

OHIO AUDITOR OF STATE KEITH FABER



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January 27, 2020

Thomas Skrobola, Finance Director
City of Toledo

This engagement letter describes the arrangement between the City of Toledo, Lucas County, Ohio (the City) and the Auditor of State including the objective and scope of the services we will provide, the City's required involvement and assistance in support of our services, the related fee arrangements, and other terms and conditions designed to ensure that our professional services satisfy the City's audit requirements.

Summary of Services

We will audit the City's basic financial statements as of and for the year ended December 31, 2019. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. The objective of an audit is to express our opinion concerning whether the basic financial statements and related notes present fairly, in all material respects, the City's financial position, changes in financial position, and cash flows (where applicable), in conformity with U.S. generally accepted accounting principles.

We expect to deliver our report on or about June 30, 2020.

We will audit to form an opinion on the basic financial statements. We will also opine on whether supplementary information is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

We will apply certain limited procedures to required supplementary information. However, we will not opine or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We also will read the other information included in the introductory and statistical sections of the Comprehensive Annual Financial Report (CAFR) and consider whether this information, including the manner of its presentation, is materially consistent with information appearing in the financial section. However, we will not express an opinion or any other assurance on the introductory or statistical sections of the CAFR.

Engagement Team

The engagement will be led by:

- * Jonathan A. Lawless, CFE, Chief Auditor, and Brian L. Leckey, Assistant Chief Auditor, who will be responsible for assuring the overall quality, value, and timeliness of our services to you;
- * Christopher M. White, CPA, Senior Audit Manager, who will be responsible for managing the delivery of our services to you; and
- * Ryan A. Seesholtz, Audit Manager, who will be responsible for on-site administration of our services to you.

The Auditing Process

Our Responsibilities:

The *Summary of Services* above describes our responsibilities for the City's basic statements and other financial information.

We will conduct our audit in accordance with U.S. generally accepted auditing standards (GAAS) and the Comptroller General of the United States' standards for financial audits included in *Government Auditing Standards*, the Single Audit Act Amendments of 1996, and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards require that we plan and perform the audit to reasonably assure that the financial statements are free of material misstatement.

Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatement may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We may limit certain procedures to selective testing of data. Therefore we might not detect material error and fraud if it exists. It is not cost-efficient to design procedures to detect immaterial error or immaterial fraud. Also, because of the characteristics of fraud, including attempts at concealment through collusion and forgery, a properly designed and executed audit may not detect a material fraud.

We will communicate all instances where we believe fraud *may* exist to you. These would include instances where we:

- Have persuasive evidence that fraud occurred.
- Determined fraud risks exist and were unable to obtain convincing evidence to determine that fraud was unlikely.

Similarly, noncompliance may have occurred. However, our audit provides no assurance that noncompliance generally will be detected and only reasonable assurance that we will detect noncompliance directly and materially affecting the determination of financial statement amounts. We will inform you regarding material error or noncompliance that come to our attention.

If we find indications of abuse, we will expand our tests to determine its financial statement effect. *Government Auditing Standards* defines *abuse* as behavior which while not necessarily a legal violation, is behavior a prudent person would deem improper or deficient. Because this determination is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting abuse.

If for any reason we are unable to complete the audit or are unable to form an opinion, we may disclaim an opinion on your financial statements. In this unlikely event, we will communicate the reason for disclaiming an opinion to you, and to those charged with governance, in writing.

Your Responsibilities and Identification of the Applicable Reporting Framework:

We will audit assuming that management and those charged with governance acknowledge and understand they are responsible for:

1. Preparing the financial statements and other financial information, including related disclosures and selecting and applying accounting principles in accordance with accounting principles generally accepted in the United States of America. This includes compliance with Ohio Admin. Code § 117-2-01 which requires designing, implementing and maintaining internal controls relevant to preparing and fairly presenting financial statements free from material misstatement whether due to fraud or error.

2. Providing us with:
 - a. Access to all information of which management is aware that is relevant to preparing and fairly presenting the financial statements such as records, documentation, and other matters;
 - b. Written representations as part of the engagement, from management and/or attorneys, understanding separate legal fees from attorneys may result;
 - c. Additional information that we may request from management for the audit; and
 - d. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
3. Inform us of events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements.
4. Preparing supplementary information (including the Schedule of Expenditures of Federal Awards) in accordance with the applicable criteria.
 - a. Include our report on the supplementary information in any document that includes the supplementary information and that indicates that the auditor has reported on this supplementary information.
 - b. Present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.
5. Reporting fraud and noncompliance of which you are aware to us.
6. Making available to the auditor draft financial statements and any accompanying other information in time to allow the auditor to complete the audit in accordance with the proposed timeline.
7. Reviewing drafts of the audited financial statements, footnotes, any supplemental information, auditor's reports and any findings; and informing us of any edits you believe may be necessary.
8. Designing and implementing programs and controls to prevent and detect fraud.

You should not rely on our audit as your primary means of detecting fraud.

Compliance with Laws and Regulations

Our Responsibilities

As part of reasonably assuring whether the financial statements are free of material misstatement, we will test the City's compliance with certain provisions of laws, regulations, contracts, and grants if noncompliance might reasonably directly and materially affect the financial statements. However, except for major federal financial assistance programs, our objective is not to opine on overall compliance with these provisions.

Your Responsibilities:

Management and those charged with governance are responsible for:

1. Being knowledgeable of, and complying with, laws, regulations, contracts, and grants applicable to the City.

2. Identifying for us other financial audits, attestation engagements, performance audits, internal audits, reports from regulators or other studies related to the City (if any), and the corrective actions taken to address these audits' significant findings and recommendations.
3. Tracking the status of prior audit findings.
4. Taking timely and appropriate steps to remedy fraud, noncompliance, violations of provisions of laws, regulations, contracts or grant agreements, or abuse we may report.
5. Providing your views and planned corrective action on audit findings we may report.

Internal Control

Our Responsibilities:

As a part of our audit, we will obtain an understanding of your City and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses.

In assessing risk, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of opining on the effectiveness of the City's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Your Responsibilities:

Design, implement and maintain internal control relevant to compliance and the preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error. Appropriate supervisory reviews are necessary to reasonably assure that adopted policies and prescribed procedures are followed.

Your Responsibility for Service Organizations:

Service organizations are other governmental entities, organizations, or companies that provide services to you, as the user government, relevant to your internal controls over financial reporting. Service organizations process transactions reflected in your City's financial statements, and therefore fall within the scope of our audit. While service organizations are responsible for establishing and maintaining their internal control, you are responsible for being aware of the service organizations your City uses, and for establishing controls to monitor the service organization's performance. Because the complexity of service organization transaction processing can vary considerably, your monitoring activities can vary accordingly.

When transaction processing is complex and the volume of transactions is relatively high, obtaining and reviewing a service organization auditor's *Independent Service Auditor's Report on Management's Description of a Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls* Report (Type 2 Service Organization Control Report (SOC 1)) may be the most effective method of meeting your responsibility to monitor a service organization, and may also be the only efficient means by which we can obtain sufficient evidence regarding their internal controls. AT Section 801, *Reporting on Controls at a Service Organization* for service organization reports dated prior to May 1, 2017 and AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting* for service organization reports dated on or after May 1, 2017 discuss the aforementioned report. (In some circumstances, we can accept a suitably-designed agreed-upon procedures report (AUP) in lieu of a SOC 1 report.)

You are responsible for informing our staff of the service organizations your City uses, and for monitoring these service organizations' performance.

Service organizations of which we are aware are:

- Lucas County, collects and distributes property taxes
- The AccuMed Group, EMS Billing
- Porz & Porz, delinquent income tax collection
- George Gusses, delinquent income tax collection
- Scheer, Green & Burke Co., delinquent income tax collection
- Robert A. Schuerger Co., delinquent income tax collection
- Law Offices of Timothy Sullivan, delinquent nuisance abatement collections
- Official Payments, delinquent income tax collection (credit card)
- Ohio Business Gateway, tax filing and payment
- RedFlex, red light and speed programs
- Paymentus, payment processing
- Mars-Ipay, payment processing
- Metavante, payment processing
- Checkfree, payment processing
- FrontPath, self-insurance claims collections, filtering and applying discounts negotiated with hospitals, clinics, etc.
- HealthScope, applies discounts and performs eligibility determinations for self-insurance claims based on City coverages
- Delta Dental, self-insurance processing for dental claims
- Optum Rx, self-insurance processing for prescription claims
- VBA, self-insurance processing for vision claims
- Trustmark, provides flexible spending accounts and short-term disability, life insurance for employees

Please confirm to us that, to the best of your knowledge, the above listing is complete.

Additional Responsibilities and Reporting Under the Uniform Guidance

Our Responsibilities:

For grant funding subject to the Uniform Guidance, as the Guidance requires, we will test controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to opine on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

Additionally, the Uniform Guidance requires that we also plan and perform the audit to reasonably assure whether the auditee has complied with applicable federal statutes, regulations, and terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could directly and materially affect each of your major programs.

In accordance with the Uniform Guidance, we will prepare the following report:

Independent Auditor's Report on Compliance with Requirements Applicable To Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Our report on compliance will include our opinion on compliance with major federal financial assistance programs and also describe instances of noncompliance with Federal requirements we detect that require reporting per the Uniform Guidance. This report will also describe any significant deficiencies and/or material weaknesses we identify relating to controls used to administer Federal award programs. However, this report will not opine on internal control used to administer Federal award programs.

We are also responsible for completing certain parts of OMB Form SF-SAC (the Data Collection Form).

Your Responsibilities:

You are responsible for identifying federal statutes, regulations and the terms and conditions relating to Federal award programs, and for complying with them. You are responsible for compiling the Schedule of Expenditures of Federal Awards and accompanying notes.

For grant funding subject to the Uniform Guidance, you are required to establish and maintain effective internal controls to reasonably assure compliance with federal statutes, regulations and terms and conditions of federal awards and controls relating to preparing the Schedule of Expenditures of Federal Awards. Additionally, you are responsible for evaluating and monitoring noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; taking prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly following up and taking corrective action on reported audit findings; and for preparing a summary of schedule of prior audit findings and a separate corrective action plan.

You are responsible for informing us of significant subrecipient relationships and contractor relationships (previously known as vendor relationships), when the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for completing your City's Data Collection Form and assuring the reporting package (including the Data Collection Form) is filed in accordance with the electronic submission requirements.

You are responsible for providing electronic files that are unlocked, unencrypted and in an 85% text searchable PDF format for your City's single audit submission of the reporting package to the Federal Audit Clearinghouse.

Representations from Management

Your Responsibilities

Upon concluding our engagement, management and, when appropriate, those charged with governance will provide to us written representations about the audit that, among other things, will confirm, to the best of their knowledge and belief:

- Management's responsibility for preparing the financial statements in conformity with generally accepted accounting principles, and the Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance
- The availability of original financial records and related data, the completeness and availability of all minutes of the legislative or other bodies and committee meetings;
- Management's responsibility for the City's compliance with laws and regulations;
- The identification and disclosure to the auditor of all laws, regulations, and provisions of contracts and grant agreements directly and materially affecting the determination of financial statement amounts and;
- The absence of fraud involving management or employees with significant roles in internal control.

Additionally, we will request representations, as applicable, regarding:

- The inclusion of all components, and the disclosure of all joint ventures and other related organizations;
- The proper classification of funds, net position and fund balances;
- The proper approval of reserves of fund equity;
- Compliance with laws, regulations, and provisions of contracts and grant agreements, including budget laws or ordinances; compliance with any tax or debt limits, and any debt covenants;
- Representations relative to required supplementary information;
- The identification of all federal assistance programs, and compliance with grant requirements.

- Events occurring subsequent to the fiscal year end requiring adjustment to or disclosure in the financial statements or Schedule of Expenditures of Federal Awards.

Management is responsible for adjusting the financial statements to correct misstatements we may detect during our audit and for affirming to us in the representation letter that the effects of any uncorrected misstatements we aggregate during our engagement and pertaining to the latest period the statements present are immaterial, both individually and in the aggregate, to the opinion units. (*Financial statements* include the related footnotes and required and other supplemental information).

Communication

Our Responsibilities

As part of this engagement the Auditor of State will communicate certain additional matters (if applicable) to the appropriate members of management and to those charged with governance. These matters include:

- The initial selection of and changes in significant accounting policies and their application;
- The process management uses to formulate particularly sensitive accounting estimates and the basis for their conclusions regarding the reasonableness of those estimates;
- Audit adjustments, whether posted or waived;
- Any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or our opinion;
- Our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters;
- Major issues that were discussed with management related to retaining our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and
- Serious difficulties we encountered in dealing with management during the audit.

We will present those charged with governance our Summary of Identified Misstatements (if any) at the conclusion of our audit.

Landfill Agreed-Upon Procedures

Summary of Services

As required by Ohio Administrative Code Sections 3745-27-15(L)(5)(c) and 3745-27-16(L)(5)(c), we propose to perform the procedures described in the attachment. We will perform these procedures for the date we will specify in our report. We will follow the American Institute of Certified Public Accountants' Attestation Standards for agreed-upon procedures engagements and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*.

The Attestation Standards require you to consent that our planned procedures are sufficient for your needs. The attached letter describes procedures we have used in similar engagements.

Our Responsibilities

The Auditor of State is an elected official that stands in the shoes of the public. We are responsible for completing the procedures you have agreed to, and for reporting any exceptions. We have no responsibility to perform procedures beyond those to which you have agreed. However, if other matters come to our attention indicating potential, significant errors regarding our report's subject matter, we will describe this matter in our report.

Similar to our audit of the financial statements, you should be aware that a properly executed agreed-upon procedures engagement may not detect errors or fraud that may have occurred relating to the subject matter of our report. Our engagement will be more limited than would be an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Chief Financial Officer's letter to the Ohio Environmental Protection Agency (OEPA). Accordingly, we will not express an opinion or conclusion on the letter. We will describe any exceptions we find as a result of our procedures.

Your Responsibilities (Confidential Information)

You should make every attempt to minimize or eliminate the transmission of personal information to the Auditor of State (AOS). All documents you provide to the AOS in connection with our services including financial records and reports, payroll records, employee rosters, health and medical records, tax records, etc. should be redacted of any personal information. Personal information includes social security numbers, date of birth, drivers' license numbers or financial institution account numbers associated with an individual. The public office should redact all personal information from electronic records before they are transmitted to the AOS. This information should be fully blacked out in all paper documents prior to sending to the AOS. If personal information cannot be redacted from any records or documents; the public office must identify these records to the AOS.

If redacting this personal information compromises our procedures, the public office and the AOS will consider these exceptions on a case-by-case basis. Additionally, if redacting this information creates a hardship on the public office in terms of resources, recordkeeping or other issues, the public office and the AOS may collaborate on alternative methods of providing the public office's data to the AOS without compromising the personal information of individuals served by the public office. The AOS is willing to work with the public office. It is our intent to minimize the amount of personal information we require. It is important that the public office review internal policies to find ways to eliminate as much personal information from financial records as possible by substituting non-personal information (i.e., change social security numbers to employee identification numbers).

Management Representations

Prior to issuing our agreed-upon procedures report, we will request written representations from you acknowledging, to the best of your knowledge and belief, your responsibility for:

- Complying with the Ohio Administrative Code Sections from Chapter 3745-27 listed in the *Summary of Services* above;
- Informing us of any matters of which you are aware that might indicate the City did not comply with the requirements listed above;
- Preparing the Letter to the OEPA;
- Preparing the financial statements from which amounts reported in the Letter will be derived;
- Agreeing to the sufficiency of the procedures for your purpose;
- Using the *State Support Document for the Local Government Financial Assurance Test* to define financial statement captions related to the landfill;
- Informing us of any communication from the OEPA or other regulatory agencies relative to the landfill;
- Making all relevant records available to us;
- Informing us of any known non-compliance occurring subsequent to the period covered by this report through the date of the report.
- Other matters for which we may request written representations.

Restrictions on Using our Report

Our agreed-upon procedures report will include language restricting its use to the parties specified in the report. The reasons for restricting its use are similar to those described in "Access to Our Reports and Working Papers," later in this letter.

Terms and Conditions Supporting Fee

As a result of our planning process, the City and the Auditor of State have agreed to an approach designed to meet the City's objectives for an agreed-upon fee, subject to the following conditions.

Our Responsibilities:

In providing our services, we will consult with the City regarding matters of accounting, financial reporting or other significant business issues. Accordingly, our fee includes estimated time necessary for this consultation. Circumstances may require the Auditor of State to confirm balances with your financial institution resulting in additional nominal charges which will not require an amendment to this agreement.

However, should a matter require research, consultation or audit work beyond this estimate, the Auditor of State and the City will agree to an appropriate revision in services and fee. These revisions will also be set forth in the form of the attached *Amendment to Engagement Letter*.

Your Responsibilities:

The City will provide in a timely manner all financial records and related information to us, an initial list of which will be furnished to you, including timely communication of all significant accounting and financial reporting matters, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. When and if for any reason the City is unable to provide these schedules, information and assistance, the Auditor of State and the City will mutually revise the fee to reflect additional services, if any, we require to achieve these objectives. These revisions will be set forth in the form of the attached *Amendment to Engagement Letter*.

Confidential Information:

You should make every attempt to minimize or eliminate the transmission of personal information to the Auditor of State (AOS). All documents you provide to the AOS in connection with our services including financial records and reports, payroll records, employee rosters, health and medical records, tax records, etc. should be redacted of any personal information. Personal information includes social security numbers, date of birth, drivers' license numbers or financial institution account numbers associated with an individual. The public office should redact all personal information from electronic records before they are transmitted to the AOS. This information should be fully blacked out in all paper documents prior to sending to the AOS. If personal information cannot be redacted from any records or documents; the public office must identify these records to the AOS.

If redacting this personal information compromises the audit or the ability to prepare financial statements, the public office and the AOS will consider these exceptions on a case-by-case basis. Additionally, if redacting this information creates a hardship on the public office in terms of resources, recordkeeping or other issues, the public office and the AOS may collaborate on alternative methods of providing the public office's data to the AOS without compromising the personal information of individuals served by the public office. The AOS is willing to work with the public office and it is our intent to greatly reduce the amount of personal information submitted to the AOS for audit or financial statement preparation purposes. It is important that the public office review internal policies to find ways to eliminate as much personal information from financial records as possible by substituting non-personal information (i.e., change social security numbers to employee identification numbers).

Fee

Except for any changes in fees and expenses which may result from the circumstances described above, we expect our fees and expenses for our audit services will not exceed \$164,000 for the City of Toledo's audit and \$410 for the landfill agreed-upon procedures.

Pursuant to Ohio Rev. Code Section 117.13, you may charge all of this audit's cost to the general fund or you may allocate the cost among the general fund and other eligible funds.

Reporting

We will issue a written report upon completing our audit of your financial statements. We will address our report to those charged with governance. We cannot assure you that we will issue an unmodified opinion. Circumstances may arise in which it is necessary for us to modify our opinion, add an other matters or emphasis-of-matter paragraph or withdraw from the engagement.

Upon completing our audit, we will also issue a written report in accordance with Government Auditing Standards on internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

Access to Our Reports and Working Papers

AU-C 905—*Alert That Restricts the Use of the Auditor's Written Communication* requires our reports to disclose the following:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards:

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance:

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

AU-C 905 requires us to include this restrictive language in our reports due to concerns that other readers may not fully understand the purpose of the report, the nature of the procedures applied in its preparation, the basis or assumptions used in its preparation, the extent to which the procedures performed are generally known or understood, and the potential for the report to be misunderstood, when taken out of the context for which it was intended.

However, under Revised Code Section 117.26, an audit report becomes a public record under Section 149.43, Revised Code, when we file copies of the report with the public officers enumerated in the Revised Code. When we file the reports, our working papers become available to the public upon request, subject to information protected for criminal investigations, by attorney-client privilege or by local, state or federal law. AU-C 905 does not affect public access to our reports or working papers.

Under generally accepted auditing standards, we must retain working papers for five years after the release date of our opinion. However, AOS policy requires we retain working papers for seven years or longer, as needed.

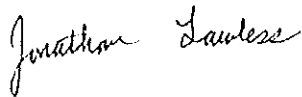
Peer Review Report

As required by *Government Auditing Standards*, we have made our most recent external quality control review report (Peer Review) publicly available, at [https://www.ohioauditor.gov/publications/Peer Opinion 2018.pdf](https://www.ohioauditor.gov/publications/Peer%20Opinion%202018.pdf). Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The Auditor of State received a peer review rating of *pass*.

Please sign and return this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. If you have any questions, please call Christopher M. White, CPA at 419-245-2811.

Sincerely,

Keith Faber
Auditor of State



Jonathan A. Lawless, CFE
Chief Auditor, Northwest Region

Attachment

cc: City Council, Audit Committee, Mayor, Internal Auditor

ACCEPTED BY _____

Finance Director
TITLE

DATE _____

2CFR Part 200 REPORTING PACKAGE

2CFR Part 200 Ref.	Item	Responsibility	
		Auditee	Auditor
.508(b); .510(a)	Financial Statements	✓	
.515(a)	Report (opinion) on financial statements		✓
508(b); .510(b)	Schedule of Expenditures of Federal Awards	✓	
.515(a)	Report ("in-relation-to" opinion) on Schedule of Expenditures of Federal Awards		✓
.515(b)	Report on Compliance and Internal Controls - Financial Statements		✓
.515(c)	Report on Compliance and Internal Controls - (Major) Federal Awards		✓
.515(d)	Schedule of Findings and Questioned Costs ¹		✓
.508(c); .511(a),(b)	Schedule of Prior Audit Findings ⁴	✓	
.512(a), (b)	Data Collection Form ²	✓	✓
.511(c)	Corrective Action Plan ³	✓	

¹ Required in all cases

² You may only submit the reporting package and Data Collection Form electronically. The reporting package will be uploaded and submitted along with the Data Collection Form. The Federal Audit Clearinghouse will distribute the required reporting packages to the Federal agencies per Section __.512(g) of the Uniform Guidance , if the audit requires distribution to a Federal-funding agency. Complete the auditee certification process and submit the single audit reporting package and the Data Collection Form electronically to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period.

³ Required for any GAGAS level or UG findings

**SAMPLE
AMENDMENT #___ TO ENGAGEMENT LETTER**

January 27, 2020

Thomas Skrobola, Finance Director
City of Toledo

Dear Mr. Skrobola:

The engagement letter dated January 27, 2020 between the Auditor of State and the City is hereby amended to reflect the following:

<u>Description of / Causes for Amendment</u>	<u>Estimated Fee Effect</u>
1	
2	
3	
4	
	<hr/>
Total this amendment	\$0.00
Previous fee estimate	<u>\$164,000.00</u>
Revised fee estimate	<u><u>\$164,000.00</u></u>

Please sign the copy of this letter in the space provided and return it to us. If you should have any questions, please call Christopher M. White, CPA at 419-245-2811.

Sincerely,

Keith Faber
Auditor of State

Jonathan A. Lawless
Chief Auditor, Northwest Region

cc: City Council, Audit Committee, Mayor, Internal Auditor

ACCEPTED BY

DATE

TITLE