

**AUDITOR OF STATE BULLETIN 97-015**  
**September 23, 1997**

TO: Library Clerks/Treasurers  
School District Treasurers  
Joint Vocational School District Treasurers  
Village Clerk/Treasurer/Finance Directors  
Township Clerks  
IPA Firms  
Educational Service Center Treasurers  
City Auditor/Finance Director/Treasurers  
County Auditors  
Associations  
Transit Authority, Boards and Concerned Agency  
Port Authorities  
Grant Source Newsletter  
Soil Water Conservation District  
Water/Sewer Districts

SUBJECT: Public Office request for Extension of deadline for Filing Annual Financial Reports

In order to enhance the credibility of public office financial reports and provide timely, relevant and accurate financial information that meets the information needs of the users of public entity financial statements, the Auditor of State has established a goal of completing audits within 6 months of the public office's fiscal year end.

In order to meet the objective of completing the audits within 6 months, the Auditor of State has strengthened its audit process and increased the level of participation in public entity audits by Independent Public Accountants (IPA). However, it is critical that all public entities required to file financial reports under Ohio Rev. Code § 117.38 file them within the statutory time limits.

Ohio Rev. Code § 117.38 requires that public offices that prepare financial reports on a cash basis file them with the Auditor of State within 90 days of the fiscal year and public offices that prepare financial reports in accordance with generally accepted accounting principles (GAAP) file them with the Auditor of State within 150 days of the fiscal year end.

The Auditor of State recognizes that occasionally circumstances may arise that are appropriate and necessary for a public office to receive an extension of the deadline for filing its annual financial report in accordance with Ohio Rev. Code § 117.38. However, the Auditor of State will generally only consider granting an extension to an entity once every two years except under extraordinary circumstances.

The Auditor of State's policies and procedures for granting extensions are intended to address the occasional situation where an extension is appropriate and necessary while encouraging the maximum level of compliance with the filing requirements.

The Auditor of State will consider granting extensions when the following circumstances exist or have occurred:

1. The public office is located in an area where a major flood or natural disaster has recently occurred.
2. Records are destroyed through fire or casualty.
3. The public office is going through its first time GAAP conversion.
4. Records are not updated due to recent death or disability of the person responsible for preparing the financial report.
5. Newly elected public official requests extension due to poor maintenance of financial records by the predecessor official.

The request for extension should be submitted to the Auditor of State no later than 60 days before the public office's deadline for filing its financial report. The request should state the reason for the request and give the date that the annual financial report can reasonably be filed. The request should be signed by the Chief Fiscal Officer and a representative of the entity's governing board. The Auditor of State will not grant extensions beyond two months. The request should be addressed to Christine Hansen, Chief of Local Government Services and a reply will be sent within 7 to 14 working days. Entities failing to file financial reports within the statutory limits that have not filed an extension and received approval from the Auditor of State may be classified unauditale.

Entities classified as unauditale for the reasons stated above will be requested to present to the Auditor of State, records that are sufficiently accurate and complete for an independent audit to be performed. If an entity is unable to present auditable records, the Auditor of State will take such measures required by law that are necessary to cause the responsible public officials to bring the records into an auditable condition.

Our Office will be available to consult with and assist entities as necessary to enable them to comply with the financial reporting requirements of Ohio Rev. Code § 117.38. Increased compliance will enhance the credibility of financial reporting in the State of Ohio and increase the usefulness of those reports to all financial statement users. If you have any questions regarding this bulletin, please call the Local Government Services Division (800) 345-2519 or (614) 466-4717.