



January 5, 2022

Mr. Kenneth Glindmyer
Chairperson
CFR Interagency Committee
NY State Office for People With Developmental Disabilities (OPWDD)
44 Holland Ave.
Albany NY 12229

By e-mail: kenneth.v.glindmyer@opwdd.ny.gov

Re: Proposed Revisions to New York State Consolidated Fiscal Cost Reports for the Impact of SAS 134

Dear Ms. Glindmyer:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 21,000 CPAs in public practice, business, government and education, is pleased to have the opportunity to work with you to assess the impact of Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements* on the certifications for New York State Consolidated Fiscal Report (CFR).

Effective for reporting periods ending on or after December 15, 2021, SAS 134 addresses the auditor's responsibility to form an opinion on the financial statements and provides new requirements for the form and content of the auditor's report. This standard also contains requirements for when the auditor concludes that a modification to the auditor's opinion on the financial statements is necessary, and when additional communications are necessary in the auditor's report. SAS 134 aligns U.S. generally accepted auditing standards (GAAS) with the standards issued by the International Auditing and Assurance Standards Board and the Public Company Accounting Oversight Board. SAS 134 includes a new auditing standard (AU-C 701) and replaces AU-C 700, 705, and 706. The new sections are as follows:

- AU-C Section 701, Communicating Key Matters in the Independent Auditor's Report
- AU-C Section 700, Forming an Opinion and Reporting on Financial Statements
- AU-C Section 705, Modifications to the Opinion in the Independent Auditor's Report
- AU-C Section 706, Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report.

This new SAS completely revises the audit opinion. Due to these changes in the standards, the opinions currently included in the software and manual for the New York State Consolidated Fiscal Report need to be updated with the appropriate language. We have included as attachments updated opinions for your convenience.

The NYSSCPA Not-for-Profit Committee, led by committee chair Joseph Arnone and drafting committee members David M. Rottkamp and Allan Blum, along with the AICPA, reviewed the existing opinions and drafted the attached updates as were necessary to comply with the change in the auditing standards.

If you would like additional discussion with us, please contact committee chair Joseph Arnone at (646) 625-5755 or committee member David M. Rottkamp at (212) 223-5046, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in black ink, appearing to read "Rumbi Bwerinofa-Petrozzello", is written over a faint, semi-transparent watermark of the NYSSCPA logo. The logo consists of the letters "NYSSCPA" in a serif font, with "NYSSCPA" repeated below it.

Rumbi Bwerinofa-Petrozzello
President

Attachments:

Schedule CFR-ii Accountant's Report - Voluntary Agency or County Government - Calendar Year
Schedule CFR-iiA Accountant's Report - Voluntary Agency or County Government - "Off Year"

**Attachment – NY State CFR: Schedule CFR-ii Accountant's Report - Voluntary Agency or
County Government - Calendar Year**

CFR-ii Certification Language:

SCHEDULE CFR-ii

INDEPENDENT ACCOUNTANT'S REPORT

VOLUNTARY AGENCY or COUNTY GOVERNMENT

Opinion

We have audited the accompanying financial statements of XYZ Agency which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of financial position of XYZ Agency at December 31, 2021, and the changes in its net assets or equity and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of XYZ Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about XYZ Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

Attachment – NY State CFR: Schedule CFR-ii Accountant's Report - Voluntary Agency or County Government - Calendar Year

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of XYZ Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall financial statement presentation.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about XYZ Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on the Supplementary Information in Relation to the Financial Statements as a Whole

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included on Schedules (as applicable) CFR-1, lines 13, 16, 17, 20, 41, 48, 63-67, 69-107; CFR-2; CFR-2A; CFR-3; CFR-4; CFR-4A; CFR-5; CFR-6, Section 3; DMH-1; OMH-1; OMH-4; OPWDD-5; SED-1; SED-4; and SUPP-1, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information reported on the CFR with Document Control Number _____ has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Attachment – NY State CFR: Schedule CFR-ii Accountant's Report - Voluntary Agency or County Government - Calendar Year

The other information included in the Consolidated Fiscal Report identified by Document Control Number _____, was not audited by us and, accordingly, we express no opinion or provide any assurance thereon.

Report on the Supplementary Information in Accordance with the Consolidated Fiscal Reporting and Claiming Manual

We have examined the following schedules for the year ended December 31, 2021: Schedules CFR-1, lines 13, 16, 17, 20, 41, 48, 63-67, 69-107; CFR-2; CFR-2A; CFR-3; CFR-4; CFR-4A; CFR-5; CFR-6, Section 3; DMH-1; OMH-1; OMH-4; OPWDD-5; SED-1; SED-4; and SUPP-1 (collectively “CFR Schedules”) as reported on the CFR with Document Control Number _____. XYZ Agency's management is responsible for the CFR schedules' conformity with the applicable instructions relating to the preparation of the Consolidated Fiscal Report as furnished by the New York State Office for People With Developmental Disabilities, New York State Office of Mental Health, New York State Office of Addiction Services and Supports, New York State Education Department, New York State Department of Health, and New York State Office of Children and Family Services for the year ended December 31, 2021. Our responsibility is to express an opinion on the CFR schedules in accordance with those instructions based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CFR schedules are in accordance with the applicable instructions relating to the preparation of the Consolidated Fiscal Report as furnished by the New York State Office for People With Developmental Disabilities, New York State Office of Mental Health, New York State Office of Addiction Services and Supports, New York State Education Department, New York State Department of Health, and New York State Office of Children and Family Services for the year ended December 31, 2021 in all material respects. An examination involves performing procedures to obtain evidence about the CFR schedules. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the CFR schedules, whether due to fraud or error, and such procedures included in Appendix AA of the Consolidated Fiscal Reporting and Claiming Manual for the year ended December 31, 2021. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the above referenced CFR schedules are prepared in accordance with the applicable instructions relating to the preparation of the Consolidated Fiscal Report as furnished by the New York State Office for People With Developmental Disabilities, New York State Office of Mental Health, New York State Office of Addiction Services and Supports, New York State Education Department, New York State Department of Health, and New York State Office of Children and Family Services for the year ended December 31, 2021, in all material respects.

Restriction on the Use of the Report

This report is intended solely for the information and use of the Agency's management, the New York State governmental funding agencies, and any funding Counties that are required to receive a copy of this report and is not intended to be and should not be used by anyone other than these specified parties.

**Attachment – NY State CFR: Schedule CFR-ii Accountant's Report - Voluntary Agency or
County Government - Calendar Year**

Certification of Opinion

The undersigned hereby certifies this opinion and that we have disclosed any and all material facts known to us, disclosure of which is necessary to make this opinion, the basic financial statements and the above referenced CFR schedules not misleading. The undersigned hereby further certifies that we will disclose any material fact discovered by us subsequent to this certification, which existed at the time of this certification and was not disclosed in the basic financial statements or the above referenced CFR schedules, the disclosure of which is necessary to make the basic financial statements or the CFR schedules not misleading and will disclose any material misstatement in said financial statements or the above referenced CFR schedules.

Independence

We are required to be independent and meet our other ethical responsibilities in accordance with ethical requirements related to the engagement. During the period of this professional engagement, at the time of expressing this opinion and during the period covered by the financial statements, we did not have nor were committed to acquire, any direct financial interest or material indirect financial interest in the ownership or operation of the XYZ Agency and we were not connected in any way with the ownership, financing or operation of the XYZ Agency as a director, officer or employee, or in any capacity other than as an independent certified public accountant or independent public accountant.

Date CFR-ii signed

Signature of Independent Accountant, Firm, or Sole Practitioner

CPA Firm Registration Number

Date of Report

Firm Name

Address

Telephone Number

Firm Contact Person

Document Control Number

**Attachment – NY State CFR: Schedule CFR-iiA Accountant's Report - Voluntary Agency
or County Government – “Off Year”**

CFR-iiA Certification Language:

SCHEDULE CFR-iiA

INDEPENDENT ACCOUNTANT’S REPORT

VOLUNTARY AGENCY or COUNTY GOVERNMENT

Report on the Supplementary Information in Accordance with the Consolidated Fiscal Reporting and Claiming Manual

We have examined the following schedules for the year ended December 31, 2021: Schedules (as applicable) CFR-1, lines 13, 16, 17, 20, 41, 48, 63-67, 69-107; CFR-2; CFR-2A; CFR-3; CFR-4; CFR-4A; CFR-5; CFR-6, Section 3; DMH-1; OMH-1; OMH-4; OPWDD-5; SED-1; SED-4; and SUPP-1 (collectively, “CFR Schedules”) as reported on the CFR with Document Control Number _____. (Agency Name)’s management is responsible for the CFR schedules in accordance with the applicable instructions relating to the preparation of the Consolidated Fiscal Report as furnished by the New York State Office for People With Developmental Disabilities, New York State Office of Mental Health, New York State Office of Addiction Services and Supports, New York State Education Department, New York State Department of Health, and New York State Office of Children and Family Services for the year ended December 31, 2021. Our responsibility is to express an opinion on the CFR schedules based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CFR schedules are in accordance with the applicable instructions relating to the preparation of the Consolidated Fiscal Report as furnished by the New York State Office for People With Developmental Disabilities, New York State Office of Mental Health, New York State Office of Addiction Services and Supports, New York State Education Department, New York State Department of Health, and New York State Office of Children and Family Services for the year ended December 31, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the CFR schedules. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the CFR schedules, whether due to fraud or error, and such procedures included in Appendix AA of the Consolidated Fiscal Reporting and Claiming Manual for the year ended December 31, 2021. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the above referenced CFR schedules are presented in accordance with the applicable instructions relating to the preparation of the Consolidated Fiscal Report as furnished by the New York State Office for People With Developmental Disabilities, New York State Office of Mental Health, New York State Office of Addiction Services and Supports, New York State Education Department, New York State Department of Health, and New York State Office of Children and Family Services for the year ended December 31, 2021, in all material respects.

Restriction on the Use of the Report

This report is intended solely for the information and use of the Agency’s management, the New York State governmental funding agencies, and any funding Counties that are required to receive a copy of

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or County Government – “Off Year”**

this report and is not intended to be and should not be used by anyone other than these specified parties.

Certification of Opinion

The undersigned hereby certifies this opinion and that we have disclosed any and all material facts known to us, disclosure of which is necessary to make this opinion, and the above referenced CFR schedules not misleading. The undersigned hereby further certifies that we will disclose any material fact discovered by us subsequent to this certification, which existed at the time of this certification and was not disclosed in the above referenced CFR schedules, the disclosure of which is necessary to make the CFR schedules not misleading and will disclose any material misstatement in the above referenced CFR schedules.

Independence

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. During the period of this professional engagement, at the time of expressing this opinion, we did not have nor were committed to acquire, any direct financial interest or material indirect financial interest in the ownership or operation of the facility and we were not connected in any way with the ownership, financing or operation of the facility as a director, officer or employee, or in any capacity other than as an independent certified public accountant or independent public accountant.

Date CFR-iiA signed

Signature of Independent Accountant, Firm, or Sole Practitioner

CPA Firm Registration Number

Date of Report

Firm Name

Address

Telephone Number

Firm Contact Person

Document Control Number