --- |
| **Issue** | **Principal outstanding as**  **of December 31, 2021:** | **Debt Covenant *[Delete this Column if the District does not have any Debt Covenants]*** |
| XXXX Project Loan |  | [Indicate the covenant/(s) considered and their placement within the source documentation] |
| 2018 Building Improvement Bonds |  | [Not applicable] |

***OR:*** [The prior [audit] ***OR*** [agreed-upon procedures] documentation disclosed no debt outstanding as of December 31, 2021.]

1. We inquired of management and inspected the [Receipt Register Report] and [Payment Register Detail Report] for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. [All debt agreed to the summary we used in procedure 3.] ***OR***[There were no new debt issuances, nor any debt payment activity during 2023 or 2022.]***[Modify the above as needed.]***
2. We obtained a summary of [bonds, notes, loans, and leases] ***[<<modify as needed]*** debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedule(s) to debt service fund***[[12]](#endnote-12)*** payments reported in the [Payment Register Detail Report]. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
3. We agreed the amount of debt proceeds received for [2023 and 2022] from the debt documents to amounts recorded in the [XYZ] fund per the [Receipt Register Report]. The amounts agreed. ***AND*** [The District properly recorded the proceeds in a bond retirement fund***[[13]](#endnote-13)*** as required by Ohio Rev. Code § 6101.44 (C) ***[<<Only applies to bonds and notes, and only applies if there were new bonds issued.]******[Ohio Rev. Code § 6101.44] [2024 OCS 1-10]***
4. For new debt issued during 2023 and 2022, we inspected the [debt legislation and resolution / ordinance], which stated the District must use the proceeds to [construct a District building]. We inspected the [Payment Register Detail Report] and observed the District [construct a District building] in [May of 2022]. We found no exceptions. ***[<<<Modify procedure to briefly describe actual use of proceeds. Delete procedure if there was no new debt. If there was new debt but the proceeds were not fully spent, disclose the unspent balances as of December 31, 2023.]***

**Payroll Cash Disbursements**

1. We selected 1 payroll check for 5 employees***[[14]](#endnote-14)*** from 2023 and 1 payroll check for 5 employees from 2022 from the [Wage Withholdings Detail Report] and:
   1. We compared the hours and pay rate, or salary recorded in the [Wage Detail Report] to supporting documentation (timecard, legislatively, or statutorily-approved rate or salary).

[We found no exceptions.] ***OR*** [We found 1 instance where an employee was paid for 3 hours less than the hours recorded on her timecard. We brought this to management’s attention, and they added this amount to a subsequent payment to this employee. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.]***[2024 OCS 2A-13]***

* 1. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions. ***[This procedure only applies to manual payroll systems. This procedure is n/a if the system is automated, such as UAN.]***
  2. We inspected the fund and account code(s) to which the check was posted to determine the posting was allowable based on the employees’ duties as documented in the [employees’ personnel files and/or minute record] ***[<<<list actual source]*** ***OR*** [as required by statute] ***[<<if set by statute]****.* We found no exceptions.
  3. We confirmed the payment was posted to the proper year. We found no exceptions.

1. ***[If the District did not have any new employees or new board of directors during the engagement period this step can be deleted. If the District had new employees and/or new board of directors in one year but not the other year, then modify the step accordingly.]*** We selected 3 new employees and Board of Directors from 2023 and 3 new employees and Board of Directors from 2022 and:
   1. We inspected the [employees’/Board of Directors’ personnel files and/or minute record] ***[<<<list actual source]*** for the Retirement system, Federal, State & Local income tax withholding authorization.
   2. We agreed the items in a above to the [Employee General Information Report] ***<<Standing data report]***. ***[Make sure taxes were withheld if a form was in their file. You do not have to recalculate the amount of federal, state, or local tax to withhold.]***

We found no exceptions. ***[2024 OCS 1-20]***

1. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 to confirm remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer’s share where applicable, during the final***[[15]](#endnote-15)*** withholding period during 2023. We observed the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Withholding**  **(plus employer share, where applicable)** | **Date**  **Due** | **Date**  **Paid** | **Amount**  **Due*[[16]](#endnote-16)*** | **Amount**  **Paid** |
| Federal income taxes & Medicare  (and social security, for employees not enrolled in pension system) | January 31, 2024 |  |  |  |
| State income taxes***[[17]](#endnote-17)*** | January 15, 2024 |  |  |  |
| Local income tax***[[18]](#endnote-18)*** | [insert date] |  |  |  |
| OPERS retirement | January 30, 2024 |  |  |  |

***Revise the table above as needed, for example to omit OP&F if inapplicable.***

We found no exceptions.

***Example exception:***[As stated above, as of the date of this report, the District has not paid OPERS the amount due as required by Ohio Rev. Code §§ 145.47 and 145.48 by January 31, 2024. The Auditor of State will notify OPERS of this matter.] ***[See OCS Implementation Guide Referring Audit Reports]***

1. ***[This procedure is only applicable for fiscal year 2022. Omit this procedure unless the government applied the provisions in the Families First Coronavirus Response Act, Coronavirus, Aid, Relief, Economic Security Act, Treasury IRS Guidance n-20-65 as modified by Treasury IRS Guidance n-21-11, or the American Rescue Plan Act of 2021.]*** For fiscal year 2022, we inspected the [appropriation ledger] and [meeting minutes] to determine the District properly credited the paid leave costs against the tax obligations and / or deferred the tax obligations to future periods. We found no exceptions. ***[2023 OCS 1-19]***

**Non-Payroll Cash Disbursements**

1. From the [Payment Register Detail Report], we re-footed checks recorded as General Fund disbursements for *supplies and materials*, and checks recorded as *utilities* in theX fund for 2023. We found no exceptions.***[Perform only if this is a manual system. Select one program from two funds to test foot. This procedure is N/A if the system is automated, such as UAN.]***
2. We selected 10 disbursements from the [Payment Register Detail Report] for the year ended December 31, 2023 and 10 from the year ended 2022 and determined whether:
   1. The disbursements were for a proper public purpose. We found no exceptions.
   2. The check number, date, payee name and amount recorded on the [returned, canceled check] ***<<< modify if the payment was EFT/ACH]*** agreed to the check number, date, payee name and amount recorded in the [Payment Register Detail Report] and to the names and amounts on the supporting invoices. We found no exceptions.
   3. The payment was posted to a fund consistent with the restricted purpose for which the fund’s cash can be used. We found no exceptions.
   4. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code §§ *[5705.28(B)(2),]* ***[<< Include only for Districts that did not levy taxes]*** 5705.41(D) and 6101.44. [We found no exceptions.] ***OR*** [We found 3 instances where disbursements requiring certification were not certified and 4 instances where the certification date was after the vendor invoice date and there was also no evidence that a Then and Now Certificate was issued. - Ohio Rev. Code §§ [5705.28(B)(2),]***[<< Include only for Districts that did not levy taxes]*** 5705.41(D) and 6101.44 require certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.] **[*The certification requirement does not apply to all disbursements. For example, payroll (including related benefits and taxes) does not require certification. Utility disbursements do not require certification. [2024 OCS 1 – 2.]***

**Compliance – Budgetary*[[19]](#endnote-19)***

1. Ohio Rev. Code § 6101.44 prohibits expenditures (disbursements plus certified commitments including outstanding encumbrances) from exceeding appropriations. We compared total expenditures to total approved appropriations***[[20]](#endnote-20)*** plus any carryover appropriations for the years ended December 31, 2023 and 2022 [for the General, X and Y funds] ***[<<omit if they do not use multiple funds]***. [Expenditures did not exceed appropriations.] ***OR*** [[Y Fund] ***[<<omit if they do not use multiple funds]*** expenditures for [2023] exceeded total appropriations by $XXXX, contrary to Ohio Rev. Code § 6101.44.] ***[Ohio Rev. Code § 6101.44]***
2. ***[[21]](#endnote-21)[Include only for Districts that have more than one fund.]*** We inspected [the 5 largest] interfund transfers from 2023 and [the 5 largest] from 2022 [Revenue Status Reports] and [Appropriation Status Reports] for compliance with Ohio Rev. Code § 6101.44. [We found no evidence of transfers this Section prohibits.] ***OR*** [[The District transferred $XXXXfrom the [Bond Retirement] Fund prior to the final maturity of the bonds and notes payable from it, to the [General] Fund. Ohio Rev. Code § 6101.44 does not permit this transfer. We therefore requested management to adjust this amount to the [Bond Retirement] Fund. [The fiscal officer adjusted this amount on [Date].]***OR*** [As of the date of this report, management has not yet made the required adjustment back to the [Bond Retirement] Fund and has declined to obtain the aforementioned required approvals. In accordance with the foregoing facts, we hereby issue a finding for adjustment against the [General] Fund in favor of the [Bond Retirement] Fund in the amount of $XXXX.]] ***[<<IPA cannot use this language. (See IPA FFA guidance in OCS Implementation Guide) Therefore IPAs should omit the last sentence.]*  *[2024 OCS 1 – 6]***
3. We inspected the [Cash Summary by Fund Report] for the years ended December 31, 2023 and 2022 for negative cash fund***[[22]](#endnote-22)*** balance. Ohio Rev. Code § 5705.10 (l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances. ***[2024 OCS 1-5]***

**Sunshine Law Compliance *[2024 OCS 2B-8]***

***Applicability to the Sunshine laws in Ohio Compliance Supplement 2B-8 for this entity type should be determined through review of the*** [***Legal Matrix***](https://ohioauditor.gov/ocs/2024/legal_matrix.xlsx) ***(Exhibits 5 and 6, Including Exhibit 5 Footnotes 42-46) and possible subsequent consult with the AOS Legal division (IPAs should contact the*** [***IPAcorrespondence@ohioauditor.gov***](mailto:IPAcorrespondence@ohioauditor.gov) ***inbox).***

***For entities subject to the Sunshine Law as determined above, insert additional compliance steps from the AUP Add in Sunshine Law Compliance Procedures document located on the Internet.***

**Other Compliance**

1. Ohio Rev. Code § 117.38 requires districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year.  This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension.   Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System.  We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2023 and 2022 in the Hinkle system. [We found no exceptions.] ***OR*** [Financial information was filed on [Date] which was not within the allotted timeframe.] ***[2024 OCS 1 – 14][[23]](#endnote-23)***

**Related Party Transactions** ***[Delete this procedure if your entity does not have any related party transactions]***

1. ***[[24]](#endnote-24)***We inquired with management and identified the following Related Party Transactions:

a. [List related party transactions]

b. [List related party transactions]

We found no exceptions.

2. We confirmed the transactions with [the other party, or with intermediaries, such as banks, guarantors, agents, or attorneys.] We found no exceptions.

3. ***[[25]](#endnote-25)***We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

***[Insert the following paragraph if the District declines to provide us written representations but has provided suitable written agreement* of the procedures and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement*: AOS auditors should also see additional guidance in the representation letter.]***

Attestation standards established by the American Institute of Certified Public Accountants require that we request certain required written representations from the District. We requested that the District provide such representations but the Directors and/or [fiscal officer or clerk treasurer] refused to do so.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States’ *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on the District’s receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States’ *Government Auditing Standards* related to our agreed upon procedures engagement.

Blank Signature

Signature Name

Signature Title

City, State

[Date]

1. This report shell should be used for entities with a testing period of 2022-2023 or 2023. For period 2021-2022 and prior, AOS Staff please obtain the previous report shell from the Old Practice Aids. IPAs, please obtain the previous report shell by contacting the [IPAcorrespondence@ohioauditor.gov](mailto:IPAcorrespondence@ohioauditor.gov) inbox. This shell is written for a 2 year engagement, please modify as needed for single year AUP engagements. [↑](#endnote-ref-1)
2. Please read the document, [*AUP Additional Guidance*](http://www.ohioauditor.gov/references/agreeduponprocedures.html) for additional information. [↑](#endnote-ref-2)
3. Updated January 2024 - Changes are not marked. The following should be completed prior to finalizing the report:

   * All the red references should be updated as appropriate and changed to black; and
   * All blue font items are guidance and need removed.

   [↑](#endnote-ref-3)
4. See the AUP Additional Guidance document for applicability of testing receipts / disbursements. If the shell does not include procedures for a receipt / disbursement type, AOS staff should submit a consult through the AUP Specialty in Spiceworks (IPAs should contact the [IPAcorrespondence@ohioauditor.gov](mailto:IPAcorrespondence@ohioauditor.gov) inbox) for additional procedures. [↑](#endnote-ref-4)
5. **IPA AUP engagements:** AOS is a specified party. The use of the procedures in this shell and AOS’ written approval of any modifications / additions to these procedures will serve as AOS' written agreement and acknowledgement that the procedures performed are appropriate to meet our intended purposes as a specified party. [↑](#endnote-ref-5)
6. If the District uses a fiscal agent to process transactions, please replace the cash & investment section with the cash & Investment procedures in the Solid Waste District AUP shell. [↑](#endnote-ref-6)
7. Replace language with “Each Opinion Unit” if the prior engagement was a financial audit and if any prior findings for adjustments were adjusted to the client account records. [↑](#endnote-ref-7)
8. If the entity using the UAN system had no activity on 1/1/2022, then run the Fund Ledger Report as of the first date they had activity during the year. [↑](#endnote-ref-8)
9. Inter-account transfers should be recorded in the same accounting period on both bank statements; otherwise they should be appropriately reflected on both bank reconciliations. [↑](#endnote-ref-9)
10. Be specific in describing the procedure. If you have multiple funding sources to confirm, copy and paste this procedure for each funding source separately (i.e. OWDA, OPWC, etc.). [↑](#endnote-ref-10)
11. Other Receipts includes all receipts not tested in the procedures included in this report (i.e. Transfers In, Special Assessments, Intergovernmental Receipts, Confirmable Receipts, etc. would be excluded from this total). Other Receipts should be assessed for each individual fund type category annually (e.g. governmental, fiduciary, and proprietary). [Omit this procedure unless other receipts exceed 10% of the appropriate category receipts.] [↑](#endnote-ref-11)
12. Use the correct fund name. If the District does not use a debt service fund, read Ohio Rev. Code § 6101.44 to determine if the District retired the debt from a permissible fund. If the District did not comply, cite the proper code section and propose a finding for adjustment in this report. [**2024 OCS 1-10**] [↑](#endnote-ref-12)
13. Ohio Rev. Code § 6101.44 (C) The bond retirement fund, consisting of the proceeds of all special assessments the collection of which has been anticipated in the issuance of bonds or notes together with all other receipts pledged for the retirement of bonds or notes or the payment of interest on the bonds or notes, which shall be used only for those purposes. [↑](#endnote-ref-13)
14. This population consists of both full and part time employees, including elected officials. [↑](#endnote-ref-14)
15. If testing prior to the 4th quarter being due/paid, modify the description and test the 3rd quarter. [↑](#endnote-ref-15)
16. The amount due should equal the amount paid, unless you have an exception noted below the table. [↑](#endnote-ref-16)
17. This date assumes they remit State income taxes monthly. If your entity reports quarterly the due date should be changed to January 31. [↑](#endnote-ref-17)
18. Delete if no local income taxes. Insert additional rows if there is more than one applicable local income tax. [↑](#endnote-ref-18)
19. If a Conservancy District levies taxes, the checkmarks as noted in the OCS Implementation Guide, Exhibit 5, apply [i.e. Ohio Rev. Code § 5705 requirement in the matrix]. When they do not levy taxes, Ohio Rev. Code § 5705.28 (B) (2) requires a comparable, but somewhat streamlined budget process. Ohio Rev. Code § 5705.28(B) (2) requires entities to follow § 5705.36, .38, .40, .41, .43, .44, and .45. However, documents prepared in accordance with these sections need not be filed with the county auditor or county budget commission. Also, while Ohio Rev. Code § 5705.39 does not apply, § 5705.28(B)(2)(c) prohibits appropriations from exceeding estimated revenue (i.e. receipts + beginning unencumbered cash).”

    **NOTE: Special Assessments are not levied taxes *(State, ex rel. Emrick v. Wasson* (1990), 62 Ohio App.3d 498).**

    In addition, for conservancy districts that levy taxes, we should cite to the budgetary requirements contained in Ohio Rev. Code § 6101.44 where they are similar to requirements contained in Ohio Rev. Code Chapter 5705. The more specific requirements contained in Ohio Rev. Code Chapter 6101 trump those contained in Chapter 5705. Auditors should apply the provisions of Ohio Rev. Code Chapter 5705 when Chapter 6101 does not address budgetary restrictions applicable to conservancy districts. [OCS Implementation Guide, Exhibit 5-Legal Matrix, footnote 2] [↑](#endnote-ref-19)
20. NOTE: An appropriation for a new federal COVID 19 or Infrastructure Investment and Jobs Act program is effectively created by operation of Ohio Rev. Code § 5705.42. Ohio Rev. Code § 5705.42 indicates Federal and State grants or loans are “deemed appropriated” for such purpose by the taxing authority as provided by law. In addition, those moneys are also treated as if they are in the process of collection by the fiscal officer of the subdivision. This means that under Ohio Rev. Code § 5705.42, the moneys are treated by the fiscal officer as if they have been appropriated for a specific purpose, without requiring the taxing authority to adopt an amended appropriation measure. However, the fiscal officer should include the appropriated amounts on the (amended) certificate. The fiscal officer should also record the appropriation in the accounting system. The “deemed appropriated” criteria applies to new federal programs but not to the ARPA funds for which the revenue is reallocated as described in AOS Bulletin 2021-004. The funds receiving the reallocation will need to estimate receipts and appropriate in the traditional manner.

    See [AOS COVID-19 FAQs](https://ohioauditor.gov/resources/covid19_faqs.html) and [AOS Bulletin 2021-004](https://ohioauditor.gov/publications/bulletins/2021/2021-004_rev.pdf).

    Ohio Rev. Code §§ 5705.09(F) and 5705.10(I) imply that a resolution must be present in order for the restrictions on the use of the funds to be documented and evident. [↑](#endnote-ref-20)
21. Where a local government decided within the program period of performance but after the fiscal year end to reimburse eligible expenditures made prior to fiscal year end with allowable federal programs: This reimbursement activity, while allowable, has considerations that should be evaluated to determine if they are accounted for correctly and addressed any cut-off considerations appropriately in the preparation of their financial statements . See further guidance in Appendix A-1 of the OCS Implementation Guide, [AOS Bulletin 2021-004](https://ohioauditor.gov/publications/bulletins/officialbulletins.html), and AOS Advisory Memo, Prior Fiscal Year Expenditures Reimbursed with Federal Funds in the Subsequent Fiscal Year at [20210702- PriorFiscalYearExpenditures.pdf (ohioauditor.gov)](https://ohioauditor.gov/publications/advisorymemos/20210702-PriorFiscalYearExpenditures.pdf). [↑](#endnote-ref-21)
22. There is no legal authority addressing whether encumbrances are to be included when analyzing fund balances. Ohio Rev. Code § 5705.10 does not explicitly prohibit an entity from having a negative fund balance. Instead, we cite Ohio Rev. Code § 5705.10 because restricted funds were used for other purposes. Therefore, do not include encumbrances when analyzing compliance with Ohio Rev. Code § 5705.10. [↑](#endnote-ref-22)
23. If the entity is required to re-file financial statements due to an incomplete filing, the filing date and accounting basis of the re-filed annual financial report will then become the basis for determining compliance with the filing requirements. Auditors should use professional judgement when determining whether to report an exception with timely filing if the public office or other entity required to file originally submitted timely but had to refile. Documentation of these comments should be included in the working papers. [↑](#endnote-ref-23)
24. Be sure to document in the working papers who you spoke with and when, including name, title, and date. [↑](#endnote-ref-24)
25. AOS Auditor should consult with both their CA and CFAE AUP Specialty if they identify potential fraud issues. [↑](#endnote-ref-25)