

DEKALB COUNTY, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended
December 31, 2013



DEKALB COUNTY, ILLINOIS
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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

**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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeKalb County, Illinois, (the County) as of and for the year ended December 31, 2013, and the related notes to financial statements, which collectively comprise DeKalb County's basic financial statements, and have issued our report thereon dated May 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Naperville, Illinois
May 14, 2014

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited DeKalb County, Illinois' (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 required 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 the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 the 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, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Naperville, Illinois
May 14, 2014

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DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

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		
		Bioterrorism Preparedness 37180019		\$ 45,568	\$ 45,568
		Chicago MSA RBF1 27180124A		15,270	15,270
		Cities Readiness 37180100		25,528	25,528
			Total 93.069	86,366	86,366
Department of Health and Human Services	Illinois Department of Public Health	Family Planning Services	93.074		
		Bioterrorism Preparedness 471801008		23,116	23,116
		Cities Readiness 471800198		38,119	38,119
			Total 93.074	61,235	61,235
Department of Health and Human Services	Illinois Department of Human Services	Title X Family Planning Services	93.217		
		State Contract # FCSRE01228	State FY 13	7,613	7,613
		State Contract	State FY 14	87,562	87,562
			Total 93.217	95,175	95,175
Department of Health and Human Services	Illinois Department of Public Health	Immunization Grants - Noncash	93.268	462,091	462,091
Department of Health and Human Services	Illinois Public Health Association	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges IP-14-149-015	93.525	42,311	42,311
Department of Health and Human Services	Illinois Department of Public Health	Community Transformation Grants We Choose Health 32180016A	93.531	110,386	110,386

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2013

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Health and Human Services	Illinois Department of Public Health	Temporary Assistance for Needy Families	93.558		
		FCSRH00171 (FY 2013)		\$ 16,718	\$ 16,718
		FCSRH00171 (FY 2014)		16,595	16,595
			Total 93.558	33,313	33,313
Department of Health and Human Services	Illinois Office of the Attorney General	Child Support Enforcement - Title IV-D	93.563	60,013	60,013
Department of Health and Human Services	Illinois Department of Commerce and Economic Opportunity	Community Services Block Grant	93.569		
		Contract 13-231034		191,487	191,487
		Contract 12-231034		44,436	44,436
			Total 93.569	235,923	235,923
Department of Health and Human Services	Illinois Department of Human Services	Title XX Block Grant	93.667		
		State Contract #FCSRE01228		66,260	66,260
		State Contract #FCSSU03033		5,200	5,200
			Total 93.667	71,460	71,460
Department of Health and Human Services	Illinois Department of Healthcare and Family Services	Medical Assistance Program	93.778	281,610	281,610
Department of Health and Human Services	Winnebago County - Department of Public Health	HIV Care Formula Grants	93.917		
		HIV Care RW13003		93,964	93,964
		HIV Care RW12002		9,822	9,822
			Total 93.917	103,786	103,786

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2013

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Health and Human Services	Illinois Department of Human Services	Maternal and Child Health Services	93.994		
		Block Grant to the States			
		State Contract FCSSU03033		\$ 105,148	\$ 105,148
		State Contract FCSRE00944 (13/14)		11,745	11,745
		State Contract FCSRE00944 (12/13)		13,798	13,798
			Total 93.994	130,691	130,691
Department of Homeland Security	FEMA/EFSP Local Board	Emergency Food and Shelter National Board Program	97.024	10,854	10,854
Department of Homeland Security	Illinois Emergency Management Agency	Emergency Management Performance Grant Program	97.042	36,456	36,456
Department of Homeland Security	Illinois Emergency Management Agency	Pre-Disaster Mitigation	97.047	154,348	154,348
Department of Homeland Security	Illinois Emergency Management Agency	Hazard Mitigation Grant	97.039	46,544	46,544
Department of Public Health	Illinois Department of Public Health	State Public Water System Improvements	66.432	563	563
Election Assistance Commission	Illinois State Board of Elections	Help America Vote Act Requirements Payments	39.617	26,230	26,230
Department of Agriculture	Illinois Department of Human Services	Special Supplemental Food Program for Women, Infants, and Children	10.557		
		State Contract FCSSQ00847		157,613	157,613
		State Contract FCSRE00847		157,995	157,995
		Noncash		885,530	885,530
			Total 10.557	1,201,138	1,201,138

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2013

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Agriculture	Illinois Department of Public Health	Summer Food Service Program for Children	10.559	\$ 500	\$ 500
Department of Commerce	N/A	ARRA - Broadband Technology Opportunities Program	11.557	622,395	622,395
Department of Housing and Urban Development	Winnebago County - Department of Public Health	Housing Opportunities for People with AIDS	14.241	10,000	10,000
Department of Justice	N/A	State Criminal Alien Assistance Program Grant	16.606	16,482	16,482
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction	20.205	112,078	112,078
Department of Transportation	Illinois Department of Transportation	Formula Grants for Other than Urbanized Areas	20.509		
		Section 5311, RPT-13-005		169,575	169,575
		Operating Assistance		231,392	231,392
		Section 5311, 1173CVP (non-cash)		36,672	36,672
		Total	20.509	437,639	437,639
Federal Emergency Management Agency	Illinois Emergency Management Agency	Interagency Hazardous Materials Emergency Preparedness	20.703	36,220	36,220
Environmental Protection Agency	Illinois Environmental Protection Agency	Nonpoint Source Implementation Grants	66.460	52,082	52,082
TOTAL FEDERAL AWARDS				\$ 4,537,889	\$ 4,537,889

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 \$437,639 for CFDA number 20.509 Formula Grants for Other than Urbanized Areas.

Note C - Non-Cash Transactions

The County received \$462,091 of childhood immunization commodities from the U.S. Department of Health and Human Services passed through the Illinois Department of Public Health under CFDA number of 93.268. Also, the County received \$885,530 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 under CFDA number of 10.557. Finally, the County received transit vehicles of \$36,672 under CFDA number of 20.509 Formula Grants for Other than Urbanized Areas.

Note D - Loans

The County had \$32,069 of loans outstanding at December 31, 2013 through the Community Services Revolving Loan Program.

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:
 Significant deficiency(ies) identified? yes no
 Significant deficiency(ies) identified
 considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
 Significant deficiency(ies) identified? yes no
 Significant deficiency(ies) identified
 considered to be material weaknesses? yes no

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.557	ARRA - Broadband Technology Opportunities Program
10.557	Special Supplemental Food Program for Women, Infants and Children
93.268	Immunization Cooperative Agreements - Noncash

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

Auditee qualified as low-risk auditee? yes no

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2013

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Findings and Questioned Costs

None