***Use for 2022-2023 or 2023 AUPs [[1]](#endnote-1) [[2]](#endnote-2)*** ***[[3]](#endnote-3)***

***(Transportation Improvement District (Ohio Rev. Code § 5540) AUP – Per AT-C 105 & 215 & GAGAS, January 2024[[4]](#endnote-4))***

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES**

[Name of] Transportation Improvement District

[Name of] County

[Address]

[City], Ohio [Zip Code]

We have performed the procedures enumerated below on the [Name of] Transportation Improvement District’s (the District) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District.

The Board of Directors and the management of the District have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the District’s receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2023 and 2022, and certain compliance requirements related to these transactions and balances. **[Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes.]*[[5]](#endnote-5) [<<IPAs must insert this. AOS staff should never insert this].*** No other party acknowledged the appropriateness of the procedures.This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding $10.

The procedures and the associated findings are as follows:

**Cash [and Investments] *[if applicable] [[6]](#endnote-6)***

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for [each fund]***[[7]](#endnote-7)*** recorded in the [Fund Ledger Report]***[[8]](#endnote-8)*** to the December 31, 2021 balances in the prior year [audited statements] ***OR*** [documentation in the prior year Agreed-Upon Procedures working papers]. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the [Fund Ledger Report] to the December 31, 2022 balances in the [Fund Ledger Report]. We found no exceptions.
3. We agreed the 2023 and 2022 bank reconciliation [adjusted UAN Balances and Adjusted Bank Balances] as of December 31, 2023 and 2022 to the total fund cash balances reported in the [Fund Status Report] and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2023 bankaccount balance(s) with [the District’s financial institution(s), Ohio Pooled Collateral System, Confirmation.com] ***<<<modify as needed]***. [We found no exceptions.] ***OR*** [We observed the year-end bank balance(s) on the financial institution’s website. The balance(s) agreed.] We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation: ***[Delete this procedure if there were no reconciling debits]***
   1. We traced each debit to the subsequent January and February ***[List only the months they cleared]*** [bank statement(s)] ***OR***[financial institutions website transaction listing]. We found no exceptions.
   2. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected 5 reconciling credits (such as deposits in transit) from the December 31, 2023 bank reconciliation: ***[Delete this procedure if there were no reconciling credits]***
   1. We traced each credit to the subsequent January or February ***[List only the months they cleared]*** [bank statement(s)] ***OR***[financial institutions website transaction listing]. We found no exceptions.
   2. We agreed the credit amounts to the [Receipts Register] and determined they were dated prior to December 31. We found no exceptions.
7. We inspected the [Fund Status Report] to determine whether the Finding(s) For Adjustment identified in the prior [audit report] ***OR***[agreed-upon procedures report]*,* due from the X fund, payable to the Y fund,was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions. ***[Delete procedure if not applicable. If the adjustment was not properly posted, you should reissue the FFA in this AUP.]***
8. We traced interbank account transfers occurring in December of 2023 and 2022 to the accounting records and [bank statements] ***OR*** [reconciliation]***[[9]](#endnote-9)*** to determine if they were properly recorded. We found no exceptions. ***[If there is only one bank account, or if no transfers were noted near year-end, delete this procedure.]***

***For applicability of Receipt Testing sections below see guidance in footnotes 3 and 10 and the AUP Additional Guidance Document.***

**Confirmable Cash Receipts – Interest Income**

We traced all 12 monthly interest receipts postings paid from the [xxx] Bank to the District for interest during 2023 and 2022 with the [xxx] Bank’s monthly statements. We found no exceptions. We also inspected the Receipt Register Report to determine whether the interest receipts were recorded in the proper year. We found no exceptions.

**Other Receipts*****[[10]](#endnote-10)***

We selected 10 other receipts from the year ended December 31, 2023 and 10 other receipts from the year ended 2022 and:

* 1. Agreed receipt amount recorded in the [Receipt Register Report] to supporting documentation. The amounts agreed.
  2. Agreed the amount charged complied with rates in force during the period. We found no exceptions. ***[If applicable.]***
  3. Inspected the [Receipt Register Report].to confirm the receipt was posted to the proper fund(s), and was recorded in the proper year. [We found no exceptions.] ***OR*** [We found 1 receipt of $100 for a XXX recorded in the Y fund that should have been recorded in the Z fund. We brought this to management’s attention. They corrected the fund Y and Z fund balances for this item. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.]

**Debt *[This shell was written assuming the TID had no debt activity. If this TID had debt activity, AOS Staff should submit a consult through the AUP Specialty in Spiceworks (IPAs should contact the*** [***IPAcorrespondence@ohioauditor.gov***](mailto:IPAcorrespondence@ohioauditor.gov) ***inbox) regarding amending the procedures.]***

1. The prior [audit] ***OR*** [agreed-upon procedures] documentation disclosed no debt outstanding as of December 31, 2021.
2. We inquired of management and inspected the [Receipt Register Report] and [Payment Register Detail Report] for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. There were no new debt issuances, nor any debt payment activity during 2023 or 2022.

**Payroll *[This shell was written assuming payroll was less than 10% of all funds’ disbursements. If this TID had payroll exceeding 10% of all funds’ disbursements3, AOS Staff should submit a consult through the AUP Specialty in Spiceworks.*** ***This calculation for disbursements should be assessed for each individual fund type category annually (e.g. governmental, fiduciary, and proprietary). (IPAs should contact the*** [***IPAcorrespondence@ohioauditor.gov***](mailto:IPAcorrespondence@ohioauditor.gov) ***inbox) for additional procedures.]***

**Non-Payroll Cash Disbursements**

1. From the [Payment Register Detail Report], we re-footed checks recorded as disbursements for *Liability Insurance* for 2023. We found no exceptions. ***[Perform only if this is a manual system. Select one program to test foot. This procedure is N/A if the system is automated, such as UAN.]***
2. We selected 10 disbursements from the [Payment Register Detail Report] for the year ended December 31, 2023 and 10 from the year ended 2022 and determined whether:
   1. The disbursements were for a proper public purpose. We found no exceptions.
   2. The check number, date, payee name and amount recorded on the [returned, canceled check] ***<<< modify if the payment was EFT/ACH]*** agreed to the check number, date, payee name and amount recorded in the [Payment Register Detail Report] and to the names and amounts on the supporting invoices. We found no exceptions.
   3. The payment was posted to a fund consistent with the restricted purpose for which the fund’s cash can be used. We found no exceptions.

**Sunshine Law Compliance *[2024 OCS 2B-8][[11]](#endnote-11)***

***Applicability to the Sunshine laws in Ohio Compliance Supplement 2B-8 for this entity type should be determined through review of the*** [***Legal Matrix***](https://ohioauditor.gov/ocs/2024/legal_matrix.xlsx) ***(Exhibits 5 and 6, Including Exhibit 5 Footnotes 42-46) and possible subsequent consult with the AOS Legal division (IPAs should contact the*** [***IPAcorrespondence@ohioauditor.gov***](mailto:IPAcorrespondence@ohioauditor.gov) ***inbox).***

***For, entities subject to the Sunshine Law as determined above, insert additional compliance steps from the AUP Add in Sunshine Law Compliance Procedures document located on the Internet.***

**Other Compliance**

1. Ohio Rev. Code § 117.38 requires these districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year.  This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension.   Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System.  We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2023 and 2022 in the Hinkle system. [We found no exceptions.] ***OR*** [Financial information was filed on [Date] which was not within the allotted timeframe.] ***[2024 OCS 1 – 14][[12]](#endnote-12)***

**Related Party Transactions** ***[Delete this procedure if your entity does not have any related party transactions]***

1. ***[[13]](#endnote-13)***We inquired with management and identified the following Related Party Transactions:

a. [List related party transactions]

b. [List related party transactions]

We found no exceptions.

2. We confirmed the transactions with [the other party, or with intermediaries, such as banks, guarantors, agents, or attorneys.] We found no exceptions.

3. ***[[14]](#endnote-14)***We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

***Insert the following paragraph if the District declines to provide us written representations but has provided suitable written agreement* of the procedures and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement*: AOS auditors should also see additional guidance in the representation letter.]***

Attestation standards established by the American Institute of Certified Public Accountants require that we request certain required written representations from the District. We requested that the District provide such representations but the Directors and/or fiscal officer refused to do so.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States’ *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District’s receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States’ *Government Auditing Standards* related to our agreed upon procedures engagement.

Blank Signature

Signature Name

Signature Title

City, State

[Date]

1. This report shell should be used for entities with a testing period of 2022-2023 or 2023. For period 2021-2022 and prior, AOS Staff please obtain the previous report shell from the Old Practice Aids. IPAs, please obtain the previous report shell by contacting the [IPAcorrespondence@ohioauditor.gov](mailto:IPAcorrespondence@ohioauditor.gov) inbox. This shell is written for a 2 year engagement, please modify as needed for single year AUP engagements. [↑](#endnote-ref-1)
2. Please read the document, [*AUP Additional Guidance*](http://www.ohioauditor.gov/references/agreeduponprocedures.html) for additional information. [↑](#endnote-ref-2)
3. NOTE:

   This shell was written assuming the TID had no debt activity or special assessments as described in Ohio Rev. Code § 5540. If this TID had such activity, AOS Staff should submit a consult through the AUP Specialty in Spiceworks (IPAs should contact the [IPAcorrespondence@ohioauditor.gov](mailto:IPAcorrespondence@ohioauditor.gov) inbox) for additional compliance procedures.

   You must scan the TID by-laws to determine if any significant compliance requirements should be incorporated into this AUP. If you note any, AOS Staff should submit a consult through the AUP Specialty in Spiceworks (IPAs should contact the [IPAcorrespondence@ohioauditor.gov](mailto:IPAcorrespondence@ohioauditor.gov) inbox) for approval.

   See the AUP Additional Guidance document for applicability of testing receipts / disbursements. If the shell does not include procedures for a receipt / disbursement type (payroll for example), AOS Staff should submit a consult through the AUP Specialty in Spiceworks (IPAs should contact the [IPAcorrespondence@ohioauditor.gov](mailto:IPAcorrespondence@ohioauditor.gov) inbox) for additional procedures***.*** [↑](#endnote-ref-3)
4. Updated January 2024 – Changes are not marked. The following should be completed prior to finalizing the report:

   All the red references should be updated as appropriate and changed to black; and

   * All blue font items are guidance and need removed.

   [↑](#endnote-ref-4)
5. **IPA AUP engagements:** AOS is a specified party. The use of the procedures in this shell and AOS’ written approval of any modifications / additions to these procedures will serve as AOS' written agreement and acknowledgement that the procedures performed are appropriate to meet our intended purposes as a specified party. [↑](#endnote-ref-5)
6. If the District uses a fiscal agent to process transactions, please replace the cash & investment section with the cash & Investment procedures in the Solid Waste District AUP shell. [↑](#endnote-ref-6)
7. Replace language with “Each Opinion Unit” if the prior engagement was a financial audit and if any prior findings for adjustments were adjusted to the client account records. [↑](#endnote-ref-7)
8. If the entity using the UAN system had no activity on 1/1/2022, then run the Fund Ledger Report as of the first date they had activity during the year. [↑](#endnote-ref-8)
9. Inter-account transfers should be recorded in the same accounting period on both bank statements; otherwise they should be appropriately reflected on both bank reconciliations. [↑](#endnote-ref-9)
10. Other Receipts includes all receipts not tested in the procedures included in this report (i.e. Interest Income, etc. would be excluded from this total). Other Receipts should be assessed for each individual fund type category annually (e.g. governmental, fiduciary, and proprietary). [Omit this procedure unless other receipts exceed 10% of the appropriate category receipts.] [↑](#endnote-ref-10)
11. For additional guidance see the [Sunshine Law and StaRS FAQ](http://ohioauditor.gov/ocs/2019/Sunshine%20Laws%20and%20StaRS%20FAQs.docx). [↑](#endnote-ref-11)
12. If the entity is required to re-file financial statements due to an incomplete filing, the filing date and accounting basis of the re-filed annual financial report will then become the basis for determining compliance with the filing requirements. Auditors should use professional judgement when determining whether to report an exception with timely filing if the public office or other entity required to file originally submitted timely but had to refile. Documentation of these comments should be included in the working papers. [↑](#endnote-ref-12)
13. Be sure to document in the working papers who you spoke with and when, including name, title, and date. [↑](#endnote-ref-13)
14. AOS Auditor should consult with both their CA and CFAE AUP Specialty if they identify potential fraud issues. [↑](#endnote-ref-14)