

**ILLINOIS DEPARTMENT OF HUMAN SERVICES  
SAMPLE “IN RELATION TO” OPINIONS ON  
CONSOLIDATED FINANCIAL REPORT COST SCHEDULE  
SUBMITTED WITH ANNUAL AUDITED FINANCIAL STATEMENTS**

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 30<sup>TH</sup> 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 30<sup>TH</sup> 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.