

### **Audited Financial Statements - Waivers for Not-for-Profit Nursing Facilities**

This issuance permits not-for-profit facilities to apply for a waiver of the requirement in V.D.R.S.R. §3.2(d)(1) for the filing of audited financial statements along with the uniform cost reports.

Because not-for-profit providers do not receive a return on equity, certain of these facilities may not be required to have audits of their facilities by independent public accountants. A review of a not-for-profit facility's financial statements by an independent public accountant can produce limited, but sufficient, assurance that there are no required material modifications to the facility's financial statements.

### **PROCEDURES FOR OBTAINING A WAIVER**

1. Waivers of the requirement for filing audited financial statements are available only for **not-for-profit** nursing facilities at the sole discretion of the Director.
2. Applications for waiver must be made **in writing** and addressed to the Director.
3. Waivers must be requested for each cost reporting period and will be granted only on the following conditions:
  - a. The waiver must be requested **within 30 days after the close of the cost reporting period**.
  - b. The facility must show **good cause** why it should not be required to file audited financial statements.
  - c. A review of the facility's financial statements by an independent public accountant must be conducted in accordance with the standards established by the American Institute of Certified Public Accountants.
  - d. The review, the independent accountant's report, and a reconciliation of the financial statements to the cost report must be submitted to the Division at the time the facility's cost report is filed.

Effective: May 20, 1993

s/Ruth Rivers  
Ruth Rivers  
Director