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

**Example A-9 (SLG Chapter 16.47-50 and 16.74-.96): Unmodified Opinions with Required Supplementary Information and Supplementary Information / Other Information**

**With Reference to Another Auditor**

Click [here](https://ohioauditor.gov/ocs/2021/Instruction%20on%20how%20to%20Fill%20in%20Entity%20Specific%20Parameters%20within%20Word.docx) for instructions on how to fill in entity specific parameters within this document

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

Entity Name

County Name

Street Address

City, Ohio Zip Code

To the Governing Body:

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

***Opinions***

We have audited the 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[[3]](#endnote-2) of the Entity Name, County Name, Ohio[[4]](#endnote-3) (the Entity), as of and for the year ended FYE Date, and the related notes to the financial statements, which collectively comprise the Entity’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, 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, the **[aggregate]** discretely presented component unit**(s),** each major fund, and the aggregate remaining fund information of the 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 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.

We did not audit the financial statements of [*identify organization, function or activity*], which represent XX percent, XX percent, and XX percent, respectively, of the assets, [net position, or fund balances], and revenues of the [*identify opinion unit(s*)][[7]](#endnote-6) as of FYE Date, and the respective changes in financial position **and where applicable, cash flows,** thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion(s), insofar as it relates to the amounts included for *[identify organization, function, or activity*], [is(are)] based solely on the report of other auditors.

***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.[[8]](#endnote-7) We are required to be independent of the Entity, 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. Add if necessary >>> The financial statements of [name the portion of the entity, such as the name of the component unit, opinion unit audited by other auditors] were not audited in accordance with Government Auditing Standards.

***Emphasis of Matter [[9]](#endnote-8)***

As discussed in Note **X** to the financial statements, during 20XX, the Entity 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 [[10]](#endnote-9) (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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***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’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.
* conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity’s ability to continue as a going concern for a reasonable period of time.

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 and other auditors[[11]](#endnote-10) << insert unless their audit was unrelated to info in RSI>> 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 evidence sufficient to express an opinion or provide any assurance. [[12]](#endnote-11)

***Supplementary information[[13]](#endnote-12)***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The **[**identify accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and schedules**]** and **[**the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**]** [is/are] presented for purposes of additional analysis and [is/are] not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the [identify accompanying supplementary information] is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information (Omit if no “other information” included.)***

Management is responsible for the other information included in the annual financial report. The other information comprises the [identify other information, such as the introductory and statistical sections] but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. [[14]](#endnote-13)

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued[[15]](#endnote-14) our report dated Report Date, on our consideration of the Entity’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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's 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’s internal control over financial reporting and compliance.

[Auditor Signature]

[City, State]

Report Date

1. Revised June, 2022 for SAS 134 – SAS 140

~~Updated October 2021 for changes and clarifications to footnote 9 and clerical corrections. Changes not marked.~~

~~Revised June 2021 to remove Comprehensive Annual Financial Report acronym. Changes not marked.~~ [↑](#footnote-ref-1)
2. If we are engaged to report Key Audit Matter (KAM), See AU-C 701 for guidance and AOS auditors contact CFAE for guidance. [↑](#endnote-ref-1)
3. 2 If we combine *discrete component units* and *remaining fund information* into one opinion unit under the circumstances permitted by footnote 7 to Exhibit 4-1 (following section 4.78) in SLG, revise this phrase as follows:

“ . . . governmental activities, the business-type activities, each major fund and the [aggregate] discretely presented component unit and remaining fund information . . . “ [↑](#endnote-ref-2)
4. 3 As discussed in SLG 16.69, insert “, a component unit of [PRIMARY GOVERNMENT],” if applicable. [↑](#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 the 9th point in SLG 16.114. [↑](#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. Appropriate changes to this sentence should be made when an entire opinion unit is audited by another auditor, For example “We did not audit the financial statements of the Sewer Enterprise Fund, which is both a major fund and XX percent, XX percent, and XX percent, respectively, of the assets, net position, and revenues of the business-type activities.” However, the report should still indicate in the “Opinions” section the group auditor’s responsibility for auditing that opinion unit. The group auditor should also express or disclaim an opinion on the opinion unit in the “Opinion” section of the report. See further discussion in SLG paragraph 16.96 and the guidance in AU-C section 600*, Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors*) (AICPA, *Professional Standards*). [↑](#endnote-ref-6)
8. If other auditors did not 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, AOS auditors contact the CFAE for the appropriate wording. [↑](#endnote-ref-7)
9. Modify this example when a client properly adopts a new GASB pronouncement (including required disclosures and restatements) and it materially affects the financial statements or disclosures (see AU-C 708.08).

*Do not include EOM paragraphs for new standards with immaterial financial statement or disclosure effects.* [↑](#endnote-ref-8)
10. See AU-C 700 for discussion about Other Matters. Comparative financial statements and comparative information are examples of Other Matters 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 *in*complete 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), as of and for the year ended FYE Date, were audited by predecessor auditor whose report dated [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 We should include one of the following ***other matter*** sections to describe comparative information (from SLG 16.61):

*Report on Summarized Comparative Information*

*We* have previously audited the Entity'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 [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 16.61 footnote 22).**

Or:

The financial statements of the Entity 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 [DATE] by the predecessor auditor. **<< modify as necessary if other than an unmodified opinion was issued.**

 [↑](#endnote-ref-9)
11. References to other auditors are only appropriate when the other auditor’s report discusses applicable RSI, SI, or both. (see SLG paragraph 16.96) [↑](#endnote-ref-10)
12. Modify this section in the following circumstances. See AU-C 730 and SLG 16.77-.83:

	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-11)
13. Modify the list of *supplementary information* section as necessary. See SLG 16.84-.89. Also:

If an opinion qualification on the financial statements also affects the supplementary information, include a statement that, in the auditor's opinion, ***except for*** the effects on the supplementary information of (refer to the paragraph in the auditor's report explaining the qualification), this information is fairly stated, in all material respects, in relation to the financial statements as a whole. See AU-C 725.09(f) and AOS auditors consult with CFAE.

We must disclaim on this information if we render an adverse opinion or disclaimer of opinion. AOS auditors consult with CFAE.

Remove reference to *Schedule of Expenditures of Federal Awards* when reporting over it is instead included in the Single Audit Letter.

***Important:***  We normally consider materiality for each opinion unit. However, our in-relation-to opinion on supplementary information is in relation to the financial statements as a whole. Therefore, we consider materiality at a level representing the entire governmental Entity. [↑](#endnote-ref-12)
14. This last sentence derives from AU-C 720, and relates to financial or nonfinancial information that is neither RSI nor *supplementary information* subject to AU-C 725. Examples include *introductory information* or *statistical tables,* which are not subject to an *“in-relation-to opinion.”*

 Our responsibility for this “unaudited” information is only to “read it”**\*** to determine if (1) material inconsistencies exist between it and the audited statements, or (2) this information includes material misstatements of fact. If you identify a material inconsistency or misstatement of fact and management is unwilling to correct it, AOS auditors consult with CFAE.

 \* While standards only require us to “read it,” you should apply the procedures from our specimen programs to agree this information to supporting documentation. For example, you should agree 10 - year statistical tables to the prior-year Annual Comprehensive Financial Report to assure the prior years’ amounts did not inadvertently change. (SLG 16.90-.93) [↑](#endnote-ref-13)
15. Modify this to say “will also issue” when issuing an Annual Comprehensive Financial Report opinion separately from remainder of the report (GAGAS letter and Single Audit) which is issued at a later time. [↑](#endnote-ref-14)