Independent Auditor=s Report on Financial Statements

At agencies subject to a requirement to submit audited financial statements, the auditor should be licensed by the Illinois Department of Professional Regulation. Audited financial statements should meet the Financial Accounting Standards Board Generally Accepted Auditing Standards (FASB, GAAS) (or Government Accounting Standards Board Generally Accepted Government Auditing Standards GASB, GAGAS) requirements and AICPA (American Institute of Certified Public Accountants) guidance for the local agency type of corporation or government. IDHS requests inclusion of a Statement of Functional Expenses for all not-for-profit agencies. The Statement of Functional Expenses should detail Supporting Services costs separated from the various Program Services costs, and should further detail Management and General and Fundraising costs.

If required, the CFR and Grant Report must always be prepared on the July-June year funded by the Department=s award, regardless of the agency=s year. Audited financial statements will usually be prepared on the agency=s Board-approved fiscal year.

Non-June 30 fiscal year end agencies should always submit the audit for their year that ends after June 30. IDHS expects that audited figures will be used for CFR and Grant Report, and should be adjusted by the appropriate months.