



# Dave Yost • Auditor of State



## Frequently Asked Questions and Answers

Updated January, 2017

### **GENERAL INFORMATION/RESPONSIBILITY FOR FILING – ALL ENTITIES**

**Q:** What is the Hinkle Annual Financial Data Reporting System (formerly AFDRS)?

**A:** The Hinkle Annual Financial Data Reporting System (Hinkle System) is an internet-based application that allows certain financial statement, debt, and demographic data to be entered and/or uploaded and transmitted to the Auditor of State (AOS) to satisfy the filing requirements prescribed by the Ohio Revised Code (ORC) and the Ohio Administrative Code (OAC).

**Q:** What statute(s) requires my entity to file via the Hinkle System?

**A:** ORC 117.38 requires each public office, other than a state agency, shall file a financial report for each fiscal year. According to ORC §117.01(D), “public office” means any state agency, public institution, political subdivision, or other organized body, office, agency, institution, or entity established by the laws of the State of Ohio for the exercise of any function of government. Other entities, although not public offices, are required to file with the AOS under specific ORC sections.

ORC 117.38 also provides the Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. OAC 117-2-03 requires the reports to be filed electronically via the annual financial data reporting system.

For additional information, please refer to [AOS Bulletin 2015-007](#) – “Required Annual Financial Report Filing by Public Office and Other Entities Required to File.”

**Q:** What requires an agricultural society to file via the Hinkle System?

**A:** OAC 117-10-01 requires county agricultural societies and independent agricultural societies to report in accordance with the AOS’ manual [“Uniform System of Accounting for Agricultural Societies.”](#) Section 7-A of the Ohio Compliance Supplement in Appendix B references the requirement to file in accordance with ORC 117.38, as described above.

**Q:** In the past, I have submitted my entity’s required annual financial report by mailing the report or attaching the document to an email. Am I still permitted to submit my report using those methods?

**A:** No. For 2015 and subsequent filings, all entities must file via the Hinkle System unless a small government, that does **not** utilize the AOS’ Uniform Accounting Network (UAN), has received an approved waiver from the AOS (please refer to the question related for waivers below).

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**Q:** My entity does not have a computer/internet access to file via the Hinkle System. Is there an alternative method to file?

**A:** The Hinkle System filing is only required once per year. Even if your entity does not utilize a computer to maintain the financial records, this once a year filing can be accomplished by using publically accessible computers at most public libraries or via the home computer of the fiscal officer/board members.

If a small, non-UAN government entity is unable to access the internet to file electronically, an *Electronic Filing Waiver Request for Small Governments* form may be completed and submitted for consideration by the AOS. Waivers, if granted, are only applicable to one financial reporting year only and must include the steps the entity will take to assure future electronic filing. The waiver form is available on the AOS website at: [Electronic Filing Waiver Requests for Small Governments form](#)

**Q:** The fiscal officers for small entities are not CPAs and do not have the expertise to prepare their entities notes to the financial statements. Why are they required to prepare notes to the financial statements? **[UPDATED]**

**A:** The notes to the financial statements are part of the financial statements and are the responsibility of the entity. The entity may seek assistance in completion of the financial statements and notes to the financial statements but must be able to understand the financial statements and notes to the financial statements. The AOS has provided additional guidance/training to help small entities prepare their financial statements and notes to the financial statements. To direct specific questions related to preparing financial statements and notes to the financial statements to the Auditor of State, please click [here](#).

**Q:** Our entity has qualified for “agreed-upon procedures” (AUP) or a “basic audit” instead of a regular GAGAS audit. The AUP or basic audit report does not include notes to the financial statements. Why does my entity have to prepare/file notes to the financial statements if they will not be used by our auditors?

**A:** First, the primary purpose for an entity to create financial statements is to be accountable to your constituents. Remember, your entity is required to make your financial statements available for public inspection. The statement required to be included on the face of every financial statement (for example – “The notes to the financial statements are an integral part of this statement”) refers the reader to the notes for information that cannot be determined simply by looking at the financial statements.

Second, in order to qualify for reduced audit services (i.e. AUP or basic audit), the entity is required to file their final, unaudited financial statements (including notes to the financial statements) via the Hinkle System in order to be considered “auditable.” Unauditable entities are not eligible for reduced audit services.

**Q:** The county auditor serves at the fiscal agent for several entities. Since these entity types have a filing requirement via the Hinkle System and are required to prepare notes to the financial statements as part of the filing, who is responsible for preparing and submitting the Hinkle System submission for these entities?

**A:** Overall, the entity must file, but the County may have a statutory responsibility to serve as the fiscal agent. Who prepares the financial statements and notes for these entities needs to be decided by the County and the entity. It may be a joint effort. The Hinkle System emails/links can be sent to either party upon request.

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**Q:** Will the Hinkle System be updated for new GASB and reporting standards?

**A:** Yes. The Hinkle System will be updated annually by the AOS's Office for any new standards, if applicable.

**Q:** I utilize the Auditor of State's Uniform Accounting Network (UAN) as my accounting software. In the past UAN has filed on my behalf, will this continue? **[UPDATED]**

**A:** Yes. UAN will file on behalf of clients to meet the filing requirement from the client's uploaded year-end AFR file or mailed CD if the client reports on an OCBOA Modified Cash, OCBOA Cash or Regulatory Cash accounting basis. The Year End Checklist has been modified to ask for the demographics and debt information, if applicable, as part of the final close-out procedures. Each UAN client will also need to create and upload their notes to the financial statements as part of their year-end process with UAN. UAN will combine the financial statements and notes to the financial statements and complete the entity's Hinkle System filing. If a UAN entity reports on a GAAP accounting basis or is a non-governmental, not-for-profit (such as Peninsula Library), the entity should opt out of UAN filing on their behalf by contacting UAN for an opt-out code.

**Q:** After reviewing these FAQs, I still have questions. To whom should questions concerning the Hinkle System and/or filing with the AOS be addressed?

**A:** The Hinkle System has "Help" features, identified by  placed in areas where questions are anticipated. Additionally, the AOS has developed this list of frequently asked questions (FAQs) and Quick Guides to provide assistance. Should you encounter difficulties or have further questions concerning the Hinkle System or the submission process, please contact the AOS [here](#).

### **MAINTAINING ENTITY CONTACT INFORMATION ON FILE WITH THE AOS**

**Q:** If an entity's fiscal officer changes, what is the appropriate manner to have contact information updated to ensure the entity-specific link is received by the new fiscal officer?

**A:** The entity should follow the instructions on our website (<http://www.ohioauditor.gov/resources/AOSNotifications.html>) to notify us of the change in fiscal officer. If the fiscal officer change occurs after the end of the reporting period, and therefore, the initial Hinkle System email was not directed to the current email address, click [here](#) to submit an inquiry related to how to access your entity's Hinkle System filing link.

### **ACCESSING THE HINKLE SYSTEM/RESPONSIBILITY FOR FILING**

**Q:** How do I submit my entity's required annual financial report to the AOS as required by the ORC via the Hinkle System?

**A:** Each entity required to file its annual financial report with the AOS will be provided an **entity-specific link** via email that will allow the Hinkle System to be accessed. This Hinkle System submission will fulfill the entity's annual financial reporting requirement under Ohio law.

The contact person for every entity with a filing requirement is emailed the entity-specific filing link shortly after the end of the entity's reporting period, as well as in reminder and late notice emails. Simply click on the link in the email to access the Hinkle System for filing your entity's submission. The entity name and reporting period will appear at the top of the screen.

Additionally, the link may be accessed via your entity's AOS eServices account. You will need your entity's customer ID and your entity's contact's email address. The Hinkle System can be accessed by clicking the tab at the top of the webpage.

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**Q:** If our entity's financial statements are prepared by our fiscal agent (such as the county that prepares a board of health's financial statements), can the entity-specific link be sent to our fiscal agent rather than our fiscal officer?

**A:** Yes, if another entity serves as your entity's fiscal agent and prepares your financial statement, please notify the AOS that your fiscal agent is responsible for filing your entity's financial statements and will need to receive the Hinkle System link. Please follow the same guidance at <http://www.ohioauditor.gov/resources/AOSNotificatons.html> to notify us of a change in fiscal officer; however, indicate in the email that you would like to **only** change your entity's Hinkle System contact (not the primary contact) and provide your entity's name and county, and the fiscal agent's contact person and email.

**Q:** I am the fiscal officer for my entity; however, one of my staff members manages the annual financial report. Can correspondence relating to the annual financial report be sent directly to my staff member?

**A:** Each entity's fiscal officer is the primary contact for the correspondence related to the annual financial report. The fiscal officer has the ability to forward correspondence to other individuals as desired to access the entity-specific link for filing the required annual financial report. **NOTE:** Since any individual who is provided the entity-specific link will be able to access the Hinkle System and file on behalf of the entity, please ensure the email with the embedded link is only provided to other individuals when necessary.

**Q:** Our entity contracts for GAAP services. In the past, the GAAP-converter has filed our annual financial report with the AOS. Will our GAAP-converter be able to access the Hinkle System in order to complete the annual filing requirement on behalf of my entity?

**A:** Yes. Each entity's fiscal officer will receive an email that contains an entity-specific link to access the Hinkle System to file that entity's annual financial report with the AOS. This link may be provided to other individuals to file the entity's annual financial report; however, the responsibility to ensure the annual financial report information is filed with the AOS remains with the entity. **NOTE:** Since any individual who is provided the entity-specific link will be able to access the Hinkle System and file on behalf of the entity, please ensure the link is only provided to required individuals.

**Q:** I am the fiscal officer but did not receive an email with the Hinkle System link or the original email containing the link to the Hinkle System for my entity was deleted or is otherwise no longer available. What is the appropriate manner to restore access? **[UPDATED]**

**A:** **First**, ensure you have added [HinkleSystem@ohioauditor.gov](mailto:HinkleSystem@ohioauditor.gov) to your email contact list.

**Second**, check your spam folder of your email account.

**Third**, log into your entity's [AOS eServices account](#) to access the link.

**Finally**, click [here](#) to contact the AOS.

### TIMING OF HINKLE SYSTEM SUBMISSIONS/DUE DATES

**Q:** What is the deadline for submission?

**A:** Entities filing on a GAAP basis have 150 days following fiscal year-end to submit their annual financial reports to the AOS, with the exception of entities subject to 1724.05 and 1726.11 which have 120 days, and state universities and colleges which must file no later than October 31 of each year. Other entities, and GAAP-mandated entities choosing to not file on a GAAP basis, have 60 days following fiscal year-end to complete their submission.

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**Q:** In the past, our entity has only filed a “draft” financial report to meet the filing deadline and then re-submitted the final unaudited financial statements at a later date. Why is this not permitted?

**A:** The Ohio Revised Code filing requirements do not provide for a “draft” filing. Ohio Revised Code 117.38 not only prescribes the filing deadlines but also indicates at the time the report is filed with the Auditor of State, the chief fiscal officer shall publish notice in a newspaper of general circulation in the political subdivision or taxing district that states the financial report has been completed by the public office and is available for inspection at the office of the chief fiscal officer. Therefore, the filing with the Auditor of State should not occur until the **final, unaudited** financial statements are prepared and ready for inspection and audit.

As indicated in AOS Bulletin 2015-007, beginning with audit periods including the entity’s 2016 year-end (i.e. 2015-2016, 2016 or 2016-2017), the AOS or the contracted IPA firm will audit the financial statements and notes to the financial statements uploaded via the Hinkle System.

Additionally, re-filing a report at a later date will result in the filing date and accounting basis of the re-filed annual financial report becoming the basis for determining compliance with the filing requirements. While your entity will not be cited for a late filing if you re-file after the due date for 2016 audits (2015-2016, 2016 or 2016-2017), re-filing will result in a late filing citation in the management letter for subsequent audit periods.

Finally, the keyed data from the Hinkle System is used to generate the reports to the Governor, Legislature and State Library, as required by ORC 117.38(D), as well as the summary information that is available on the AOS website under Local Government/Resources/Summarized Annual Financial Reports. Although labeled as “unaudited,” the data is utilized by many outside parties for research and statistical information. The assumption would be it is accurate to the best of the entity’s ability.

**Q:** Should I wait to submit my entity’s financial information via the Hinkle System until after our audit is complete?

**A:** No. The financial information you enter/upload into the Hinkle System should be the **final, unaudited** financial statements your entity prepares for audit.

As indicated in AOS Bulletin 2015-007, beginning with audit periods including the entity’s 2016 year-end (i.e. 2015-2016, 2016 or 2016-2017), the AOS or the contracted IPA firm will audit the financial statements and notes to the financial statements uploaded via the Hinkle System. Therefore, your audit cannot be completed until the Hinkle System filing is complete.

**Q:** We are a GAAP mandated entity, but we prepare GASB 34 look a-like financial statements. What is the filing deadline? Is it 150 days as if they were GAAP financial statements?

**A:** GASB 34 look-a-like financial statements are OCBOA Modified Cash or OCBOA Cash basis reporting. Therefore, the annual financial information is due within 60 days.

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**Q:** My entity is GAAP-mandated and will be filing GAAP financial statements with a due date of 150 days after the end of the reporting period. Why am I receiving a remainder email informing me the 60 day deadline is approaching as if we will file on a non-GAAP basis?

**A:** Some GAAP-mandated entities choose to file on a non-GAAP basis. Until the entity selects the filing type (basis of accounting) for their current year Hinkle System filing via clicking the entity-specific link and selecting the basis, we do not know which basis the entity intends to use to prepare its financial statements; therefore, we send a reminder of the 60 day deadline to all entities which have not selected a filing type or have indicated the filing type as OCBOA Cash or OCBOA Modified Cash (or Regulatory Cash for entities which are not GAAP-mandated). If the entity has already accessed the Hinkle System and selected GAAP as the filing type, the 60 day filing reminder email will not be sent. Instead, the entity will only receive the reminder email at 140 days after the end of the reporting period.

**Q:** If the due date falls on a weekend or legal holiday, is the deadline extended?

**A:** Yes, if the statutory due date falls on a weekend, on a legal holiday or when the AOS is closed to the public, the deadline will be extended to the next business day.

**Q:** What do we do if our final, unaudited financial statements cannot be filed by the statutory due date, because of our GAAP converter's schedule and/or waiting for updated information from outside parties for note disclosures?

**A:** Your entity's disclosures are only required to include the most current information that is available at the time the financial statements are prepared. The notes would just need to disclose that fact.

Entities should ensure sufficient time has been planned and any necessary assistance has been engaged to prepare their final, unaudited, annual financial statements to meet the statutory filing due date. The GAAP converter's schedule is not one of the allowable reasons to request an extension.

**Q:** My entity plans to prepare a Comprehensive Annual Financial Report (CAFR) for audit and submission to the Government Finance Officers Association (GFOA) for award. Are we required to file the final, complete, unaudited CAFR via the Hinkle System or can we only submit the final, unaudited basic GAAP financial statements, notes, etc. and provide the remaining sections of the CAFR at the time of audit? **[NEW]**

**A:** Preparation of a CAFR is voluntary and is therefore not required to meet statutory filing requirements via the Hinkle System; **however**, the due date for submitting the **audited** CAFR to GFOA for award is six (6) months (approximately 180 days) after the end of the reporting period year-end. If your entity plans to complete and submit a CAFR to GFOA for award, we **strongly** recommend that your entity plan appropriately to complete the entire unaudited CAFR on, or preferably before, the statutory filing due date and upload it via the Hinkle System. While your entity would not be subject to a non-compliance citation if the Hinkle System filing is not the entire unaudited CAFR, completion of the unaudited CAFR after the Hinkle System filing due date may impact the completion of the audit by the GFOA filing deadline.

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### EXTENSIONS TO FILING DUE DATES

**Q:** Am I able to obtain an extension for filing the annual financial report? **[UPDATED]**

**A:** Normally, entities should ensure sufficient time has been planned and any necessary assistance has been engaged to prepare their annual financial statements; however, the AOS recognizes that occasionally circumstances may arise that justify granting an extension of the annual report filing deadline as permitted by ORC §117.38. Generally, the AOS will consider granting an extension to a public office, or other entity required to file, under extraordinary circumstances as defined below:

- 1) The public office is located in an area where a major flood or natural disaster has recently occurred;
- 2) The records are destroyed through fire or casualty;
- 3) The records are not updated due to recent death or disability of the person responsible for preparing the financial report;
- 4) A newly elected or appointed public official requests extension due to poor maintenance of financial records by the predecessor official; or
- 5) Other extenuating circumstances as determined by the AOS.

**Please be aware that receiving an extension for filing the entity's annual financial report does not eliminate noncompliance with the requirements of OAC 117-2-03(B), which requires certain entity types to prepare their financial reports pursuant to GAAP.**

**Q:** What are the procedures to request an extension of the filing due date for my entity's Hinkle System filing? **[NEW]**

**A:** We have updated our extension request procedures. **All** clients\*, including UAN clients, required to file their annual financial report via the Hinkle System, must now submit the extension request through their entity-specific Hinkle System link **no later than the due date for completing their Hinkle System filing**. Specific steps to complete an extension request are available on our website or by clicking [here](#). Extension requests submitted by other methods will not be accepted.

\*The only exception is for entities which have received an AOS-approved *Electronic Filing Waiver Request for Small Governments* for the applicable reporting period. Entities requesting a waiver from filing electronically will be provided instructions for requesting an extension with the AOS-approved waiver; however, the extension still must be requested no later than the Hinkle System filing due date.

**Q:** If I need to file an amended financial statement, why would my entity be subject to a non-compliance citation when the original filing was within the extension period approved?

**A:** If the financial statements need to be modified, the original filing was not complete and/or accurate. Therefore, if the original filing is modified, the filing date recorded with the AOS is the date the modified submission is filed. If the modified date is not within the statutory due date or extension period approved by the AOS, the entity may be subject to a non-compliance citation in the management letter.

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#### **SELECTING THE APPROPRIATE FILING TYPE (BASIS OF ACCOUNTING)**

**Q:** What basis of accounting is required?

**A:** OAC 117-2-03(B) requires all counties, cities and school districts, including educational service centers and community schools and, effective for filings with periods ended December 31, 2016 and after, government insurance pools, to prepare the annual financial report pursuant to GAAP. Entities subject to filing requirements under 1724.05 and 1726.11 are also required to report in accordance with GAAP. Additionally, OAC 126:3-1-01(A)(2)(a) requires state universities and colleges to prepare their financial statements in accordance with GAAP.

**Q:** When I select the basis of accounting in the Hinkle System, I receive a warning message. Why? (Only applicable to cities, counties, school districts, educational service centers, community schools, community improvement corporations (CICs), development corporations, colleges and universities and, for periods ended December 31, 2016 and after, governmental insurance pools.

**A:** The Hinkle System requires you to select the basis of accounting on which your entity's annual financial report will be filed (i.e., GAAP, OCBOA Modified Cash, or OCBOA Cash). The warning message serves as notification that since your entity is required to file its annual financial report on a GAAP basis, and the basis of accounting selected is OCBOA Modified Cash or OCBOA Cash basis, your entity may be subject to non-compliance with ORC 117.38. If the incorrect basis of accounting was selected, please follow the steps for resetting the filing type.

**Q:** My entity is GAAP-mandated; however, in the past, we have chosen to file on the Regulatory Cash basis. The only filing types (bases of accounting) available for me to select via the Hinkle System are GAAP, OCBOA Cash and OCBOA Modified Cash. Why?

**A:** With the implementation of GASB Statement 34 in 2003, the Regulatory Cash basis was no longer a basis of accounting acceptable for GAAP-mandated entities and will always result in issuance of an adverse opinion by the auditors. An adverse opinion means the financial statements are materially misstated and do not present a fair view of the entity's financial position and operations. Since the Regulatory Cash basis is no longer an acceptable basis of accounting for GAAP-mandated entities, it was not included as an option for GAAP-mandated entities to file via the Hinkle System.

**Q:** Should a small government entity select the regulatory cash basis, OCBOA cash basis, OCBOA modified cash basis or GAAP basis?

**A:** Small governments are not mandated to follow a required basis of accounting; therefore, the small government entity can select any accounting basis to present. The most common basis presented for small governments is the regulatory cash basis, which is sometimes referred to as the "AOS basis" and presents by fund type. The OCBOA cash or OCBOA modified cash basis is also known as the "GASB 34 look-alike" and presents in a format similar to GAAP.

#### **FINALIZING THE HINKLE SYSTEM FILING**

**Q:** Can I modify my entity's submission once it is submitted?

**A:** No. Each entity has the ability to save and modify data for its submission up to the point that it is submitted; however, once submitted, the information cannot be modified. If a modification is necessary, the fiscal officer must contact the AOS [here](#). **NOTE:** Entities should consider the need for extension requests **prior to** established due dates. If annual financial information is re-filed, the filing date will be recorded as the most recent submission date, which may result in a non-compliance citation in the management letter if filed after the due date.

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**Q:** I am the fiscal officer of a governmental entity but have either assigned staff or contracted to have the financial information entered into the Hinkle System. Whose name and title should be entered into the acknowledgement page when submitting the annual financial information?

**A:** The individual who keyed/uploaded the annual financial information into the Hinkle System should enter his/her name and title into the acknowledgement page to ensure the proper individual is contacted should questions arise.

**Q:** I completed the upload of the PDF file of the financial statements and notes to the financial statements but did not receive a confirmation email. Why?

**A:** The upload is not the final step in the Hinkle System submission. Once the upload is complete, click the next button to finalize the submission. Once the submission is complete, an online acknowledgement will appear on the screen as well as an automated email confirmation. If you received the on-screen confirmation but not the email confirmation, please check your email spam folder and ensure the Hinkle System email is added to your email contacts.

### **VIEWING A HINKLE SYSTEM SUBMISSION**

**Q:** My entity submitted our financial statements via the Hinkle System, but when I click on the filing link now, it just indicates the submission has been completed. How can I determine if the submission was received? How can I view what was submitted?

**A:** When the submit button is clicked, the person submitted the filing (whose email is to be included on the certification page) as well as the entity's fiscal officer/other contact in the AOS database (if different), will receive an automated email indicating the filing is completed.

Once the filing is completed, the entity may view the submission by accessing their AOS eServices account and clicking the Hinkle System tab at the top of the webpage. The entity will be able to view/print the PDF file that was uploaded as well as the keyed data, if applicable.

**Q:** When I view my entity's submission via eServices, I can only see the notes to the financial statements. I uploaded both the financial statements and the notes. Why can't I see the financial statements?

**A:** It appears you attempted to upload multiple files. The Hinkle System will only accept one (1) PDF file. If you uploaded a second PDF file, the first upload is overwritten and only the final uploaded file will be transmitted to the AOS. Please refer to the questions regarding modifying your Hinkle System filing.

### **MODIFYING A HINKLE SYSTEM SUBMISSION**

**Q:** After viewing my entity's submission via our AOS eServices account, I realized the information was incomplete and/or not accurate. How do I update my submission?

**A:** To unlock your entity's filing link, the **fiscal officer** or other designated person on file with the AOS must contact the AOS [here](#), explain why the original filing was incomplete/inaccurate and ask for the link to be re-opened.

If the financial information filed needs to be modified, it is reasoned the original filing was not complete and/or accurate. Therefore, if the original filing is modified, the filing date recorded with the AOS is the date the modified submission is filed. If the modified date is not by the due date set by the ORC or within the approved extension period, the entity may be cited for non-compliance in the management letter.

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#### **INFORMATION REQUIRED TO COMPLETE THE FILING IN THE HINKLE SYSTEM - GENERAL**

**Q:** Does the Schedule of Federal Awards Expenditure need to be included in the annual filing?

**A:** No. The Schedule of Federal Awards Expenditure is not required to be included with the annual financial report to comply with filing requirements. Therefore, it has not been incorporated into the Hinkle System. However, if applicable, your entity should prepare its Schedule of Federal Awards Expenditure for the financial audit of the entity.

#### **INFORMATION REQUIRED TO COMPLETE THE FILING IN THE HINKLE SYSTEM – BY ENTITY TYPE**

##### **CITY/COUNTY INFORMATION**

**Q:** What information is needed for a city or county to complete the filing requirements within the Hinkle System?

**A:** The following items are needed to complete the filing requirements within the Hinkle System:

- Annual Financial Statements and Related Footnotes
- Population for the Reporting Year
- Total Annual Final Appropriations for All Funds for the Reporting Year
- Average Number of Utility Customers for the Reporting Year (if applicable)
- Full Tax Rate per \$1,000 of Assessed Valuation for the Reporting Year – for 2016 and after, the tax rate will be differentiated between inside and outside (voted) millage
- Total Assessed Property Tax Valuation for the Reporting Year
- Unrestricted General Fund Carryover Cash Balance at Year End (a.k.a. Fund Balance at Year End for the General Fund as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual or General Fund Cash Balance at Year End Less Any Outstanding Encumbrances)
- The complete financial statements, including note disclosures, will also need to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE REQUIRED COMPONENTS** section applicable to all entities at the end of this document.

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**Q:** What financial information will need to be entered into the Hinkle System by a city or county?

**A:** The following is a summary of the financial statement/information requirements of the Hinkle System:

<i>Financial Statement/Information Title</i>	<i>Status</i>
Statement of Net Position - Governmental Activities	Required
Statement of Activities - Governmental Activities	Required
Balance Sheet - Governmental Funds - General	Required
Balance Sheet - Governmental Funds - Total Governmental Funds	Required
Statement Of Revenues/Receipts, Expenditures/Disbursements And Changes In Fund Balances - Governmental Funds - General	Required
Statement Of Revenues/Receipts, Expenditures/Disbursements And Changes In Fund Balances - Governmental Funds - Total Governmental Funds	Required
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Water	Required If Entity Operates A Water Fund Or Must Be Marked Not Applicable
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Sewer	Required If Entity Operates A Sewer Fund Or Must Be Marked Not Applicable
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Electric (Only Applicable to Cities)	Required If Entity Operates An Electric Fund Or Must Be Marked Not Applicable
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Landfill	Required If Entity Operates A Landfill Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds - Water	Required If Entity Operates A Water Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds - Sewer	Required If Entity Operates A Sewer Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds - Electric (Applicable to Cities)	Required If Entity Operates An Electric Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds Landfill	Required If Entity Operates A Landfill Fund Or Must Be Marked Not Applicable
Long-Term Obligations At Year-End For Governmental And Business-Type Activities Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Population For The Reporting Year	Required
Total Current Year Appropriations For All Funds For The Reporting Year	Required
Average Number Of Utility Customers For The Reporting Year	Recommended If Applicable
Full Property Tax Rate For The Reporting Year	Required
Property Tax Valuation For The Reporting Year	Required
Unrestricted General Fund Carryover Cash Balance At Year-End	Required

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### **SCHOOL DISTRICT & EDUCATIONAL SERVICE CENTER INFORMATION**

**Q:** What information is needed for a school or educational service center (ESC) to complete the filing requirements within the Hinkle System?

**A:** The following items are needed to complete the filing requirements within the Hinkle System:

- Annual Financial Statements and Related Footnotes
- Average Daily Membership (ADM) for the Reporting Year
- Total Annual Final Appropriations for All Funds for the Reporting Year
- Full Tax Rate per \$1,000 of Assessed Valuation for the Reporting Year, by Inside and Voted Millage
- Total Assessed Property Tax Valuation for the Reporting Year
- Unrestricted General Fund Carryover Cash Balance at Year End (a.k.a. Fund Balance at Year End for the General Fund as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual or General Fund Cash Balance at Year End Less Any Outstanding Encumbrances)
- The complete financial statements, including note disclosures, will also need to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE REQUIRED COMPONENTS** section applicable to all entities at the end of this document.

**Q:** What financial information will need to be entered into the Hinkle System by a school district or ESC?

**A:** The following is a summary of the financial statement/information requirements of the Hinkle System:

<i>Financial Statement Title</i>	<i>Status</i>
Statement of Net Position - Governmental Activities	Required
Statement of Activities - Governmental Activities	Required
Balance Sheet - Governmental Funds - General	Required
Balance Sheet - Governmental Funds - Total Governmental Funds	Required
Statement of Revenues/Receipts, Expenditures/Disbursements and Changes in Fund Balances - Governmental Funds - General	Required
Statement of Revenues/Receipts, Expenditures/Disbursements and Changes in Fund Balances - Governmental Funds - Total Governmental Funds	Required
Long-Term Obligations At Year-End for Governmental Type Activities Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Average Daily Membership (ADM) For The Reporting Year	Required
Total Current Year Appropriations For All Funds For The Reporting Year	Required
Full Property Tax Rate Per \$1,000 of Assessed Valuation For The Reporting Year, differentiated by Inside and Voted Millage (if applicable)	Required
Total Assessed Property Tax Valuation For The Reporting Year(if applicable)	Required
Unrestricted General Fund Carryover Cash Balance At Year-End	Required

**Hinkle Annual Financial Data Reporting System**  
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**COMMUNITY SCHOOL INFORMATION**

**Q:** What information is needed for a community school to complete the filing requirements within the Hinkle System?

**A:** The following items are needed to complete the filing requirements within the Hinkle System:

- Annual Financial Statements and Related Footnotes
- Total Enrollment (FTE) for the Reporting Year
- Total Forecasted Expenditures for the Reporting Year as Reported to the Ohio Department of Education
- Unrestricted Carryover Cash Balance at Year End
- Community School Models (Please check all which apply)
  - Site-based Community School
  - Internet/Online Community School
  - Drop-out Recovery and Prevention School
  - Use Blended Learning Model
  - Use Credit Flex
  - Other, please specify
- The complete financial statements, including note disclosures, will also need to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE REQUIRED COMPONENTS** section applicable to all entities at the end of this document.

**Q:** What financial information will need to be entered into the Hinkle System by a community school?

**A:** The following is a summary of the financial statement/information requirements of the Hinkle System:

<i>Financial Statement Title</i>	<i>Status</i>
Statement of Net Position	Required
Statement of Revenues/Receipts, Expenses/Disbursements and Changes in Net Position	Required
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Total Enrollment Full-Time Equivalence (FTE) For The Reporting Year	Required
Total Forecasted Expenditures For The Reporting Year As Reported To The Ohio Department Of Education	Required
Selection of the Community School Model(s) utilized by the School	Required
Unrestricted Carryover Cash Balance At Year-End	Required

# Hinkle Annual Financial Data Reporting System

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### **LIBRARY INFORMATION**

**Q:** What information is needed for a library to complete the filing requirements within the Hinkle System?

**A:** The following items are needed to complete the filing requirements within the Hinkle System:

- Annual Financial Statements and Related Footnotes
- Estimated Number of Patrons
- Yearly Circulation
- Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year (if applicable)– for 2016 and after, the tax rate will be differentiated between inside and outside (voted) millage
- Total Assessed Property Tax Valuation for the Reporting Year (if applicable)
- Unrestricted General Fund Carryover Cash Balance at Year End (a.k.a. Fund Balance at Year End for the General Fund as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual or General Fund Cash Balance at Year End Less Any Outstanding Encumbrances)
- The complete financial statements, including note disclosures, will also need to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE REQUIRED COMPONENTS** section applicable to all entities at the end of this document.

**Q:** What financial information will need to be entered into the Hinkle System by a library?

**A:** The following is a summary of the financial statement/information requirements of the Hinkle System:

<b>Regulatory Cash basis filing:</b>	
<i>Financial Statement Title</i>	<i>Status</i>
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Governmental Funds - General Fund	Required
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Governmental Funds - Total Governmental Funds	Required
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Estimated Number of Patrons	Required
Yearly Circulation	Required
Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year (if applicable)	Required
Total Assessed Property Tax Valuation for the Reporting Year (if applicable)	Required
Unrestricted General Fund Carryover Cash Balance at Year End	Required
<b>GAAP, OCBOA Modified Cash, or OCBOA Cash basis filings:</b>	
<i>Financial Statement Title</i>	<i>Status</i>
Statement of Net Position - Governmental Activities	Required
Statement of Activities - Governmental Activities	Required
Balance Sheet - Governmental Funds - General	Required
Balance Sheet - Governmental Funds - Total Governmental Funds	Required
Statement of Revenues/Receipts, Expenditures/Disbursements and Changes in Fund Balances - Governmental Funds - General	Required
Statement of Revenues/Receipts, Expenditures/Disbursements and Changes in Fund Balances - Governmental Funds - Total Governmental Funds	Required
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Estimated Number of Patrons	Required
Yearly Circulation	Required
Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year (if applicable)	Required
Total Assessed Property Tax Valuation for the Reporting Year (if applicable)	Required
Unrestricted General Fund Carryover Cash Balance at Year End	Required

# Hinkle Annual Financial Data Reporting System

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### **TOWNSHIP INFORMATION**

**Q:** What information is needed for a township to complete the filing requirements within the Hinkle System?

**A:** The following items are needed to complete the filing requirements within the Hinkle System:

- Annual Financial Statements and Related Footnotes
- Population
- Total Annual Final Appropriations for All Funds for the Reporting Year
- Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year – for 2016 and after, the tax rate will be differentiated between inside and outside (voted) millage
- Total Assessed Property Tax Valuation for the Reporting Year
- Unrestricted General Fund Carryover Cash Balance at Year End (a.k.a. Fund Balance at Year End for the General Fund as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual or General Fund Cash Balance at Year End Less Any Outstanding Encumbrances)
- Full Reporting package to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE REQUIRED COMPONENTS** section applicable to all entities at the end of this document.

**Q:** What financial information will need to be entered into the Hinkle System by a township?

**A:** The following is a summary of the financial statement/information requirements of the Hinkle System:

<b>Regulatory Cash basis filing:</b>	
<i>Financial Statement Title</i>	<i>Status</i>
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Governmental Funds - General Fund	Required
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Governmental Funds - Total Governmental Funds	Required
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Population	Required
Total Annual Final Appropriations for All Funds for the Reporting Year	Required
Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year	Required
Total Assessed Property Tax Valuation for the Reporting Year	Required
Unrestricted General Fund Carryover Cash Balance at Year End	Required

<b>GAAP, OCBOA Modified Cash, or OCBOA Cash basis filings:</b>	
<i>Financial Statement Title</i>	<i>Status</i>
Statement of Net Position - Governmental Activities	Required
Statement of Activities - Governmental Activities	Required
Balance Sheet - Governmental Funds - General	Required
Balance Sheet - Governmental Funds - Total Governmental Funds	Required
Statement of Revenues/Receipts, Expenditures/Disbursements and Changes in Fund Balances - Governmental Funds - General	Required
Statement of Revenues/Receipts, Expenditures/Disbursements and Changes in Fund Balances - Governmental Funds - Total Governmental Funds	Required
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Population	Required
Total Annual Final Appropriations for All Funds for the Reporting Year	Required
Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year	Required
Total Assessed Property Tax Valuation for the Reporting Year	Required
Unrestricted General Fund Carryover Cash Balance at Year End	Required

# Hinkle Annual Financial Data Reporting System

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### VILLAGE INFORMATION

**Q:** What information is needed for a village to complete the filing requirements within the Hinkle System?

**A:** The following items are needed to complete the filing requirements within the Hinkle System:

- Annual Financial Statements and Related Footnotes
- Population
- Total Annual Final Appropriations for All Funds for the Reporting Year
- Average Number of Utility Customers
- Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year – for 2016 and after, the tax rate will be differentiated between inside and outside (voted) millage
- Total Assessed Property Tax Valuation for the Reporting Year
- Unrestricted General Fund Carryover Cash Balance at Year End (a.k.a. Fund Balance at Year End for the General Fund as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual or General Fund Cash Balance at Year End Less Any Outstanding Encumbrances)
- The complete financial statements, including note disclosures, will also need to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE REQUIRED COMPONENTS** section applicable to all entities at the end of this document.

**Q:** What financial information will need to be entered into the Hinkle System by a village?

**A:** The following is a summary of the financial statement/information requirements of the Hinkle System:

<b>Regulatory Cash basis filing:</b>	
<i>Financial Statement Title</i>	<i>Status</i>
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Governmental Funds - General Fund	Required
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Governmental Funds - Total Governmental Funds	Required
Combined Statement Of Cash Receipts, Cash Disbursements, And Changes in Fund Cash Balances - Proprietary Funds - Enterprise Funds	Required If Entity Operates Enterprise Funds Or Must Be Marked Not Applicable
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Population	Required
Total Annual Final Appropriations for All Funds for the Reporting Year	Required
Average Number of Utility Customers (if applicable)	Required
Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year	Required
Total Assessed Property Tax Valuation for the Reporting Year	Required
Unrestricted General Fund Carryover Cash Balance at Year End	Required

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**GAAP, OCBOA Modified Cash, or OCBOA Cash basis filings:**

<i>Financial Statement Title</i>	<i>Status</i>
Statement of Net Position - Governmental Activities	Required
Statement of Activities - Governmental Activities	Required
Balance Sheet - Governmental Funds - General	Required
Balance Sheet - Governmental Funds - Total Governmental Funds	Required
Statement Of Revenues/Receipts, Expenditures/Disbursements And Changes In Fund Balances - Governmental Funds - General	Required
Statement Of Revenues/Receipts, Expenditures/Disbursements And Changes In Fund Balances - Governmental Funds - Total Governmental Funds	Required
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Water	Required If Entity Operates A Water Fund Or Must Be Marked Not Applicable
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Sewer	Required If Entity Operates A Sewer Fund Or Must Be Marked Not Applicable
Statement Of Net Position - Proprietary Funds - Enterprise Funds - Electric	Required If Entity Operates An Electric Fund Or Must Be Marked Not Applicable
Statement Of Net Position - Proprietary Funds - Enterprise Funds -Landfill	Required If Entity Operates A Landfill Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds -Water	Required If Entity Operates A Water Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds - Sewer	Required If Entity Operates A Sewer Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds - Electric	Required If Entity Operates An Electric Fund Or Must Be Marked Not Applicable
Statement Of Revenues/Receipts, Expenses/Disbursements And Changes In Net Position - Proprietary Funds - Enterprise Funds - Landfill	Required If Entity Operates A Landfill Fund Or Must Be Marked Not Applicable
Long-Term Obligations At Year-End Identified By Type Of Obligation	Required
Other Information - Demographics Including The Following:	
Population	Required
Total Annual Final Appropriations for All Funds for the Reporting Year	Required
Average Number of Utility Customers (if applicable)	Required
Full Tax Rate Per \$1,000 of Assessed Valuation for the Reporting Year	Required
Total Assessed Property Tax Valuation for the Reporting Year	Required
Unrestricted General Fund Carryover Cash Balance at Year End	Required

**FILING INFORMATION – ALL OTHER ENTITIES NOT SPECIFICALLY IDENTIFIED**

**Q:** What information is needed to complete the filing requirements within the Hinkle System for any other entity type not already specifically identified?

**A:** The complete financial statements, including note disclosures, in PDF format will need to be uploaded into the system. The components of the full reporting package vary by basis of accounting. Please see the **PDF FILE - REQUIRED COMPONENTS – ALL ENTITIES** section below.

## Hinkle Annual Financial Data Reporting System

### Frequently Asked Questions and Answers

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#### **PDF FILE - REQUIRED COMPONENTS – ALL ENTITIES**

**Q:** What should be included in the PDF file which must be uploaded for any other entity type not already specifically identified?

**A:** The components of the full reporting package vary by basis of accounting as follows:

◆ **Governmental Entities (including Governmental Nonprofit Entities) filing GAAP, OCBOA Cash or OCBOA Modified Cash basis:**

- Management’s Discussion & Analysis (required for GAAP; optional for OCBOA Cash or OCBOA Modified Cash)
- Basic Financial Statements
  - Government-Wide Financial Statements
  - Fund Financial Statements
  - Notes to the Basic Financial Statements
- Any Other Required Supplementary Information (RSI) (GAAP only)

◆ **Nongovernmental Nonprofit Entities filing GAAP, OCBOA Cash or OCBOA Modified Cash basis:**

- Basic Financial Statements
  - Statement of Financial Position
  - Statement of Activities (also known as Statement of Changes in Net Assets)
    - Statement of Functional Expenses (required for voluntary health and welfare organization, optional for all other nonprofit organizations)
  - Statement of Cash Flows (GAAP only)
  - Notes to the Financial Statements
- Any Other RSI (GAAP only)

◆ **Regulatory Cash Basis Entities (a cash basis commonly referred to as “AOS basis”):**

- Basic Financial Statements
  - Statement(s) (or Combined Statement(s)) of Receipts, Disbursements and Changes in Fund Balances
  - Notes to the Basic Financial Statements

**Q:** How large a file can be uploaded?

**A:** The Adobe Acrobat PDF file must be less than 30MB.

**Q:** Can I upload more than one file?

**A:** No, you can upload only one file. Uploading a 2<sup>nd</sup> file will replace the first file which you had already uploaded. Please combine any files into a single PDF for upload into the Hinkle System.

# Hinkle Annual Financial Data Reporting System

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### **THE FOLLOWING QUESTIONS ARE FOR THOSE ENTITIES THAT MUST KEY CERTAIN KEY DATA INTO THE HINKLE SYSTEM – CITIES, COUNTIES, SCHOOLS, INCLUDING ESC AND VOCATIONAL SCHOOLS, COMMUNITY SCHOOLS, TOWNSHIPS, VILLAGES AND LIBRARIES ONLY**

#### **GENERAL QUESTIONS**

**Q:** Why isn't the PDF of the full, unaudited financial statements, including notes to the financial statements sufficient to meet statutory requirements without having to key data into the Hinkle System?

**A:** The AOS is using the keyed data for several reasons, Unfortunately, because entities, other than UAN clients, do not utilize the same accounting system, the AOS cannot provide a method for data to be uploaded.

**Q:** The counties are required to key in data as well as upload a PDF of the full financial statements and notes to the financial statements. Are small entities for which the county serves as fiscal agent required to key data into the Hinkle System? [

**A:** No, the only entity types required to key financial data are cities, counties, school districts, educational service centers, community schools, townships, libraries and villages. All other entities required to file with the AOS are only required to upload the PDF of the full financial statements, including the notes to the financial statements.

**Q:** What is the recommended method to move between data entry cells in the Hinkle System?

**A:** We recommend using the **Tab** key to move between data fields. The Hinkle System does **not** respond to using the **Enter** key to move between data fields or to advance within the Hinkle System, and the positioning of the cursor within each cell using the mouse is cumbersome.

**Q:** Since all numerical fields in the Hinkle System are pre-populated with zeros, what is the easiest method to enter the required data?

**A:** Using the **Tab** key, as referenced above, to move between data fields will automatically highlight the zero and enable the user to directly enter the data.

**Q:** The Hinkle System requires a negative sign (-) precede other financing use/other non-operating expense/disbursement amounts. Is there a method to enter the information without entering the negative sign?

**A:** No. In order for the Hinkle System to accurately perform calculations, these values must be entered as negative numbers by including a negative sign before each dollar amount.

**Q:** How should I input an amount for an account line item that is reflected on my financial statement but does not appear in the Hinkle System?

**A:** The Hinkle System was designed to include the most common account line items applicable to each entity type. However, each financial statement also includes an "other" account line item within each category. If an account line item appears on your financial statement but does not relate to the account line items in the Hinkle System, please include such amounts within the appropriate "other" account line item.

## **Hinkle Annual Financial Data Reporting System**

### **Frequently Asked Questions and Answers**

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**Q:** Do I have the ability to save the data I have entered in the Hinkle System and complete the submission at a later time?

**A:** Yes. The Hinkle System is designed to save all progress upon the advancement to the next screen. However, if the submission process will not be completed in one session, the Internet browser should be closed between sessions.

#### **SPECIFIC FINANCIAL STATEMENT ELEMENTS – ALL ENTITIES**

**Q:** Should "Cash in Segregated Accounts" and "Cash with Fiscal Agent" be included in "Cash and Cash Equivalents" or in "Other Assets"?

**A:** Cash in Segregated Accounts, Cash with Fiscal Agent and any Restricted Cash should be reported as Cash and Cash Equivalents in the Hinkle System.

**Q:** On the face of my prepared Statement of Net Position, I report my depreciable capital assets net of accumulated depreciation. Why does the data entry in the Hinkle System require reporting capital assets at gross and separately reporting accumulated depreciation? Can I just report the net?

**A:** The data entered into the Hinkle System is also utilized to populate the calculations for the Financial Health Indicators. A key health indicator is the condition of capital assets. The ratio of accumulated depreciation as compared to depreciable assets provides insight into the age of capital assets and future cash flow needs for replacement of capital assets. Although the Financial Health Indicators are currently for cities and counties only, the data is necessary information for all GAAP entities to key separately into the Hinkle System.

**Q:** On the face of my entity's prepared financial statements, all tax revenues are reported under one line item; however, for the data entry in the Hinkle System, separate line items are reflected for different tax type revenues (i.e. property taxes, income taxes or sales taxes). How do I enter these taxes into the Hinkle System?

**A:** The data entered into the Hinkle System is also utilized to populated calculations for the Financial Health Indicators. Separate indicators are generated for each of these tax types; therefore, it is important to enter the data for these tax revenues separately by type even if the uploaded financial statements combine them under one line item. Although the Financial Health Indicators are currently for cities and counties only, for comparison purposes, tax revenues should be keyed separately in the Hinkle System for all entities when requested.

#### **ENTERPRISE FUNDS – CITIES, COUNTIES, VILLAGES**

**Q:** My entity maintains more than one Water Fund or other utility fund. One fund is presented as a major fund and the others are classified as non-major enterprise funds. How should I enter the required data for my utility funds into the Hinkle System?

**A:** Generally, for reporting purposes, entities present each utility as one fund. If separate funds are maintained/reported for a utility, the activities of the like-enterprise funds (i.e., each water fund or applicable operation) should be totaled and entered as one within the Hinkle System.

**Q:** Our entity has a major proprietary fund other than water, sewer, electric or landfill, but those are the only templates in the Hinkle System. Do I need to enter the information for my additional major proprietary fund?

## **Hinkle Annual Financial Data Reporting System**

### **Frequently Asked Questions and Answers**

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**A:** The Hinkle System was designed to capture the most common proprietary funds; therefore, the only proprietary information collected by keying information into the Hinkle System is for the water, sewer, electric, or landfill funds, if applicable to your entity. All other proprietary fund information outside of these four funds will not be captured directly within the Hinkle System but should still continue to be included within your annual financial statements, which will also be uploaded in the Hinkle System.

**Q:** Our village maintains a storm water enterprise fund. How do we report its activity in the Hinkle System?

**A:** The only proprietary information collected by the Hinkle System is for the water, sewer, electric, or landfill funds, if they are applicable to your entity. All other proprietary fund information outside of these four funds will not be captured directly within the Hinkle System but will still continue to be included within your annual financial statements, which will be uploaded in the Hinkle System.

#### **ENTERPRISE FUNDS - TOWNSHIPS**

**Q:** Our township has an enterprise fund. How do I enter it in the Hinkle System?

**A:** Currently, no proprietary fund information is collected by the Hinkle System for a township. All proprietary fund information will still continue to be included within your annual financial statements, which must be uploaded in the Hinkle System.

#### **LONG TERM DEBT OBLIGATIONS AT YEAR END – CITIES, COUNTIES, SCHOOLS, INCLUDING ESC AND VOCATIONAL SCHOOLS, COMMUNITY SCHOOLS, TOWNSHIPS, VILLAGES AND LIBRARIES**

**Q:** Our outstanding debt includes Capital Appreciation Bonds (CABs). For outstanding debt information in the filing, should we include or exclude accumulated accretion on CABs?

**A:** The accumulated accreted interest on CABs should be included in the total outstanding debt reported as part of the total outstanding debt.

**Q:** In what debt category should we report certificates of participation in the Long Term Obligations at Year End section of the Hinkle System?

**A:** Certifications of participation should be included in the Miscellaneous Long Term Obligations total.

**Q:** Why do we need to allocate the net effect of reporting pension liabilities? (applicable to City and Counties reporting under the GAAP basis of accounting only)? **[NEW]**

**A:** The data keyed into the Hinkle System is also being used in the calculations of the Financial Health Indicators. The effects of implementation of GASB 68 for statewide pensions have been removed from the applicable line items for consideration of Financial Health Indicators assuming 100% of the net effect is closed against Unrestricted Net Assets/Position; however, a few entities have also allocated a portion of the effect to Restricted Net Assets/Position. If your entity allocates the net effect of the liability to both Restricted and Unrestricted Net Assets/Position, please indicate the allocation percentage in the table in order to more accurately calculate the indicators. The table is prepopulated with 100% to Unrestricted Net Assets/Position.

## Hinkle Annual Financial Data Reporting System

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#### **OTHER INFORMATION - DEMOGRAPHICS**

#### **Average Daily Membership (ADM) or Full Time Equivalent (FTE) for the Reporting Year (applicable to school districts, including community schools and ESCs):**

**Q:** With the major changes to the EMIS system for 2015 what number should be provided as ADM or FTE for school districts and community schools? Could you please provide some clarification?

**A:** The ADM/FTE demographics information is requested to provide perspective related to entity size. For this purpose, school districts may utilize the following link and provide the district ADM from the ADM Detail Report associated with the latest final payment.

([http://webapp2.ode.state.oh.us/school\\_finance/data/2016/foundation/FY2016-SFPR-REPORT.asp](http://webapp2.ode.state.oh.us/school_finance/data/2016/foundation/FY2016-SFPR-REPORT.asp))

Community schools can utilize the Student Summary presented on the latest Community School Detail Payment Report. ([http://webapp1.ode.state.oh.us/school\\_options/F2016/Default.asp](http://webapp1.ode.state.oh.us/school_options/F2016/Default.asp))

**Q:** For an educational service center (ESC), what number should be reported for ADM in the “Other Information – Demographics” section?

**A:** The ADM for an ESC should be the total ADM for all the schools serviced by the ESC.

**Q:** For a joint vocational school, should the ADM include the number of adult students?

**A:** No, the ADM should not include adult students. It should only report the ADM for the state funding level.

**Q:** Can you explain each of the Community School Models?

**A:** The models are as follows:

- **Site-based Community School** – A site-based community school (sometimes called a brick and mortar school) is one in which students receive instruction in a classroom, led by a teacher.
- **Internet/Online Community School** - A community school, also known as an eSchool, in which the enrolled students work primarily from their residences. Students work on assignments in non-classroom-based learning opportunities provided via an Internet- or other computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include Internet-based, other computer-based and non-computer-based learning opportunities.
- **Drop-out Recovery and Prevention School** - A dropout prevention and recovery school is a community school defined by meeting either definition below:
  1. A community school that operates a drug recovery program in cooperation with a court; or
  2. A community school in which the majority of students are enrolled in a dropout prevention and recovery program operated by the school.
- **Use Credit Flex** - Credit Flex requires a local policy. With Credit Flex, high school students can earn credit in three ways, or in a combination of these ways:
  1. By completing traditional coursework;
  2. By testing out or otherwise demonstrating mastery of the course content; or
  3. By pursuing one or more “educational options” (e.g., distance learning, educational travel, independent study, an internship, music, arts, afterschool program, community service or engagement project and sports).

## Hinkle Annual Financial Data Reporting System

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#### **Estimated Number of Patrons (applicable to Libraries only):**

**Q:** Should the number of Patrons reported only include those patrons which hold a library card?

**A:** The total number of Patrons reported in the Hinkle System should be the number of registered borrowers as reported in the State Library Annual Report. For 2014, Annual State Library Report, total registered borrowers were reported on Line #1.27. Please report the information using the statistics compiled for the latest Annual State Library Report available at the time the financial information is reported in the Hinkle System.

#### **Yearly Circulation (applicable to Libraries only):**

**Q:** The Hinkle System requests the libraries include Circulation Statistics. What circulation types should I include? Examples: book, DVDs, music CDs, books on CD, e-books, magazines, e-magazines, video games, interlibrary loans and public computer use. I am not sure what information is required.

**A:** The demographics information is requested to provide perspective related to entity size. For the yearly circulation, you can rely on the information available from the latest statistics compiled for the State Library Annual Report. For example, total circulation was reported as Line #2.52 in the 2014 Annual State Library Report. Please report the information using the statistics compiled for the latest Annual State Library Report available at the time the financial information is reported in the Hinkle System.

#### **Population:**

**Q:** For the population for the reporting year, the only information I have available is an estimate from the US Census Bureau from a few years ago. Is this acceptable to use?

**A:** For reporting the population of your entity, please include the best estimate that is available. Therefore, an estimate from the US Census Bureau is acceptable if that is the best estimate that can be obtained.

#### **Total Annual Final Appropriations for All Funds for the Reporting Year:**

**Q:** What data should be provided in the “Other Information – Demographics” section for the final annual appropriations for all funds?

**A:** The total final appropriations for all funds and account line items legally required to be budgeted by the government. If advances are budgeted for by the government, they also should be included in this amount. However, prior year encumbrances should be excluded from this amount as they do not require re-appropriation.

**Q:** Since Educational Service Centers (ESCs) are not required to adopt a budget, we do not present budgetary information in the compiled GAAP and/or OCBOA financial statements. Are we still required to enter “Total Annual Appropriations” in the Hinkle System?

**A:** If your entity does not adopt a budget, an amount should not be entered on the Total Annual Appropriations line. However, many ESCs still adopt a budget, though not statutorily required. In the case where appropriations are adopted, the information should be completed in the Hinkle System.

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#### **Full Tax Rate Per \$1,000 of Assessed Valuation:**

**Q:** Does the “Full Tax Rate per \$1,000 of Assessed Valuation” refer to the voted millage, as opposed to the effective millage?

**A:** The tax rate reported as part of the “Other Information – Demographics” section, should be the full tax rate, not the effective rate.

**Q:** What is the difference between “inside millage” and outside (voted) millage?

**A:** In Ohio, millage is referred to as "inside" millage and "outside" millage. Inside (unvoted) millage is an unvoted property tax authorized by the Ohio Constitution and established by the General Assembly which may not exceed 10 mills in any taxing district. Public schools, counties, townships, and other local governments are allocated a portion of the 10 inside mills. Outside (voted) millage, is any millage "outside" the 10 mills that is provided by the Constitution of the State of Ohio. Outside mills must be voted upon and approved by the majority of the voters in the taxing district where the tax will be levied.

#### **Total Assessed Property Tax Valuation:**

**Q:** Should my entity include the assessed or total valuation for the requested property tax valuation in the “Other Information – Demographics” section?

**A:** The assessed valuation should be provided.

**Q:** If a township includes a village (municipality) within its boundaries and some of its tax levies do not apply within the municipality, should the township include the entire valuation (including the municipality) or just the value which excluded the municipality? Similarly, should the township include all the levies or only those that apply to the entire township? **[NEW]**

**A:** The township should use the tax rate and valuation that pertains only to the entire township excluding the municipality.

#### **Unrestricted General Fund Carryover Cash Balance at Year-End**

**Q:** For “Unrestricted General Fund Carryover Cash Balance at Year End” reported in the “Other Information – Demographics” should the amount be unencumbered cash fund balance (i.e. 12/31/XXXX fund cash balance minus 12/31/XXXX encumbrances)?

**A:** The “Unrestricted General Fund Carryover Cash Balance at Year End” should be the unencumbered cash fund balance for the General Fund at year-end. This amount can be obtained from the Fund Balance, End of Year reported in the Actual column on the Budget-to-Actual Statement for the General Fund in your GAAP financial statements.

#### **Average Number of Utility Customers:**

**Q:** The “Other Information – Demographics” section of the Hinkle System requires my entity’s average number of utility customers. Since we maintain multiple utilities, what number should I report?

**A:** The demographics information is requested to provide perspective related to entity size. The average number of utility customers should consider all utilities provided by the entity. As an example, if you have 200 Water Customers, 250 Sewer Customers and 400 Electric Customers, the average number of customers is 283 (200+250+ 400=850 total number of customers ÷3 utilities = 283)

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#### **AUDIT RELATED ISSUES**

**Q:** AOS Bulletin 2015-007 was not issued until December of 2015 which did not provide sufficient notice for my entity to prepare notes to the financial statements with my non-GAAP financial statements. How will this impact my entity's 2015 year end audit?

**A:** For 2015 year end audit periods, the process to complete audits will not change from previous years other than the auditors will be reviewing your 2015 Hinkle System filing and informing your entity of any deficiencies to allow you to prepare for your 2016 filing, for which the financial statements and notes to the financial statements uploaded via the Hinkle System will be the financial statements audited.

**Q:** During my 2015 audit, my auditors have informed me of deficiencies in my Hinkle System filing. Do I need to re-file for 2015?

**A:** No. Since we are not auditing the 2015 Hinkle System filings, you are not required to re-file. If your entity fails to file; however, the auditors may ask your entity to file as a qualification for reduced audit services (AUP or Basic Audit).

**Q:** What will be the impact on my audit if I fail to file via the Hinkle System?

**A:** Failure to file or filing beyond the statutory or extended due date will result in a non-compliance citation reported in your entity's management letter. Since we will be auditing the financial statements and notes filed via the Hinkle System, failure to file for periods ending in 2016 and beyond may result in your entity being declared "unauditable."

**Q:** Since the AOS staff prepared the notes to the financial statements in the past, will the audit costs go down since the entities will be preparing the notes?

**A:** The preparation of the notes to the financial statements by AOS audit staff is a non-audit service which is required to be billed as a separate fee at the consulting rate. It is not part of the audit fee. Therefore, if the auditors are not preparing the notes to the financial statements, the separate fee would not apply.

**Q:** Will the change in policy to require the financial statements filed via the Hinkle System to be audited with periods ending in 2016 increase audit costs?

**A:** Our audit goal is to complete audits of financial statements within six (6) months of the entity's period end and keep audit costs as low as possible. The statutory due dates were established to ensure each entity prepares its final, unaudited financial statements by a date to allow sufficient time for the audit to be completed by the six month goal. Unfortunately, to meet the statutory due date, many entities, in the past, have filed draft, incomplete and inaccurate financial statements, which results in auditors attempting to audit financial statements that are continuing to change during the audit. The audit costs will depend on each client appropriately planning and engaging any necessary assistance to file final, unaudited financial statements and notes to the financial statements by the statutory due date. Filed financial statements that are draft, incomplete and/or inaccurate will not reduce audit costs and may result in the entity being declared "unauditable."

**Q:** Will the AOS audit staff still be available to prepare our entity's notes to the financial statements as they have in the past?

**A:** The auditors can still prepare footnotes, assuming it does not impact our independence and our audit staff has the capacity to comply with the request; however, the responsibility for preparation of the notes rests with the entity. It is not part of the audit services; therefore, these non-audit services will be separately identified in the Letter of Arrangement and billed at the consulting rate.

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The AOS audit staff; however, will not be available to prepare the notes prior to the time of the audit, which will generally be after the due date for filing your entity's final, unaudited financial statements, and will likely result in the entity receiving a non-compliance citation for filing late.

The AOS has provided training, webinars, shells for financial statements and notes to the financial statements to assist the entity with preparing their own financial statements and footnotes for periods ending in 2016 and beyond.

**Q:** For audit periods ending in 2016 and beyond when the auditors (AOS and contracted IPA firms) audit the financial statements and notes to the financial statements filed via the Hinkle System, what will be the impact on my audit if I need to re-file my Hinkle System submission in order for the final, unaudited financial statements and notes to the financial statement to be available for audit?

**A:** For the 2015-2016, 2016 or 2016-2017 audit periods, we will not cite your entity for late filing if it is necessary to re-file in order to submit the final, unaudited financial statements and notes to the financial statements via the Hinkle System for audit, as long as your initial was submitted by the due date. For subsequent audit periods (2017, 2017-2018 and beyond), a non-compliance citation will be reported in your entity's management letter for late filing if you must re-file your Hinkle System submission after the statutory or extended due date.

**Q:** Our entity has been informed that any adjustments made to the financial statements after submission via the Hinkle System will result in an audit adjustment. Is this true?

**A:** Beginning with audit periods ending in 2016 (i.e. 2015-2016, 2016 or 2016-2017), the AOS auditors and contracted IPA firms will audit the financial statements and notes to the financial statement uploaded into the Hinkle System. As with any audit of financial statements, if a material adjustment is detected as part of the audit procedures, an audit adjustment will be proposed. However, if the adjustment is the result of information that was not available at the time of the submission of the financial statements AND the audit does not disclose a weakness in the procedures the entity used to prepare the financial statements, a material weakness or significant deficiency will not be reported.