**IPA Resources**

**Non-Governmental Not For Profit Opinion Shells [[1]](#endnote-1)**

***October 2014***

**Applicable for FYE 12-31-12 & Subsequent**

**Example 1: Unmodified GAAP**

* **FASB ASC 958 (AICPA NFP Guide Chapter 14.09)**

**Example 2: Unmodified Report on Modified Cash Basis (OCBOA) Statements**

* **Special Purpose Framework Financial Statement Audits (AU-C 800)**

**Note: The AOS does not prescribe a regulatory reporting basis for not for profit organizations.**

**Example 1: Unmodified GAAP**

**FASB ASC 958 (AICPA NFP Guide Chapter 14.09)**

**INDEPENDENT AUDITOR’S REPORT**

[ENTITY NAME]

[COUNTY NAME] County

[STREET ADDRESS]

[CITY], Ohio [ZIP CODE]

To the [GOVERNING BODY]:

***Report on the Financial Statements[[2]](#endnote-2)***

We have audited the accompanying financial statements of [ENTITY NAME], [COUNTY NAME] County, Ohio[[3]](#endnote-3) (the Entity), (a not-for-profit corporation), which comprisethe statement of financial position, the related statements of activities and cash flows,[[4]](#endnote-4) as of and for the year ended [FYE DATE], and the related notes to the financial statements.

***Management’s Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States’ *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing those risks of financial statement material misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Entity’s internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management’s accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the [ENTITY NAME], [COUNTY NAME] County as of [FYE DATE], and the changes in its financial position and its cash flows for the year(s) then ended in accordance with the accounting principles generally accepted in the United States of America. [[5]](#endnote-5)

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated [REPORT DATE], on our consideration of the Entity’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity’s internal control over financial reporting and compliance.

**[Auditor Signature]**

City, State

[REPORT DATE]

**Example 2: Unmodified Report on Modified Cash Basis (OCBOA) Statements**[[6]](#endnote-6)

**Special Purpose Framework Financial Statement Audits (AU-C 800)**

**INDEPENDENT AUDITOR’S REPORT**

[ENTITY NAME]

[COUNTY NAME] County

[STREET ADDRESS]

[CITY], Ohio [ZIP CODE]

To the [GOVERNING BODY]:

***Report on the Financial Statements***

We have audited the accompanying financial statements of [ENTITY NAME], [COUNTY NAME] County, Ohio3 (the Entity), (a not-for-profit corporation), which comprisethe statement of financial position, and the related statements of activities,4 as of and for the year ended [FYE DATE], and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the **modified** cash accounting basis Note **X** describes. This responsibility includes determining that the **modified** cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States’ *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Entity's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management’s accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective **modified** cash financial position of [ENTITY NAME], [COUNTY NAME] County, Ohio, as of [FYE DATE], and the respective changes in **modified** cash financial positionthereof for the year(s) then ended in accordance with the accounting basis described in Note **X**.

***Accounting Basis***

We draw attention to Note **X** of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

[[7]](#endnote-7)

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated [REPORT DATE], on our consideration of the Entity’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity’s internal control over financial reporting and compliance.

**[Auditor Signature]**

City, State

[REPORT DATE]

Note: Do not use the “restricted use” paragraph with this opinion.

1. This shell is for non-governmental not-for-profit entities. If the auditee is a governmental not for profit then auditors should use the *Opinion GAAP* A01-A17 examples.

   [↑](#endnote-ref-1)
2. Appendix A ¶ A-1 in SLG ¶ 14.103describes conditions that may require modifying this report, such as when the financial statements include information from a prior period. The AICPA NFP Guide does not include specific guidance regarding this matter. Therefore, auditors should follow the SLG guidance noted. [↑](#endnote-ref-2)
3. As discussed in SLG 14.58, insert “, a component unit of [PRIMARY GOVERNMENT],” if applicable. The AICPA NFP Guide does not include specific guidance regarding this matter. Therefore, auditors should follow the SLG guidance noted.

   [↑](#endnote-ref-3)
4. Each of the statements presented, which may include a statement of functional expenses, should be identified in the introductory paragraph. Modify the names of the statements as necessary. [↑](#endnote-ref-4)
5. If supplementary information is included in the report, refer to the guidance in the *Opinion GAAP A01 Unmodified* file and add the appropriate paragraph. [↑](#endnote-ref-5)
6. This shell is for non-governmental not for profit entities reporting on an OCBOA (AU-C 800) framework. If the auditee is a governmental not for profit then auditors should use the OCBOA opinion example included in the *Opinion AOS OCBOA basis* file. [↑](#endnote-ref-6)
7. If supplementary information is included in the report, refer to the guidance in the *Opinion AOS OCBOA basis* file and add the appropriate paragraph. [↑](#endnote-ref-7)