**AU-C 935**

**SAMPLE COMBINED REPORTS ON COMPLIANCE**

**AND INTERNAL CONTROL**

**Uniform Guidance**

**November 2024[[1]](#footnote-1)**

***THIS SHELL MUST BE USED FOR 12-31-21 AND SUBSEQUENT FYEs***

***AOS Auditor Notes****:*

1. *Blue, italicized text indicates guidance from CFAE.*
2. *AOS auditors: AOSAM 34900.18 - .20 discuss single audit materiality considerations pertaining to the schedule of expenditures of federal awards, each major program, and individual compliance requirements as identified in the OMB Compliance Supplement and summarized in the FACCRs.*
3. *See 13.41 of the AICPA Single Audit Guide regarding reporting findings of abuse.*
4. *See guidance in AU-C 935.48 and, for AOS auditors, AOSAM 40000.23 - .25 for reissuing reports.*

***See Table of Contents on the next page.***

Click [here](https://ohioauditor.gov/ocs/2021/Instruction%20on%20how%20to%20Fill%20in%20Entity%20Specific%20Parameters%20within%20Word.docx) for instructions on how to fill in entity specific parameters within this document.

Click [here](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fohioauditor.gov%2Focs%2F2023%2F_Instructions_For_Formatting_Different_Header_and_Footer_Page_Numbers.docx&data=05%7C01%7CAMStidham%40ohioauditor.gov%7Cb2e8e44b29fc4c200ca508db4d8a0f9d%7Cb2e7d3c9fbbc4bee801d2898fdfc7c32%7C0%7C0%7C638189027584008458%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=457P1U5Jy%2F%2F2xlrkTLwlkHF9SMP1oW7ySZ4QX9qg%2Bwk%3D&reserved=0) for instructions on how to format the page numbers in the header and footer.

**Table of Contents**

**Example #1.** Unmodified Opinion on Compliance (with or without reportable noncompliance *not* affecting our opinion), No Significant Deficiencies, No Material Weaknesses

**Compliance Section Revisions**

* ***Examples include language with or without additional reportable noncompliance not affecting our opinion***

**Example #2.** Qualified Opinion on Compliance

**Example #3.** Adverse Opinion on Compliance on One Major Program, Unmodified Opinion on Other Major Programs

**Example #4** Scope Limitation for One Major Program, Unmodified Opinion on Other Major Programs

**Example #5** Disclaimer of Opinion on Compliance

**Internal Control Section Revisions**

**Example #6** Material Weakness(es) *and* Significant Deficiencies

**Example #7** Material Weakness(es) *but no* Significant Deficiencies

**Example #8** Significant Deficiency(ies) *but no* Material Weaknesses

**Example #9** Additional paragraph when we attach SEFA to Single Audit report instead of to the financial statements --- *SEFA work completed* ***same*** *date as financial statement opinion date.*

**Example #10** Additional paragraph when we attach SEFA to Single Audit report instead of to the financial statements --- *SEFA work completed* ***after*** *financial statement opinion date.*

***Example 1: Unmodified Opinion on Compliance***

***(With or without reportable noncompliance not affecting our opinion – see endnote 2); no Significant Deficiencies, no Material Weaknesses***

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS**

**APPLICABLE TO (each/the) MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS[[2]](#footnote-2)REQUIRED BY THE UNIFORM GUIDANCE**

Entity Name

County Name

Street Address

City, Ohio Zip Code

To the Governing Body:

**Report on Compliance for (Each/the) Major Federal Program**

***Opinion on (Each/the) Major Federal Program***

We have audited Entity Name’s, County Name, (Entity) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on (each of) Entity Name’s major federal program(s) for the year ended FYE Date. Entity Name’s major federal program(s) (is/are) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs).

In our opinion, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on (each of) its major federal program(s) for the year ended FYE Date.

***Basis for Opinion on (Each/the) Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for (each/the) major federal program. Our audit does not provide a legal determination of the Entity's compliance with the compliance requirements referred to above.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit*** *[Include only when applicable per endnote* *[[3]](#endnote-1)]*

The Entity’s basic financial statements include the operations of name of component unit or department, which expended $XXX in federal awards which is not included in the Entity’s Schedule of Expenditures of Federal Awards during the year ended FYE Date. Our compliance audit, described in the “Opinion on (Each/the) Major Federal Program,” does not include the operations of name of component unit or department because the name of component unit/department (engaged other auditors perform an audit of compliance in accordance with the Uniform Guidance). *<< Modify last sentence as needed per endnote 1.*

***Responsibilities of Management for Compliance***

The Entity’s Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Entity’s federal programs.

***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Entity's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Entity's compliance with the requirements of (each/the) major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

* exercise professional judgment and maintain professional skepticism throughout the audit.
* identify and assess the risks of material noncompliance, 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 Entity’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
* obtain an understanding of the Entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Other Matters*** *Include the first paragraph below only if we identify noncompliance findings 2 CFR 200.516(a) requires us to report that do not require modifying the opinion on a major program (such as questioned costs that are immaterial, but > $25,000).**[[4]](#endnote-2) Include the second paragraph below only if the Schedule of Findings includes material noncompliance in section 3 and the entity includes a response in the Schedule of Findings and/or corrective action plan.*

The results of our auditing procedures disclosed (an instance/instances) of noncompliance which (is/are) required to be reported in accordance with Uniform Guidance and which (is/are) described in the accompanying schedule of findings (and questioned costs) as item(s) 20XX-003 and 20XX-006. Our opinion on(each/the) major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Entity’s response(s) to the noncompliance finding(s) identified in our compliance audit described in the accompanying schedule of findings (and questioned costs) (and/or) corrective action plan. The Entity’s response(s)(was/were) not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).[[5]](#footnote-3)

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor’s Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**[[6]](#endnote-3)

Insert this heading and Example 9 or 10 only if we report on the schedule of expenditures of federal awards in this report

Signature

Signature Tite

Location

Report Date3

***Example 2: Qualified Opinion on Compliance on Major Program(s);***

***Unmodified Opinion on Compliance on Other Major Program(s)***

***(With or without reportable noncompliance unrelated to the qualification)***

***Reminder: If programs are part of a cluster, report the cluster name (i.e. Nutrition Cluster) and use a singular reference to ‘program’ in the letter. Do not list each individual program.***

**Report on Compliance for (Each/the) Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited Entity Name’s, County Name, (Entity) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on (each of) Entity Name’s major federal program(s) for the year ended FYE Date. Entity Name’s major federal program(s) (is/are) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs).

*Qualified Opinion on Identify Major Federal Program(s)*

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on identify the major federal program(s) for the year ended FYE Date.

*Unmodified Opinion on (Each of) the Other Major Federal Program(s)*

In our opinion, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on (each of) its other major federal program(s) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs) for the year ended FYE Date.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for (each/the) major federal program. Our audit does not provide a legal determination of the Entity's compliance with the compliance requirements referred to above.

*Matter(s) Giving Rise to Qualified Opinion on Identify Major Federal Program(s)*

As described in finding(s) 20XX-004 through 20XX-007 in the accompanying schedule of findings (and questioned costs), the Entity did not comply with requirements regarding identify type(s) of compliance requirement, such as matching, eligibility, etc. applicable to its identify major federal program(s) (for example: AL #84.010 Title I Grants to Local Educational Agencies) major federal program(s).

Compliance with such requirements is necessary, in our opinion, for the Entity to comply with requirements applicable to thatprogram.

***If there are multiple noncompliance findings, use this tabular format instead:***

As described in findings 20XX-001 and 20XX-002 in the accompanying schedule of findings (and questioned costs), the Entity did not comply with requirements regarding the following:

|  |  |  |  |
| --- | --- | --- | --- |
| **Finding #** | **Assistance Listing #** | **Program (or Cluster) Name** | **Compliance Requirement** |
| 20XX-001 | 84.010 | Title I Grants to Local Educational Agencies | Eligibility |
| 20XX-002 | 84.010 | Title I Grants to Local Educational Agencies | Reporting |

Compliance with such requirements is necessary, in our opinion, for the Entity to comply with the requirements applicable to thatprogram.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

If applicable, include this heading and the *Other Matter – Federal Expenditures Not Included in the Compliance Audit* paragraph from Example 1.

***Responsibilities of Management for Compliance***

Include *Responsibilities of Management for Compliance* paragraphfrom Example 1.

***Auditor’s Responsibilities for the Audit of Compliance***

Include *Auditor’s Responsibilities for the Audit of Compliance* paragraphs from Example 1.

***Other Matters***

If applicable, include this heading and related paragraph(s) if we report findings not affecting the opinion, or if the schedule of findings and/or corrective action plan includes management responses– See Example 1.

**Report on Internal Control Over Compliance**

Include the applicable internal control section.

**Report on Schedule of Expenditures of Federal Awards Required by** **the Uniform Guidance**3

Include this heading and Example 9 or 10 only if we report on the schedule of expenditures of federal awards in this report.

***Example 3: Adverse Opinion on Compliance on Major Program(s),***

***Unmodified Opinion on Other Major Program(s)***

***(With or without reportable noncompliance unrelated to the adverse opinion)***

***Reminder: If programs are part of a cluster, report the cluster name (i.e. Nutrition Cluster) and use a singular reference to ‘program’ in the letter. Do not list each individual program.***

**Report on Compliance for (Each/the) Major Federal Program**

***Adverse and Unmodified Opinions***

We have audited Entity Name’s, County Name, (Entity) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on (each of) Entity Name’s major federal program(s) for the year ended FYE Date. Entity Name’s major federal program(s) (is/are) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs). [[7]](#footnote-4)

*Adverse Opinion on Identify Major Federal Program(s)*

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse and Unmodified Opinions* section of our report, Entity Name did not comply, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on identify the major federal program for the year ended FYE Date.

*Unmodified Opinion on (Each of) the Other Major Federal Program(s)*

In our opinion, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on (each of) its other major federal program(s) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs) for the year ended FYE Date.

***Basis for Adverse and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with 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 adverse and unmodified opinions on compliance for (each/the) major federal program. Our audit does not provide a legal determination of the Entity's compliance with the compliance requirements referred to above.

*Matter(s) Giving Rise to Adverse Opinion on Identify Major Federal Program(s)*

As described in finding(s) 20XX-004 through 20XX-007 in the accompanying schedule of findings (and questioned costs), the Entity did not comply with requirements regarding identify type(s) of compliance requirement, such as matching, eligibility, etc. applicable to its identify major federal program(s) (for example: AL #84.010 Title I Grants to Local Educational Agencies major federal program(s).

Compliance with such requirements is necessary, in our opinion, for the Entity to comply with the requirements applicable to that program.

***If there are multiple noncompliance findings, use this tabular format instead:***

As described in findings 20XX-001 and 20XX-002 in the accompanying schedule of findings (and questioned costs), the Entity did not comply with requirements regarding the following:

|  |  |  |  |
| --- | --- | --- | --- |
| **Finding #** | **Assistance Listing #** | **Program (or Cluster) Name** | **Compliance Requirement** |
| 20XX-001 | 84.010 | Title I Grants to Local Educational Agencies | Eligibility |
| 20XX-002 | 84.010 | Title I Grants to Local Educational Agencies | Reporting |

Compliance with such requirements is necessary, in our opinion, for the Entity to comply with the requirements applicable to thatprogram.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

If applicable, include this heading and the *Other Matter – Federal Expenditures Not Included in the Compliance Audit* paragraph from Example 1.

***Responsibilities of Management for Compliance***

Include *Responsibilities of Management for Compliance* paragraphfrom Example 1.

***Auditor’s Responsibilities for the Audit of Compliance***

Include *Auditor’s Responsibilities for the Audit of Compliance* paragraphs from Example 1.

***Other Matters***

If applicable, include this heading and related paragraph(s) if we report findings not affecting the opinion, or if the schedule of findings and/or corrective action plan includes management responses– See Example 1.

**Report on Internal Control Over Compliance**

Include the applicable internal control section.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**3

Include this heading and Example 9 or 10 only if we report on the schedule of expenditures of federal awards in this report.

***Example 4****:* ***Scope Limitation for Major Program(s),***

***Unmodified Opinion on Other Major Program(s)***

***(With or without reportable noncompliance unrelated to the scope restriction)***

***Reminder: If programs are part of a cluster, report the cluster name (i.e. Nutrition Cluster) and use a singular reference to ‘program’ in the letter. Do not list each individual program.***

**Report on Compliance for (Each/the) Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited Entity Name’s, County Name, (Entity) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on (each of) Entity Name’s major federal program(s) for the year ended FYE Date. Entity Name’s major federal program(s) (is/are) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs).

*Qualified Opinion on Identify Major Federal Program(s)*

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on (identify the major federal program) for the year ended FYE Date.

*Unmodified Opinion on (Each of) the Other Major Federal Program(s)*

In our opinion, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on (each of) its other major federal program(s) identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings (and questioned costs) for the year ended FYE Date.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for (each/the) major federal program. Our audit does not provide a legal determination of the Entity's compliance with the compliance requirements referred to above.

*Matter(s) Giving Rise to Qualified Opinion on Identify Major Federal Program(s)*

As described in finding(s) 20XX-004 through 20XX-007 in the accompanying schedule of findings (and questioned costs), we were unable to obtain sufficient appropriate audit evidence supporting the compliance of Entity Name with identify type(s) of compliance requirement, such as matching, eligibility, etc. applicable to its identify major federal program(s) (for example: AL #84.010 Title I Grants to Local Educational Agencies) major federal program(s).

Consequently we were unable to determine whether the Entity complied with such requirements applicable to that program.

***If there are multiple noncompliance findings, use this tabular format instead:***

As described in findings 20XX-001 and 20XX-002 in the accompanying schedule of findings (and questioned costs), we were unable to obtain sufficient appropriate audit evidence supporting the compliance of Entity Name with the following:

|  |  |  |  |
| --- | --- | --- | --- |
| **Finding #** | **Assistance Listing #** | **Program (or Cluster) Name** | **Compliance Requirement** |
| 20XX-001 | 84.010 | Title I Grants to Local Educational Agencies | Eligibility |
| 20XX-002 | 84.010 | Title I Grants to Local Educational Agencies | Reporting |

Consequently we were unable to determine whether the Entity complied with those requirements applicable to that program.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

If applicable, include this heading and the *Other Matter – Federal Expenditures Not Included in the Compliance Audit* paragraph from Example 1.

***Responsibilities of Management for Compliance***

Include *Responsibilities of Management for Compliance* paragraphfrom Example 1.

***Auditor’s Responsibilities for the Audit of Compliance***

Include *Auditor’s Responsibilities for the Audit of Compliance* paragraphs from Example 1.

***Other Matters***

If applicable, include this heading and related paragraph(s) if we report findings not affecting the opinion, or if the schedule of findings and/or corrective action plan includes management responses– See Example 1.

**Report on Internal Control Over Compliance**

Include applicable internal control section.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**3

Include this heading and Example 9 or 10 only if we report on the schedule of expenditures of federal awards in this report.

***Example 5****:* ***Disclaimer of Opinion on Compliance***

***(With or without other reportable noncompliance not affecting the opinion)***

***Reminders:***

* ***If programs are part of a cluster, report the cluster name (i.e. Nutrition Cluster) and use a singular reference to ‘program’ in the letter. Do not list each individual program.***
* ***If we disclaim an opinion on all major programs as a whole, change ‘audit’ to ‘engagement’ throughout the letter and change ‘we have audited’ to ‘we were engaged to audit’ in the opinion paragraph. If the disclaimer of opinion is due to lack of written representations, we need to disclaim on all major program(s) compliance.***

**Report on Compliance for (Each/the) Major Federal Program**

***Unmodified and Disclaimer of Opinions***

We have audited Entity Name’s, County Name, (Entity) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Entity Name’s major federal program(s) (list major programs with unmodified opinions) for the year ended FYE Date; and we were engaged to audit Entity Name’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Entity Name’s major federal program(s) (list major programs for which we are disclaiming our opinion) for the year ended FYE Date. Entity Name’s major federal program(s) (is/are) identified in the *Summary of Summary of Opinions* section of our report.

*Summary of Opinions*

|  |  |
| --- | --- |
| ***Major Federal Program*** | ***Type of Opinion*** |
| Name of Major Federal Program | Disclaimer |
| Name of Major Federal Program | Unmodified |
| Name of Major Federal Program | Unmodified |

*Disclaimer of Opinion on Identify Major Federal Program(s)*

We do not express an opinion on Entity’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on identify the major federal program(s) with a disclaimer opinion. Because of the significance of the matter(s) described in the *Basis for Disclaimer of Opinion on Identify Major Federal Program(s) with a disclaimer opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on identify the major federal program(s) with a disclaimer opinion.

*Unmodified Opinion on (Each of) the Other Major Federal Program(s)*

In our opinion, Entity Name complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on identify the major federal program(s) with an unmodified opinion for the year ended FYE Date.

***Basis for Disclaimer of Opinion on Identify Major Federal Program(s) with a Disclaimer of Opinion***

As described in finding(s) 20XX-004 through 20XX-007 in the accompanying schedule of findings (and questioned costs), we were unable to obtain audit evidence supporting the Entity’s compliance with identify type(s) of compliance requirement, such as matching, eligibility, etc. applicable to its identify major federal program(s) (for example: AL #84.010 Title I Grants to Local Educational Agencies) major federal program(s).

As a result of these matters, we were unable to determine whether the Entity complied with such requirements applicable to the identified program(s).

***If there are multiple noncompliance findings, use this tabular format instead:***

As described in findings 20XX-001 and 20XX-002 in the accompanying schedule of findings (and questioned costs), we were unable to obtain audit evidence supporting the Entity’s compliance with the following:

|  |  |  |  |
| --- | --- | --- | --- |
| **Finding #** | **Assistance Listing #** | **Program (or Cluster) Name** | **Compliance Requirement** |
| 20XX-001 | 84.010 | Title I Grants to Local Educational Agencies | Eligibility |
| 20XX-002 | 84.010 | Title I Grants to Local Educational Agencies | Reporting |

As a result of these matters, we were unable to determine whether the Entity complied with those requirements applicable to that the identified program(s).

***Basis for Unmodified Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with 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 unmodified opinion on compliance for (each of) the Entity’s other major federal program(s). Our audit does not provide a legal determination of the Entity's compliance with the compliance requirements referred to above.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

If applicable, include this heading and the *Other Matter – Federal Expenditures Not Included in the Compliance Audit (if applicable)* paragraph from Example 1.

***Responsibilities of Management for Compliance***

Include *Responsibilities of Management for Compliance* paragraphfrom Example 1.

***Auditor’s Responsibilities for the Audit of Compliance***

*Auditor's Responsibilities for the Audit of Compliance for Identify Major Federal Program(s) with a Disclaimer of Opinion*

Our responsibility is to conduct an audit of compliance in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion on Identify Major Federal Program(s) with a Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance.

We are required to be independent of Entity Name and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

*Auditor's Responsibilities for the Audit of Compliance for (Each of) the Other Major Federal Program(s)*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Entity's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Entity's compliance with the requirements of (each/the) major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

* exercise professional judgment and maintain professional skepticism throughout the audit.
* identify and assess the risks of material noncompliance, 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 Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
* obtain an understanding of Entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Other Matters***

If applicable, include this heading and related paragraph(s) if we report findings not affecting the opinion, or if the schedule of findings and/or corrective action plan includes management responses– See Example 1.

**Report on Internal Control Over Compliance**

Include the applicable internal control section; however, replace the paragraph regarding the audit not being designed to express an opinion on the effectiveness of internal controls with the following:

Our audit of identify the major federal program(s) with an unmodified opinion was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**3

Include this heading and Example 9 or 10 only if we report on the schedule of expenditures of federal awards in this report.

***Example 6: Material Weakness(es) and Significant Deficiency(ies)***

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor’s Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be (a) material weakness(es) and (a) significant deficienc(y/ies).

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficienc(y/ies) in internal control over compliance described in the accompanying *schedule of findings* (and questioned costs) as item(s) list the reference numbers of the related findings (for example: 20XX-003, 20XX-004, and 20XX-005), to be (a) material weakness(es).

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.** We consider the deficienc(y/ies) in internal control over compliance described in the accompanying schedule of findings (and questioned costs) as item(s) list the reference numbers of the related findings (for example: 20XX-003, 20XX-004, and 20XX-005), to be (a) significant deficienc(y/ies).

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Entity’s response(s) to the internal control over compliance finding(s) identified in our audit described in the accompanying schedule of findings (and questioned costs) (and/or corrective action plan). The Entity’s response(s)(was/were) not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).[[8]](#footnote-5)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Example 7: Material Weakness(es) but no Significant Deficiency(ies)***

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor’s Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify (a) certain deficienc(y/ies) in internal control over compliance that we consider to be (a) material weakness(es).

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.** We consider the deficienc(y/ies) in internal control over compliance described in the accompanying schedule of findings (and questioned costs) as item(s) list the reference numbers of the related findings (for example: 20XX-003, 20XX-004, and 20XX-005), to be (a) material weakness(es).

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Entity’s response(s) to the internal control over compliance finding(s) identified in our audit described in the accompanying schedule of findings (and questioned costs) (and/or corrective action plan). The Entity’s response(s)(was/were) not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).[[9]](#footnote-6)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Example 8: Significant Deficiency(ies) but no Material Weaknesses(es)***

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor’s Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify (a) certain deficienc(y/ies) in internal control over compliance that we consider to be (a) significant deficienc(y/ies).

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.** We consider the deficienc(y/ies) in internal control over compliance described in the accompanying schedule of findings (and questioned costs) as item(s) list the reference numbers of the related findings (for example: 20XX-003, 20XX-004, and 20XX-005), to be (a) significant deficienc(y/ies).

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Entity’s response(s) to the internal control over compliance finding(s) identified in our audit described in the accompanying schedule of findings (and questioned costs) (and/or corrective action plan). The Entity’s response(s)(was/were) not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).[[10]](#footnote-7)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Example 9: In-relation-to opinion paragraph on SEFA***

1. ***Single Audit and SEFA procedures completed the same date as financial opinion date or***
2. ***the SEFA procedures completed the same date as financial statement opinion date and the Single Audit completed after the financial statement opinion date***

*Add this paragraph to Single Audit report when:*

* *We include the SEFA as part of the Single Audit report instead of as supplemental information “attached” to the financial statement presentation, and*
* *We completed the procedures the in-relation opinion describes by the* ***same date*** *as the financial opinion date.*
  + *If we complete SEFA procedures* ***after*** *the financial statement opinion date, use* ***Example 10.***
  + *If we completed the Single audit procedures after the financial statement opinion date, see the dual dating example referenced in* ***endnote 3.***

***Report on Schedule of Expenditures of Federal Awards******Required by the Uniform Guidance***

We have audited thefinancial statements of (the governmental activities, the business-type activities, the (aggregate) discretely-presented component unit(s), each major fund and the aggregate remaining fund information)[[11]](#footnote-8) of Entity Name, County Name, (Entity) as of and for the year ended FYE Date, and the related notes to the financial statements, which collectively comprise the Entity’s basic financial statements. We issued our (unmodified) report thereon dated Report Date. (, which we modified because management has not recorded a liability for compensated absences in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability.) (,wherein we noted the Entity followed the special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America.) (Our opinion also explained that the Entity adopted Governmental Accounting Standard No. XX during the year.) Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Entity’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

***See Endnote 4 Regarding Modifications***

***Example 10: In-relation-to opinion paragraph on SEFA***

***Single Audit and SEFA procedures completed after the***

***financial opinion date***

*Add this paragraph to Single Audit report when:*

* *We include the SEFA as part of the Single Audit report instead of as supplemental information “attached” to the financial statement presentation, and*
* *We completed the procedures the opinion describes* ***after*** *the financial opinion date.*
  + *If we complete SEFA procedures by the* ***same date*** *as the financial statement opinion date, use* ***Example 9.***
  + *Note the sentence in the middle of the paragraph explaining we did not update the Financial Statement subsequent events. Reminder: Single Audit subsequent events should be reviewed and documented through the date of this letter.*

***Report on Schedule of Expenditures of Federal Awards******Required by the Uniform Guidance3***

We have audited thefinancial statements of [the governmental activities, the business-type activities, the [aggregate] discretely-presented component unit[s], each major fund and the aggregate remaining fund information][[12]](#footnote-9) of Entity Name, County Name, (Entity) as of and for the year ended FYE Date, and the related notes to the financial statements, which collectively comprise the Entity’s basic financial statements. We issued our (unmodified) report thereon dated Report Date. (, which we modified because management has not recorded a liability for compensated absences in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability.) (,wherein we noted the Entity followed the special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America.) (Our opinion also explained that the Entity adopted Governmental Accounting Standard No. XX during the year.) Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Entity’s basic financial statements. We have not performed any procedures on the audited financial statements subsequent to date of the auditor's report on the financial statements (for example: “September 15, 20XX”)**.** The accompanying schedule of expenditures of federal awardsis presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

***See Endnote******[[13]](#endnote-4) Regarding Modifications***

**ENDNOTES**

1. *Revised November 2024 for minor clarifications and updates to references. Revisions not marked.* [↑](#footnote-ref-1)
2. *Include only when in-relation-to reporting on SEFA is included in this report. If it is included in a separate report, remove the language highlighted in gray from the title as well as the headings on pages 2+* [↑](#footnote-ref-2)
3. *This additional paragraph applies only when this single audit does not encompass the entirety of the auditee’s operations. This occasionally occurs, for example, when an IPA audits a component under Uniform Guidance. There could be other acceptable reasons for excluding part of the GASB 14/39/61 reporting entity from the single audit. For example, “because the component unit is legally separate from the primary government which this report addresses, and because it expended less than $750,000 of Federal awards for the year ended December 31, 20XX, it was not subject to Uniform Guidance.” You* ***must*** *read the AICPA Single Audit Guide, Section 13.33. You must also address this matter in the Audit Information section of the data collection form ~~Part 3, question #3a~~.* [↑](#endnote-ref-1)
4. *Per 2 CFR § 200.516(a)(3) we must report questioned costs or projected questioned costs exceeding $25,000. In relation to a $750,000 program, one $50,000 questioned cost may require a modified opinion. In relation to a $10 million program, one $50,000 questioned cost may not require a modified opinion. Uniform Guidance also requires auditors to report findings for material noncompliance with compliance requirements related to federal programs in relation to a type of compliance requirement for a major program or audit objective. Therefore, it is also possible to qualify an opinion on a particular compliance requirement because an item of noncompliance is material to that requirement, even if the noncompliance is not material to the program as a whole.*

   * ***Also:*** *We can only report Federal noncompliance in the single audit report if it is listed in 200.516(a)(2) through (7).* ***For example****, we should not report questioned costs in this report unless the actual or projected amount exceeds $25,000. Instead, we can report these matters in the management letter.*

   [↑](#endnote-ref-2)
5. *Omit reference to Schedule of Findings (SOF) if Officials include responses only in the Corrective Action Plan (CAP). Omit reference to CAP if Officials only include planned corrective actions (not responses) in the CAP or the CAP is not part of the audit report. If Officials respond in both the CAP and SOF, both should be referenced.* [↑](#footnote-ref-3)
6. *There may be instances where it would be appropriate to report on the schedule of expenditures of federal awards in this report (i.e., if AOS issues a separate single audit package). In this circumstance, this section should be included and auditors should insert the applicable language from Example 9 or 10. (The red font language applies only to GAAP and OCBOA audits).* ***Note: If the report on the schedule of expenditures of federal awards is included in the financial statement opinion letter, DO NOT include in this single audit letter.***

   *See AICPA Single Audit Guide (the Guide) 13.19(a) and example 13.1 footnote 17 when dual dating is required as indicated in example 10 above. Per footnote 17 of the Guide, illustrative wording when dual dating the report is as follows:*

   Date, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is Date the in-relation-to procedures completed.

   *See also AICPA Single Audit Guide, § 13.29 & AU-C 935.29-.31, concerning report dating and subsequent events for example 10.*

   ***Note:*** *We need not update financial statement subsequent events procedures if we use the sentence in Example 10 explaining we did not apply them. However, Single Audit subsequent events procedures need tested through the date of this report.* [↑](#endnote-ref-3)
7. *If multiple opinions are issued, auditors may consider adding a summary table with a heading before the individual opinions. For example:*

   *Summary of Opinions*

   |  |  |
   | --- | --- |
   | ***Major Federal Program*** | ***Type of Opinion*** |
   | Name of Major Federal Program | Adverse |
   | Name of Major Federal Program | Unmodified |

   [↑](#footnote-ref-4)
8. *Omit entire paragraph if there are no responses. Omit reference to Schedule of Findings (SOF) if Officials include responses only in the Corrective Action Plan (CAP). Omit reference to CAP if Officials only include planned corrective actions (not responses) in the CAP or the CAP is not part of the audit report. If Officials respond in both the CAP and SOF, both should be referenced.* [↑](#footnote-ref-5)
9. *Omit entire paragraph if there are no responses. Omit reference to Schedule of Findings (SOF) if Officials include responses only in the Corrective Action Plan (CAP). Omit reference to CAP if Officials only include planned corrective actions (not responses) in the CAP or the CAP is not part of the audit report. If Officials respond in both the CAP and SOF, both should be referenced.* [↑](#footnote-ref-6)
10. *Omit entire paragraph if there are no responses. Omit reference to Schedule of Findings (SOF) if Officials include responses only in the Corrective Action Plan (CAP). Omit reference to CAP if Officials only include planned corrective actions (not responses) in the CAP or the CAP is not part of the audit report. If Officials respond in both the CAP and SOF, both should be referenced.* [↑](#footnote-ref-7)
11. *The red font language applies only to GAAP and OCBOA entities. Delete inapplicable opinion units. If we combine the discrete CU’s and RFI as permitted in limited circumstances by Note 7 to SLG Exhibit 4-2, modify as follows:* governmental activities, the business-type activities, each major fund and the [aggregate] discretely-presented component unit and remaining fund information [↑](#footnote-ref-8)
12. *The red font language applies only to GAAP and OCBOA entities. Delete inapplicable opinion units. If we combine the discrete CU’s and RFI as permitted in limited circumstances by Note 7 to SLG Exhibit 4-2, modify as follows:* governmental activities, the business-type activities, each major fund and the [aggregate] discretely-presented component unit and remaining fund information [↑](#footnote-ref-9)
13. *Describe any qualification, change in consistency, reference to report of other auditors, etc. Also consider the effect of the modification on the schedule of expenditures of federal awards.*

    *If an opinion qualification on the financial statements also affects the SEFA, modify the last sentence in this paragraph. Here is an example if a qualification also affects the SEFA:*

    In our opinion, except for the effects of describe modification referred to earlier in this paragraph, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

    *See AU-C 725 and AOS auditors consult with Center for Audit Excellence (CFAE).*

    ***AU-C 725.11 requires us to disclaim on the Federal schedule when GAAP-mandated governments issue statements not conforming to GAAP or OCBOA.***

    ***We must disclaim on the SEFA if we render an adverse opinion or disclaimer of opinion on the financial statements.***

    ***Important:*** *We normally consider materiality for each opinion unit. However, our in-relation-to opinion on supplementary information is in relation to the financial statements* ***as a whole****. Therefore, we consider materiality at a level representing the entire governmental entity.* [↑](#endnote-ref-4)