

DEKALB COUNTY, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended
December 31, 2009



Certified Public Accountants & Advisors

DEKALB COUNTY, ILLINOIS
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998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Chairman
Members of the County Board
DeKalb County
Sycamore, Illinois

We have audited the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of DeKalb County, Illinois, as of and for the year ended December 31, 2009, and have issued our report thereon dated April 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered DeKalb County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeKalb County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters involving the internal control over financial reporting that we have communicated to the management of DeKalb County in a separate letter dated April 8, 2010.

This report is intended solely for the information of and the use of the County Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Aurora, Illinois
April 8, 2010

A handwritten signature in black ink, appearing to be "Bill J. J.", written in a cursive style.



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Chairman
Members of the County Board
DeKalb County
Sycamore, Illinois

Compliance

We have audited the compliance of DeKalb County, Illinois with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. DeKalb County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of DeKalb County's management. Our responsibility is to express an opinion on DeKalb County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about DeKalb County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on DeKalb County's compliance with those requirements.

In our opinion, DeKalb County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-1.

Internal Control Over Compliance

The management of DeKalb County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered DeKalb County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DeKalb County's 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, 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in the internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the governmental activities, business-type activities, each major fund and the aggregate remaining fund information which collectively comprise the basic financial statements of DeKalb County as of and for the year ended December 31, 2009, and have issued our report thereon dated April 8, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

DeKalb County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit DeKalb County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information of and the use of the County Board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Aurora, Illinois
April 8, 2010

A handwritten signature in black ink, appearing to read "Ahl 22P".

DEKALB COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Health and Human Services	Illinois Department of Public Health	Public Health Emergency Preparedness	93.069	\$ 293,854	\$ 293,854
Department of Health and Human Services	Illinois Department of Human Services	Family Planning State Contract #11GK14500 State Contract #11GL14500	93.217 State FY 09 State FY 10	39,900 110,400	39,900 110,400
			Total 93.217	150,300	150,300
Department of Health and Human Services	Illinois Department of Public Health	Immunization Program - Noncash	93.268	383,841	383,841
Department of Health and Human Services	Illinois Office of the Attorney General	Child Support Enforcement - Title IV-D	93.563	50,938	50,938
Department of Health and Human Services	Illinois Department of Healthcare and Family Services	Circuit Clerk Child Support Kids Interface	93.563	5,604	5,604
			Total 93.563	56,542	56,542
Department of Health and Human Services	Illinois Department of Commerce and Economic Opportunity	Community Services Block Grant	93.569	206,322	206,322
Department of Health and Human Services	Illinois Department of Commerce and Economic Opportunity	Community Services Block Grant - ARRA Total Community Services Block Grant	93.710	124,164 330,486	124,164 330,486
Department of Health and Human Services	Illinois Department of Human Services	Title XX Block Grant State Contract #11GK145000	93.667 State FY 09	58,500	58,500

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Health and Human Services	Illinois Department of Healthcare and Family Services	Medical Assistance Program	93.778	\$ 276,241	\$ 276,241
Department of Health and Human Services	Winnebago County - Department of Public Health	HIV Care Formula Grants	93.917	39,394	39,394
Department of Health and Human Services	Winnebago County - Department of Public Health	HIV Prevention Activities - Health Department Based	93.943	60,173	60,173
Department of Health and Human Services	Illinois Department of Human Services	Maternal and Child Health Services Block Grant to the States	93.994		
		State Contract #11GK145000	State FY09	15,000	15,000
		State Contract #11GL145000	State FY10	13,800	13,800
			Total 93.994	28,800	28,800
Department of Homeland Security	Emergency Food and Shelter	Emergency Food and Shelter National Board Program	97.024	19,680	19,680
Department of Homeland Security	Emergency Food and Shelter	Emergency Food and Shelter National Board Program - ARRA	97.114	11,000	11,000
Department of Homeland Security	Illinois Emergency Management Agency	Emergency Management Performance	97.042	28,670	28,670
Election Assistance Commission	Illinois State Board of Education	Help America Vote Mock Election Program	90.402	17,280	17,280
Department of Education	Illinois State Board of Education	Education for Homeless Children and Youth	84.196	5,500	5,500
Environmental Protection Agency	Illinois Department of Public Health	Potable Water Program	66.605	538	538
Department of Agriculture	Illinois Department of Human Services	WIC/Farmer's Market Admin	10.572	1,000	1,000

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2009

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Agriculture	Illinois Department of Human Services	Special Supplemental Food Program for Women, Infants, and Children	10.557		
		State Contract #11GK145000	State FY 09	\$ 147,000	\$ 147,000
		State Contract #11GL145000	State FY 10	154,200	154,200
Department of Agriculture	Illinois Department of Human Services	Special Supplemental Food Program for Women, Infants, and Children – Noncash	10.557	946,446	946,446
			Total 10.557	1,247,646	1,247,646
Department of Agriculture	Illinois Department of Public Health	Summer Food Program	10.559	650	650
Department of Housing and Urban Development	Winnebago County - Department of Public Health	Housing Opportunities for People with AIDS	14.241	35,382	35,382
Department of Housing and Urban Development	Illinois Department of Commerce and Economic Opportunity	Homeless Prevention and Rapid Re-housing Program - ARRA	14.257	7,132	7,132
Department of Justice	N/A	State Criminal Alien Assistance Program	16.606	9,991	9,991
Department of Justice	N/A	OJP – Drug Court	16.753	49,366	49,366
Department of Transportation	Illinois Department of Transportation	Section 5311 Non Metro Area Transportation Operating and Administrative Assistance	20.509	355,482	355,482
Department of Transportation	Illinois Department of Transportation	Combined Vehicle Procurement	20.513	84,268	84,268
Federal Emergency Management Agency	Illinois Emergency Management Agency	Hazardous Materials Emergency Preparedness (HMEP)	20.703	16,089	16,089
TOTAL FEDERAL AWARDS				\$ 3,567,805	\$ 3,567,805

Notes to the Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying schedule of federal awards is a summary of the activity of the County's federal award programs presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when the qualifying expenditure has been incurred and expenditures have been recognized when the fund liability has been incurred.

Note B - Subrecipients

Of the federal expenditures presented in this schedule, the County provided federal awards to subrecipients in the amount of \$84,268 for the Section 5311 Non Metro Area Transportation Operating and Administrative Assistance Grant with a CFDA number of 20.509 and \$16,089 for the Combined Vehicle Procurement Grant with a CFDA number of 20.513.

Note C - Non-Cash Transactions

The County received \$383,841 of childhood immunization commodities from the U.S. Department of Health and Human Services passed through the Illinois Department of Public Health with a CFDA number of 93.268. Also, the County received \$946,446 from the supplemental nutrition program for women, infant and children from the U.S. Department of Health and Human Services passed through the Illinois Department of Human Services with a CFDA number of 10.557.

Note D - Loans

There were no loans or loan guarantees outstanding at December 31, 2009.

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:
 Material weakness(es) identified? _____ yes x no
 Significant deficiency(ies) identified that are
 not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? _____ yes x no
 Significant deficiency(ies) identified that are
 not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance
 for major programs: *unqualified*

Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? X yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.069	Public Health Emergency Preparedness
93.569	Community Services Block Grant
93.710	Community Services Block Grant – ARRA
10.557	Special Supplemental Food Program for Women, Infants and Children

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? x yes _____ no

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2009

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

09-01 SEPARATE RECORDING OF ARRA FUNDS

During the testing of the Community services block grant it was noted that the American Reinvestment and Recovery (ARRA) funding portion were not reported separately on the general ledger. The ARRA reporting requirements require that both the revenue and expenditure amounts for these funding are tracked in separate general ledger accounts in order to facilitate tracking and transparency of these funds. The County was appropriately tracking these funds separately on subsidiary schedules and was able to identify the funds separately for the schedule of federal expenditures. We recommend the County implement separate general ledger accounts for all ARRA funds received and communicate with all departments to ensure that appropriate ARRA tracking and reporting is being done throughout the year.

Corrective Action Plan

The County has instituted a policy whereby all ARRA expenditures and related reimbursements will be tracked in separate revenue and expenditure accounts in the general ledger.

Section IV - Prior Year Financial Statement Findings

None