**THIS OPINION SHELL MUST BE USED FOR 12-31-21 & SUBSEQUENT FYEs.**

**Example A-17 (SLG Chapter 17.100): Unmodified Opinions on Departmental Financial Statements[[1]](#endnote-1)**

**INDEPENDENT AUDITOR’S REPORT [[2]](#footnote-1) [[3]](#endnote-2)**

Entity Name

County Name

Street Address

City, Ohio Zip Code

To the Governing Body Type:

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the financial statements of the governmental activities, the business type activities, each / the major fund, and the aggregate remaining fund information[[4]](#endnote-3) of the Department Name of Entity Name, County Name, Ohio (the Entity Type),as of and for the year ended FYE Date, and the related notes to the financial statements, which collectively comprise the Department Name’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each / the major fund, and the aggregate remaining fund information of the Department Name of Entity, as of FYE Date, and the respective changes in financial position and where applicable, cash flows,[[5]](#endnote-4)thereof and the respective ***<< delete “respective” if only one budgetary fund comparison*** budgetary comparison(s) for the General and ***<< list major special revenue funds >>*** [[6]](#endnote-5) for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Entity Type, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

*Presentation*

As discussed in Note X, the financial statements of the Department Name of Entity, are intended to present the financial position, the changes in financial position, and where applicable cash flows,**[[7]](#endnote-6)** and the respective ***<< delete “respective” if only one budgetary fund comparison*** budgetary comparison(s)of only that portion of the governmental activities, the business-type activities, each/the major fund, and the aggregate remaining fund information of the Entity Name that is attributable to the transactions of the Department Name. They do not purport to, and do not, present fairly the financial position of the Entity Name as of FYE Date, the changes in its financial position or, where applicable, cash flows or the respective budgetary comparisons for the year then ended in accordance with the accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

*Accounting Change****[[8]](#endnote-7)***

As discussed in Note Xto the financial statements, during 20XX, the Department Name adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. XX, *include name/title of GASB Statement in italics*.  Our opinion is not modified with respect to this matter.

***Insert an Other Matter(s) section here, if required. See FN [[9]](#endnote-8) (Omit if no “other matters” included.)***

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

* exercise professional judgment and maintain professional skepticism throughout the audit.
* identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
* obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity Type’s internal control. Accordingly, no such opinion is expressed.
* evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of Americarequire that the *management’s discussion and analysis*, required budgetary comparison schedule(s) and schedules for infrastructure assets accounted for using the modified approach,and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. [[10]](#endnote-9)

***(Insert paragraph for supplementary and other information if there is any.)***

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated Report Date, on our consideration of the Entity Type’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity Type’s internal control over financial reporting and compliance.

Auditor Signature

City, State

Report Date

1. ***Blue, italicized***text is guidance from CFAE which should be replaced or removed (as necessary) when the letter is prepared.

   Items highlighted in gray should be replaced with the necessary information. Instructions are available on how to fill in [entity specific parameters](https://ohioauditor.gov/ocs/2021/Instruction%20on%20how%20to%20Fill%20in%20Entity%20Specific%20Parameters%20within%20Word.docx) within this document. [↑](#endnote-ref-1)
2. Updated Nov ~~May~~ 2024 for minor edits to SLG references in endnotes (not marked), clarification of comparative information/financial statements. ~~letterhead~~ and other minor changes (not marked). [↑](#footnote-ref-1)
3. If we are engaged to report Key Audit Matter (KAM), review AU-C 701. [↑](#endnote-ref-2)
4. Insert only the opinion units that apply to the department. [↑](#endnote-ref-3)
5. Delete the reference to cash flows if none are presented. If all funds present cash flow statements, delete the phrase “where applicable.” See point 9 of SLG 17.112 [↑](#endnote-ref-4)
6. Delete the reference to the budgetary comparisons from the opinion paragraph and refer to it with the “RSI section” if the budgetary comparisons are presented as RSI. [↑](#endnote-ref-5)
7. See footnote iv [↑](#endnote-ref-6)
8. Modify this example when a client properly adopts a new GASB pronouncement (including required disclosures and restatements), and it materially affects the financial statement or disclosures (see AU-C 708.08).

   *Do not include EOM paragraphs for new standards with immaterial financial statement or disclosure effects.* [↑](#endnote-ref-7)
9. See AU-C 700.47-.60 for discussion about ~~Other Matters.~~  comparative financial statements and comparative information, which are examples of *Other Matters* that might be included in the opinion.

   **Comparative Financial Statements**

   Note: “c*omparative financial statements” means* only *complete* financial statements for one or more prior periods included for comparison with the current financial statements. (“Total only” columns are *incomplete* presentations.)

   Per AU-C 700.47, when we are the continuing auditor, we would refer to these statements in our opinion; however, when the prior period was audited by a predecessor auditor the following is an example ***other matter*** section (See AU-C 700.57).

   *Prior Period Financial Statements Audited by a Predecessor Auditor*

   The financial statements of the Entity Name, County Name, Ohio (the Entity Type), as of and for the year ended PYE Date, were audited by predecessor auditor whose report dated Prior Year Report Date, expressed an unmodified opinion on those statements. ***<< modify as necessary if other than an unmodified opinion was issued or there was an EOM, OM or going concern.***

   **Comparative Information**

   AU-C 700 uses the term *comparative information* for partial presentations. (e.g. “Total Only” columns). (*Comparative statements* refer only to *complete* p/y presentations.)

   Per AU-C 700.49 and .A70-.A71, we need not opine on comparative information, but we should include one of the following ***other matter*** sections to describe comparative information (from SLG 17.61 (continuing auditor) and AU-C 700.57 (predecessor auditor)):

   *Report on Summarized Comparative Information*

   *When current auditors performed the previous audit:*

   We have previously audited the Entity Type's 20XX-1 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit(s), each major fund, and the aggregate remaining fund information dated Prior Year Report Date. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 20XX-1 is consistent, in all material respects, with the audited financial statements from which it has been derived. ***<< modify as necessary if other than an unmodified opinion was issued, including the nature of, and the reasons for opinion modifications (see SLG 17.61 footnote 21).***

   *Or:*

   *When other auditors performed the previous audit:*

   The financial statements of the Entity Type as of and for the year ended December 31, 20XX-1 from which the comparative information for December 31, 20XX-1 was derived were audited by a predecessor auditor. An unmodified opinion was issued on Prior Year Report Date by the predecessor auditor. ***<< modify as necessary if other than an unmodified opinion was issued.***

   [↑](#endnote-ref-8)
10. Modify this section in the following circumstances. See AU-C 730 and SLG 17.77-.84:

    1. The required supplementary information is omitted.
    2. Some required supplementary information is missing and some is presented in accordance with the prescribed guidelines.
    3. The auditor has identified material departures from the prescribed guidelines.
    4. The auditor is unable to complete the procedures in AU-C 730.05.
    5. The auditor has unresolved doubts about whether the required supplementary information is presented in accordance with prescribed guidelines.

    If all of the RSI is omitted, the section on RSI would be replaced with the following:

    Management has omitted identify the missing RSI, such as management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not modified with respect to this matter.

    For other situations in which some RSI is omitted and some is presented in accordance with prescribed guidelines, there are material departures from prescribed guidelines, specified procedures were not completed, or there are unresolved doubts about whether the RSI is in accordance with prescribed guidelines, refer to the guidance in AU-C section 730, Required Supplementary Information. [↑](#endnote-ref-9)