Example 1: Extra paragraph added to the auditor’s opinion on the basic financial statements
We have audited the accompanying Statement of Financial Position of (provider name) as of
June 30, xxxx, and the related Statement of Activities, Statement of Functional Expenses, and
Statement of Cash Flows for the year then ended. These financial statements are the
responsibility of management of (provider name). Our responsibility is to express an opinion on
these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United
States of America. Those standards require that we plan and perform the audit to obtain
reasonable assurance about whether the financial statements are free of material misstatement.
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in
the financial statements. An audit also includes assessing the accounting principles used and
significant estimates made by management, as well as evaluating the overall financial statement
presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects,
the financial position of (provider name) as of June 30, xxxx, and the changes in net assets and
cash flows for the year then ended in conformity with accounting principles generally accepted
in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements
of (provider name) taken as a whole. The supplementary information following page xx
including the “Schedule of Program Costs of the Consolidated Financial Report” for the State of
Illinois Fiscal Year ended June 30, xxxx, is presented for purposes of additional analysis as
required by the Illinois Department of Human Services and is not a required part of the basic
financial statements. Such information has been subjected to the auditing procedures applied in
the audit of the financial statements referred to above and, in our opinion, is fairly stated in all
material respects in relation to the financial statements taken as a whole.

Example 2: Separate report on supplementary information
Our audit was made for the purpose of forming an opinion on the basic financial statements
taken as a whole. The “Schedule of Program Costs” in the accompanying Consolidated
Financial Report for the State of Illinois fiscal year ended June 30, xxxx is presented for
purposes of additional analysis, as required by the Illinois Department of Human Services, and is
not a required part of the basic financial statements. Such information has been subjected to the
auditing procedures applied in the audit of the basic financial statements and, in our opinion, is
fairly stated in all material respects in relation to the basic financial statements taken as a whole.

[Instructions are on the reverse side of this page]
INSTRUCTIONS

Providers operating on a fiscal year ending on June 30TH which were awarded $500,000 or more by the Department of Human Services (DHS) during State Fiscal Year xxxx, which included funding for programs for which rates are set, or a cost/revenue analysis is performed, are required to submit audited financial statements along with an independent certified public accountant’s “in relation to” opinion on Schedule 1 (Schedule of Program Costs) of the Consolidated Financial Report (CFR).

The manner and extent to which the independent certified public accountant performs particular procedures to support the “in relation to” opinion are determined by the independent certified public accountant using his or her professional judgment, but those procedures must include at least the following:

- Obtaining DHS’ instructions for preparing the CFR Schedule of Program Costs and comparing the classifications used therein to those allowed by the instructions.
- Agreeing the total expense amounts detailed in the CFR Schedule of Program Costs to the provider’s audited GAAP-based financial statements.
- Reviewing the methodology used to allocate costs among programs for reasonableness and recalculating the allocations for all programs funded by DHS to ensure that the methodology was consistently followed. Agreeing allocated amounts to the general ledger and applicable payroll records.
- Comparing the CFR Schedule of Program Costs to that of the prior year and inquiring of the provider’s management regarding material changes and inconsistencies.
- Mathematically checking all footings and crossfootings on the CFR Schedule of Program Costs.

The independent certified public accountant may elect to add a paragraph to the opinion on the basic financial statements, as illustrated in Example 1, or to issue a separate report on the supplementary information, as illustrated in Example 2.

Providers operating on a fiscal year ending other than on June 30TH which were awarded $500,000 or more by DHS during State Fiscal Year xxxx, which included funding for programs for which rates are set, or a cost/revenue analysis is performed, are required to submit audited financial statements along with an independent certified public accountant’s “Report on Agreed-Upon Procedures”. These instructions and examples do not apply to such providers.