

Notes Training

Quicklist

- Decide whether you are filing Regulatory or OCBOA
- Obtain/Access a template for the notes
- Contact the prior auditors to obtain the prior year's notes file as a starting point. You can obtain a copy via the on-line audit search, but this file cannot be edited.
<http://www.ohioauditor.gov/auditsearch/Search.aspx>
- A note shell (template) can be obtained on the Auditor of State's website at: <http://www.ohioauditor.gov/references/shells.html> . The entity's note shell will be updated annually by the Auditor of State's Office and will be the starting point for preparing notes specific to you entity.
- Make sure you save the file on your computer in an easy place to find.
- Note 1 – Describe the services provided by the entity. List any contracts for major services with another entity, such as paying the County Sheriff for specific police protection. If your entity is in fiscal caution, watch, or emergency, an extra paragraph in the shell will need to be included.
- Note 2 – Summary of Significant Accounting Policies. Most of this note is standard language that will remain as is in the note shell. However, you need to modify this note for what you have at your entity. The yellow and green highlights to guide you.
- Note 3 – Compliance. List any budgetary violations or deficit cash balance at year-end, if any. If none, then delete this note AND renumber the remaining notes and continue to the next note.
- Note 4 – Budgetary Activity. You will need to obtain the Certificate of Estimated Resources and Appropriations for the year (original, all amendments, and the final). You will also need a report that lists the year-end encumbrances.
- Note 5 – Deposits and Investments. You will need all December 31, 2016 bank and investment statements. If filing on an OCBOA basis, you will also need to determine what amounts are covered by FDIC.
- Note 6.
 - Property Taxes – If filing on and OCBOA basis, you will need to obtain the full tax rate and assessed values from your County Auditor.
 - Income Taxes – Only include if your village has an income tax and review the village's most recent tax ordinance and/or ballot language to assist in disclosing information in the note.

- Note 7 – Interfund Balances
 - Regulatory – Only include any material outstanding advance(s) not repaid by the end of the year.
 - OCBOA – Describe any transfers and/or advances that were made during the year and also any outstanding advance(s) not repaid at year end.
- Note 8 – Risk Management Note – you will need to obtain the detailed insurance policy that includes the amounts of coverages and deductibles.
- Note 9 – Defined Benefit Pension Plans – you will need to know the breakdown of total payroll between the individual retirement systems to be used in calculating the contractually required contribution.
- Note 10 – Postemployment Benefits - The same worksheet that you will use to calculate the contractually required contribution will be also used to calculate the amounts contributed for health care.
- Note 11 – Debt. You will need to obtain all amortization schedules for all entity debt.
- Note 12 – Construction and Contractual Commitments. List any significant construction or other contractual commitments. For OCBOA filers, you will also list encumbrances since those dollars are set aside for a particular use in the future.
- Note 13 – Contingent Liabilities. Ask your Village Solicitor / Legal Counsel for to provide a letter indicating whether there are any legal issues that could impact the Entity’s financial position.
- Notes 14-17. These notes relate to organizations that the entity may be involved with. Look at prior audit reports to see if anything was listed and also look at audit reports of other entities in your area – larger city, county, or school district reports may include some of these organizations that the entity is involved with as well.
- Note 18 – Related Party Transactions. Review the note shells and list any transactions that meet that definition.
- Note 19 – Fund Balances. This note only applies to OCBOA filers.
- Note 20 – Subsequent Events. List any significant financial event(s) that occur after the year-end such as the issuance of debt, new levy or other revenue source, or any major expenditures known after year-end.
- Note 21 – AMP Ohio. This will only apply to Villages who are a member.
- Note 22 – Restatement Note. This note would be included if your entity would change from reporting on a Regulatory Basis one year to reporting on an OCBOA basis in the following year.
- If filing on an OCBOA basis, a Management’s Discussion and Analysis will need to be prepared.