Ms. Janet Baggetta  
Director  
Bureau of Mental Hygiene Services  
New York State Department of Health  
Hospital and Clinic Rate Setting  
Empire State Plaza, Corning Tower  
Albany, NY  12237

By e-mail: janet.baggetta@health.ny.gov

Re: Proposed Revisions to AHCF Medicaid Cost Reports for the Impact of SAS 134

Dear Ms. Baggetta:

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 your department 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 various Medicaid cost report certifications for Ambulatory Health Care Facilities (AHCF).

Effective for 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
This new SAS completely revises the audit opinion. Due to these changes in the standards, the opinions currently included on the Health Commerce System (HCS) for AHCF Medicaid cost reports need to be updated with the appropriate language. We have included as attachments updated opinions for your convenience.

The NYSSCPA Health Care Committee, led by committee chair Steven Schwartz and drafting committee member Janine Mangione, 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 Steven Schwartz at (646) 254-7484 or committee member Janine Mangione at (518) 250-7792, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Rumbi Bwerinofa-Petrozzello
President

Attachments:
AHCF D&TC CPA Certification (NFP FP)
AHCF D&TC CPA Certification (NFP FP) Consolidated
AHCF D&TC CPA Certification (Governmental Audited)
AHCF D&TC CPA Certification (Governmental Not Audited)
REPORT OF INDEPENDENT ACCOUNTANT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ____________, which comprise the balance sheet/statement of financial position as of __________, and the related statements of operations, changes in net assets or equity 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 financial position of the entity as of ________ and the results of operations, changes in 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 ______________ 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 ________’s ability to continue as a going concern for the year ended __________.

Auditor’s Responsibilities 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 ____________ 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 presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ____________’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 of the financial statements was conducted for the purpose of forming an opinion on the financial statements as a whole. The following supplemental data from the accompanying Ambulatory Health Care Facility (AHCF) Cost Report of Diagnostic & Treatment Center for the year ended ________________, identified by Declaration Control Number ____________ (Medicare Number ____________), is presented for the purpose of additional analysis and is not required as part of the financial statements:

The financial data on:
Exhibit II - Ownership Information (Excluding class code 0082 column, “Actual cost of related company)
Exhibit III A - Expenditures, the data contained in the Column entitled “Total Adjusted Costs” (a through n).
Exhibit III E - Balance Sheet
Exhibit III F - Statement of Revenue, and
Exhibit III H - Changes in Fund Balances and Total Equity

The statistical data included on:
Exhibit I C - Statistical Data of Users and Patient Care Cost Centers
Exhibit I D - Statistical Data by Payor
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 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 above information is stated fairly in all material respects in relation to the financial statements as a whole.

The other information included in the accompanying AHCF Cost Report, identified by Declaration Control Number ___________, not detailed in the preceding paragraphs, was not audited by us and, accordingly, we express no opinion or any assurance thereon.

**Report on the Supplemental Data in Accordance with the DOH Cost Report Instructions**

We have examined the above supplemental data for the year ended ____________. [Facility name] management is responsible for the preparation of the supplemental data in accordance with (or based on) the applicable instructions relating to the preparation of the AHCF Cost Report as furnished by the New York State Department of Health for the year ended _____________. Our responsibility is to express an opinion on the supplemental data in accordance with those instructions 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 above supplemental data is in accordance with (or based on) the applicable instructions relating to the preparation of the AHCF Cost Report, in all material respects. An examination involves performing procedures to obtain evidence about the above supplemental data. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the above supplemental data, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the above supplemental data is in accordance with (or based on) the applicable instructions relating to the preparation of the AHCF Cost Report as furnished by the New York State Department of Health with the AHCF software for the year ended ____________, in all material respects.

**Restriction on the Use of the Report**

This AHCF Cost Report, including this accountant's opinion, is intended solely for the information and use of the management and ownership of the Facility and the Offices and Agencies of the State of New York, 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, the financial statements and the supplemental data 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 financial statements or the supplemental data, the disclosure of which is necessary to make the financial statements or supplemental data not misleading and will disclose any material misstatement in said financial statements or supplemental data.

**Independence**

We are required to be independent and meet our other ethical responsibilities, in accordance with relevant 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, I/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.

Signature of Accounting Firm

Name of Accounting Firm

By: ________________________________
Signature of CPA Partner-in-Charge

Name of CPA

CPA License Number

Date of CPA Signature

Address

City/State/ZIP

Telephone

Facility ____________________________

DCN#: ____________________________
Independent Auditor's Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of __________, which comprise the consolidated balance sheet as of __________, and the related consolidated statements of operations, changes in net assets or equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of __________ and the results of operations, changes in 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 Consolidated Financial Statements section of our report. We are required to be independent of __________ 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about __________’s ability to continue as a going concern for [insert the time period set by the applicable financial reporting framework].

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 if material individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated 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 consolidated 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 consolidated 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 ____________’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 presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ______________ 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 Consolidated Financial Statements as a Whole

Our audit of the consolidated financial statements was conducted for the purpose of forming an opinion on those consolidated financial statements as a whole. The following supplemental data from the accompanying Ambulatory Health Care Facility (AHCF) Cost Report of Diagnostic & Treatment Center for the year ended ________________, identified by Declaration Control Number ___________ (Medicare Number ____________), which are the responsibility of the facility management, are presented for the purpose of additional analysis and are not required as part of the consolidated financial statements:

The financial data on:

- Exhibit II - Ownership Information (Excluding class code 0082 column, “Actual cost of related company)
- Exhibit III A - Expenditures, the data contained in the Column entitled “Total Adjusted Costs” (a through n).
- Exhibit III E - Balance Sheet
- Exhibit III F - Statement of Revenue, and
- Exhibit III H - Changes in Fund Balances and Total Equity

The statistical data included on:

- Exhibit I C - Statistical Data of Users and Patient Care Cost Centers
- Exhibit I D - Statistical Data by Payor
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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The other information included in the accompanying AHCF Cost Report, identified by Declaration Control Number ____________, not detailed in the preceding paragraphs, was not audited by us and, accordingly, we express no opinion or provide any assurance thereon.

Report on the Supplemental Data in Accordance with DOH Cost Report Instructions

We have examined the above supplemental data for the year ended ____________. [Facility name] management is responsible for the preparation of the supplemental data in accordance with (or based on) the applicable instructions relating to the preparation of the AHCF Cost Report as furnished by the New York State Department of Health for the year ended ____________. Our responsibility is to express an opinion on the supplemental data in accordance with those instructions 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 above supplemental data is in accordance with (or based on) the applicable instructions relating to the preparation of the AHCF Cost Report, in all material respects. An examination involves performing procedures to obtain evidence about the above supplemental data. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the above supplemental data, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the above supplemental data is in accordance with (or based on) the applicable instructions relating to the preparation of the AHCF Cost Report as furnished by the New York State Department of Health and the AHCF software for the year ended ____________ in all material respects.

Restriction on the Use of the Report

This AHCF Cost Report, including this accountant's opinion, is intended solely for the information and use of the management and ownership of the organization and the Offices and Agencies of the State of New York, 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 I/we have disclosed any and all material facts known to me/us, disclosure of which is necessary to make this opinion, the consolidated financial statements and the supplemental data not misleading. The undersigned hereby further certifies that I/we will disclose any material fact discovered by me/us subsequent to this certification which existed at the time of this certification and was not disclosed in the consolidated financial statements or the supplemental data, the disclosure of which is necessary to make the consolidated financial statements or the supplemental data not misleading and will disclose any material misstatement in said consolidated financial statements or supplemental data.
**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 consolidated financial statements, I/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.

______________________________
Signature of Accounting Firm

______________________________
Name of Accounting Firm

By: __________________________
Signature of CPA Partner-in-Charge

______________________________
Name of CPA

______________________________
CPA License Number

______________________________
Date of CPA Signature

______________________________
Address

______________________________
City/State/ZIP

______________________________
Telephone

Facility____________________________

DCN#: __________________________
Independent Auditor’s Report

Report on the Audit of Exhibit III J (Reconciliation to Audited Financial Statement)

Opinion

We have audited Exhibit III J (Reconciliation to Audited Financial Statement) of the accompanying D&TC report for the year ended _________. Exhibit III J was prepared by and is the responsibility of the program's management. Our responsibility is to express an opinion on Exhibit III J based on our audit.

Exhibit III J was prepared to present patient service revenue, other operating revenue, operating expenses, nonoperating revenue, nonoperating expenses, and excess of total revenues over total expenses of the D&TC consistent with the rules and instructions of the New York State Department of Health. This schedule is not intended to be a complete presentation of the D&TC's financial statements.

In our opinion, the accompanying Exhibit III J presents fairly, in all material respects, the revenues and expenses of_________ D&TC for the year ended ________, in conformity 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 Exhibit III J section of our report. We are required to be independent of ______ 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 Exhibit III J

Management is responsible for the preparation and fair presentation of Exhibit III J 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 Exhibit III J that are free from material misstatement, whether due to fraud or error.

In preparing Exhibit III J, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about __________ D&TC’s ability to continue as a going concern for [insert the time period set by the applicable financial reporting framework].

Auditor’s Responsibilities for the Audit of Exhibit III J

Our objectives are to obtain reasonable assurance about whether Exhibit III J is free of 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 _______________ D&TC'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 presentation of Exhibit III J.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about _______________ D&TC’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 Exhibit III J as a Whole**

Our audit of Exhibit III J was conducted for the purpose of forming an opinion as to whether Exhibit III J is fairly stated, in all material respects, in conformity with generally accepted accounting principles. The following supplemental data for the year ended ________________, which is the responsibility of the program's management, are presented for additional analysis and is not a required part of Exhibit III J:

**The financial data on:**

- Exhibit II - Ownership Information
  (Excluding class code 0082 column, “Actual cost of related company”)
- Exhibit III A - Expenditures, the data contained in the Column entitled "Total Adjusted Costs" (a through n)
- Exhibit III F - Statement of Revenue, and

**The statistical data included on:**

- Exhibit I C - Statistical Data of Users and Patient Care Cost Centers
- Exhibit I D - Statistical Data by Payer

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare Exhibit III J. The information has been subjected to the auditing procedures applied in the audit of Exhibit III J and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare Exhibit III J or to Exhibit III J itself, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to Exhibit III J as a whole.
The other information included in the accompanying D&TC report, not specifically identified above, was not audited by us and, accordingly, we express no opinion or provide any assurance thereon.

**Report on Exhibit III J and the Supplementary Information in Accordance with the DOH Cost Report Instructions**

We have examined Exhibit III J and the supplemental data detailed above. Management is responsible for the preparation of Exhibit III J and the supplemental data in accordance with (or based on) the applicable instructions relating to the preparation of the report as furnished by the New York State Department of Health for the year ended __________. Our responsibility is to express an opinion on Exhibit III J and the supplemental data in accordance with those instructions 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 Exhibit III J is in accordance with (or based on) the applicable instructions relating to the preparation of the D&TC Report, in all material respects. An examination involves performing procedures to obtain evidence about the above supplemental data. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the above supplemental data, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, Exhibit III J detailed above are in accordance with (or based on) the applicable instructions relating to the preparation of the D&TC report as furnished by the New York State Department of Health and the AHCF software for the year ended __________ in all material respects.

**Restriction on the Use of the Report**

This D&TC report, including this accountant’s opinion, is intended solely for the information and use of the management and ownership of the program and the offices and agencies of the State of New York, 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 I/we have disclosed any and all material facts known to me/us, disclosure of which is necessary to make this opinion and Exhibit III J and the supplemental data not misleading. The undersigned hereby further certifies that I/we will disclose any material fact discovered by me/us, subsequent to this certification which existed at the time of this certification and was not disclosed in Exhibit III J or the supplemental data, the disclosure of which is necessary to make Exhibit III J and supplemental data not misleading and will disclose any material misstatement in Exhibit III J and the supplemental data.

**Other Matter**

We also audited the financial statements of __________ County sponsor of __________ Diagnostic and Treatment Center (D&TC) as of and for the year ended __________ and expressed an (unmodified) opinion on such financial statements in our report dated __________.
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, and at the time of expressing this opinion, and the period covered by Exhibit III J, I/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 program and I/we were not connected in any way with the ownership, financing or operation of the program as a director, officer or employee, or in any capacity other than as an independent certified public accountant or independent public accountant.

______________________________
Signature of Accounting Firm

______________________________
Name of Accounting Firm

By: ____________________________
Signature of CPA Partner-in-Charge

______________________________
Name of CPA

______________________________
CPA License Number

______________________________
Date of CPA Signature

______________________________
Address

______________________________
City/State/Zip

______________________________
Telephone
Independent Auditor's Report

Report on the Audit of Exhibit III J (Reconciliation to Audited Financial Statement)

Opinion

We have audited Exhibit III J (Reconciliation to Audited Financial Statement) of the accompanying D&TC report for the year ended __________. Exhibit III J was prepared to present patient service revenue, other operating revenue, operating expenses, nonoperating revenue, nonoperating expenses, and excess of total revenues over total expenses of the Diagnostic and Treatment Center (D&TC) consistent with the rules and instructions of the New York State Department of Health. This schedule is not intended to be a complete presentation of the D&TC's financial statements.

In our opinion, Exhibit III J presents fairly, in all material respects, the revenues and expenses of ______________ D&TC for the year ended ______________, in conformity 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 Responsibility for the Audit of Exhibit III J section of our report. We are required to be independent of ______________ 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 Exhibit III J

Management is responsible for the preparation and fair presentation of Exhibit III J 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 Exhibit III J that is free from material misstatement, whether due to fraud or error.

In preparing Exhibit III J, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ______________ D&TC's ability to continue as a going concern for the year ended ______________.

Auditor’s Responsibilities for the Audit of Exhibit III J

Our objectives are to obtain reasonable assurance about whether Exhibit III J as a whole is free of 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Exhibit III J.
- 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 ____________ internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of Exhibit III J.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about ____________’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 Exhibit III J as a Whole**

Our audit was conducted for the purpose of forming an opinion on Exhibit III J as a whole. The following supplemental data for the year ended __________, is presented for additional analysis and is not a required part of Exhibit III J:

**The financial data on:**

- Exhibit II - Ownership Information (Excluding class code 0082 column, “Actual cost of related company”)
- Exhibit III A - Expenditures, the data contained in the Column entitled "Total Adjusted Costs" (a through n)
- Exhibit III F - Statement of Revenue, and

**The statistical data included on:**

- Exhibit I C - Statistical Data of Users and Patient Care Cost Centers
- Exhibit I D - Statistical Data by Payer

Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare Exhibit III J. The above supplemental data has been subjected to the auditing procedures applied in the audit of Exhibit III J and certain additional procedures, including comparing and reconciling such supplemental data directly to the underlying accounting and other records used to prepare Exhibit III J or to Exhibit III J itself, and other procedures in accordance with GAAS. In our opinion, the above supplemental data is fairly stated in all material respects in relation to Exhibit III J, as a whole.

The other information included in the accompanying D&TC report, not specifically identified above, was not audited by us and, accordingly, we express no opinion thereon.
Report on Exhibit III J and the Supplemental Data in Accordance with the DOH Cost Report Instructions

We have examined Exhibit III J and the supplemental data detailed above. Management is responsible for the preparation of Exhibit III J and the supplemental data in accordance with (or based on) the applicable instructions relating to the preparation of the report as furnished by the New York State Department of Health for the year ended ____________. Our responsibility is to express an opinion on Exhibit III J and the supplemental data in accordance with those instructions 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 Exhibit III J is in accordance with (or based on) the applicable instructions relating to the preparation of the D&TC Report, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of Exhibit III J and the above supplemental data, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, Exhibit III J and the supplemental data detailed above are in accordance with (or based on) the applicable instructions relating to the preparation of the D&TC report as furnished by the New York State Department of Health for the year ended ____________, in all material respects.

Restriction on the Use of the Report
This D&TC report, including this accountant's opinion, is intended solely for the information and use of the management and ownership of the program and the offices and agencies of the State of New York, 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 I/we have disclosed any and all material facts known to me/us, disclosure of which is necessary to make this opinion and Exhibit III J and the supplemental data not misleading. The undersigned hereby further certifies that I/we will disclose any material fact discovered by me/us, subsequent to this certification which existed at the time of this certification and was not disclosed in Exhibit III J or the supplemental data, the disclosure of which is necessary to make Exhibit III J and supplemental data not misleading and will disclose any material misstatement in Exhibit III J and the supplemental data.

Other Matter
We have not audited the financial statements of _________________ County sponsor of _________________ D&TC and accordingly do not express an opinion or any form of assurance on such financial statements.
**Independence**

We are required to be independent and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to the engagement. During the period of this professional engagement, and at the time of expressing this opinion, and the period covered by Exhibit III J, I/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 program and I/we were not connected in any way with the ownership, financing or operation of the program as a director, officer or employee, or in any capacity other than as an independent certified public accountant or independent public accountant.

_____________________________________
Signature of Accounting Firm

_____________________________________
Name of Accounting Firm

By: _________________________________
Signature of CPA Partner-in-Charge

_____________________________________
Name of CPA

_____________________________________
CPA License Number

_____________________________________
Date of CPA Signature

_____________________________________
Address

_____________________________________
City/State/Zip

_____________________________________
Telephone