**INDEPENDENT AUDITOR’S REPORT**

[ENTITY NAME]

[COUNTY NAME] County

[STREET ADDRESS]

[CITY], Ohio [ZIP CODE]

To the [GOVERNING BODY]:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each fund and the related notes of the [ENTITY NAME], [COUNTY NAME] County, (the Facility) as of and for the years ended June 30, 20EE and 20BB.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit.We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States’ *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Facility's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Facility’s internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management’s accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles[[1]](#endnote-2)***

As described in Note XX *<<modify note #’s as necessary* of the financial statements, the Facility prepared these financial statements using the accounting basis permitted by the financial reporting provisions of the Ohio Department of Rehabilitation and Corrections, which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Facility does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis the Ohio Department of Rehabilitation and Corrections permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Facility as of June 30, 20EE and 20BB, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting[[2]](#endnote-3)***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each fund of the [ENTITY NAME], [COUNTY NAME] as of and for the years ended June 30, 20EE and 20BB in accordance with the financial reporting provisions the Ohio Department of Rehabilitation and Corrections permits, described in Note XX *<<modify note #’s as necessary*.

***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 Facility’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 Facility’s internal control over financial reporting and compliance.

**[Auditor Signature]**

City, State

[REPORT DATE]

1. See guidance from AU-C 705.A1 for determining additional opinion modifications.

   *Examples of opinion modifications are included in “Opinion AOS OCBOA basis” as needed. These examples are for AOS basis reporting and require additional modification if government issues OCBOA or other regulatory basis statements - AOS auditors should consult with the CFAE.* [↑](#endnote-ref-2)
2. **Referring to Opinion Modifications**

   The first ¶ of the GAGAS report must briefly describe any departure from the standard financial statement opinion (e.g., qualified or adverse opinions, disclaimer of opinion, and /or explanatory paragraphs (such as “going concerns,” accounting changes, reference to other auditors, implementation of new accounting standard, etc.)).

   **Since Ohio Department of Rehabilitation and Corrections prescribes reporting modify the GAGAS opening paragraph as follows:**

   We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements for each fund of the [ENTITY NAME], [COUNTY NAME], (the Facility) as of and for the years ended June 30, 20EE and 20BB and the related notes to the financial statements and have issued our report thereon dated [REPORT DATE], wherein we noted the Facility followed financial reporting provisions the Ohio Department of Rehabilitation and Corrections prescribes or permits. [↑](#endnote-ref-3)