

DEKALB COUNTY, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended
December 31, 2015



DEKALB COUNTY, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	3-5
Schedule of Expenditures of Federal Awards.....	6-9
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs.....	11-13



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of DeKalb County, Illinois (the County), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated September 23, 2016. The financial statements of the DeKalb County Forest Preserve District, a discretely presented component unit, and the DeKalb County Public Building Commission a blended component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include internal control over financial reporting or instance of reportable noncompliance associated with the DeKalb County Forest Preserve District or the DeKalb County Public Building Commission.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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.

Sikich LLP

Naperville, Illinois
September 23, 2016



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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, 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, 2015.

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 of compliance, 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 23, 2016, 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 the Uniform Guidance 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.

Sikich LLP

Naperville, Illinois
September 23, 2016

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2015

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	93.074		
		Bioterrorism Preparedness 57180019C		\$ 40,069	\$ 40,069
		Cities Readiness 57180100C		23,000	23,000
		Bioterrorism Preparedness 67180019D		37,463	37,463
		Cities Readiness 67180100D		20,107	20,107
		State Contract 00074534		2,000	2,000
		State Contract 67180138D		12,430	12,430
		Total 93.074	<u>135,069</u>	<u>135,069</u>	
Department of Health and Human Services	Illinois Department of Public Health	Title X Family Planning Services	93.217		
		State Contract 56180046C		37,103	37,103
		State Contract 66180058D		53,334	53,334
		Total 93.217	<u>90,437</u>	<u>90,437</u>	
Department of Health and Human Services	Illinois Department of Human Services	Title XX Block Grant	93.667		
		State Contract 56180046C		28,632	28,632
		State Contract 66180058D		29,384	29,384
		Total 93.667	<u>58,016</u>	<u>58,016</u>	
Department of Health and Human Services	Illinois Department of Public Health	Immunization Cooperative Agreements	93.268		
		Immunization Grants - Noncash		515,037	515,037
		State Contract 00068937		808	808
		Total 93.268	<u>515,845</u>	<u>515,845</u>	

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2015

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Health and Human Services	Illinois Public Health Association	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges IPC-15-101	93.525	\$ 20,755	\$ 20,755
Department of Health and Human Services	Illinois Department of Public Health	Temporary Assistance for Needy Families (FY 2015)	93.558	3,367	3,367
Department of Health and Human Services	Illinois Department of Healthcare and Family Services	Child Support Enforcement - Title IV-D	93.563	10,725	10,725
Department of Health and Human Services	Illinois Department of Commerce and Economic Opportunity	Community Services Block Grant Contract 15-231034 Contract 14-231034	93.569	199,915 25,291	199,915 25,291
			Total 93.569	225,206	225,206
Department of Health and Human Services	Illinois Department of Healthcare and Family Services	Medical Assistance Program	93.778	209,223	209,223
Department of Health and Human Services	Winnebago County - Department of Public Health	HIV Care Formula Grants HIV Care RW14004 HIV Care RW15002	93.917	25,985 81,159	25,985 81,159
			Total 93.917	107,144	107,144

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2015

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures
Department of Health and Human Services	Illinois Department of Public Health	Maternal and Child Health Services Block Grant to the States State Contract 56180046C Coordinated School Health 56380045C	93.994		
				\$ 8,717	\$ 8,717
				12,282	12,282
			Total 93.994	20,999	20,999
Department of Homeland Security	FEMA/EFSP Local Board	Emergency Food and Shelter National Board Program	97.024	1,251	1,251
Department of Homeland Security	Illinois Emergency Management Agency	Emergency Management Performance Grant Program	97.042	35,423	35,423
Department of Homeland Security	Illinois Emergency Management Agency	Pre-Disaster Mitigation	97.047	454	454
Department of Homeland Security	Illinois Emergency Management Agency	Hazard Mitigation Grant	*97.039	822,313	822,313
Environmental Protection Agency	Illinois Department of Public Health	State Public Water System Supervision	66.432	700	700
Environmental Protection Agency	Illinois Department of Public Health	Performance Partnership Grants	66.605	863	863
Department of Agriculture	Illinois Department of Human Services	Special Supplemental Food Program for Women, Infants, and Children State Contract FCSTQ00847 State Contract FCSUQ00847 Noncash	10.557	158,057	158,057
				151,178	151,178
				835,888	835,888
			Total 10.557	1,145,123	1,145,123

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2015

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	\$ 1,400	\$ 1,400
Department of Agriculture	Illinois Department of Public Health	State Administrative Expenses for Child Nutrition	10.560	240	240
Department of Justice	Illinois Department of Human Services	Juvenile Accountability Grant	16.523	34,540	34,540
Department of Housing and Urban Development	DeKalb County Housing Authority	DCHA Permanent Supportive Housing	14.268	3,294	3,294
Department of Justice	Illinois Department of Human Services	Juvenile Justice and Delinquency Prevention Allocation to States	16.540	4,200	4,200
Department of Justice	N/A	State Criminal Alien Assistance Program Grant	16.606	14,303	14,303
Department of Transportation	Illinois Department of Transportation	Formula Grants for Other than Urbanized Areas	20.509	185,936	185,936
		Section 5311, OP-15-10-FED FYE15		185,394	185,394
		Section 5311, OP-16-10-FED FYE16		185	185
		ARRA Furniture Grant			
			Total 20.509	371,515	371,515
Federal Emergency Management Agency	Illinois Emergency Management Agency	Interagency Hazardous Materials Emergency Preparedness	20.703	12,000	12,000
TOTAL FEDERAL AWARDS				\$ 3,844,405	\$ 3,844,405

*Denotes Major Federal Program

DEKALB COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2015

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 \$371,515 for CFDA number 20.509 Formula Grants for Other than Urbanized Areas.

Note C - Non-Cash Transactions

The County received \$515,037 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 \$835,888 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.

Note D - Other Information

The County had \$22,040 of loans outstanding at December 31, 2015 through the Community Services Revolving Loan Program.

The County did not elect to use the 10% federal de minimis indirect cost rate.

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a)? yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.039	Hazard Mitigation Grant Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2015

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Findings and Questioned Costs

2014-001: Hazard Mitigation Grant - CFDA #97.039; Grant FEMA-DR-1800-IL; Passed Through From the Illinois Emergency Management Agency (IEMA)

Criteria: Paragraph 20 of the Illinois Emergency Management Agency State-Local Hazard Mitigation Grant Program (HMGP) Assistance Agreement states “The Subgrantee agrees to include in the letter of agreement signed by the property owner, a certification that...: (2) the owner will relocate outside of any floodplain mapped by the Federal Emergency Management Agency (FEMA).”

Condition: The County remitted funds to one property owner who purchased property within a floodplain mapped by FEMA.

Questioned Costs: There are no questioned costs related to this finding.

Context: This finding relates to one (1) out of forty (40) payments selected for testing under the program during the year ended December 31, 2014.

Cause: The County did not have a system in place requiring owners to certify that funds provided would not be used to relocate within a floodplain mapped by FEMA.

Effect: Disbursement was made to an owner who purchased property within a floodplain mapped by FEMA.

Recommendation: We recommend that the County obtains written certification from participants in the HMGP specifically stating that funds will not be used to relocate in floodplains established by FEMA.

Corrective Action Plan: The County concurs with this finding. The name of the recipient of the funds and the address of the purchased property will be forwarded to the State Hazard Mitigation Officer with the Illinois Emergency Management Agency (IEMA) to communicate to the Federal Emergency Management Agency (FEMA) for its records. This may have the effect of making the recipient ineligible for future FEMA funds.

DEKALB COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2015

Section IV - Prior Year Findings and Questioned Costs (Continued)

2014-001: Hazard Mitigation Grant - CFDA #97.039; Grant FEMA-DR-1800-IL; Passed Through From the Illinois Emergency Management Agency (IEMA) (Continued)

Corrective Action Plan (Continued): Additionally, for any future Hazard Mitigation Grant Program awarded to the County associated with floodplain, the County will ensure that a letter of agreement is signed by recipients of Federal mitigation funds acknowledging that the funds will not be used to purchase property within any regulatory floodplain mapped by FEMA. In the event the County becomes aware of any other fund recipients that relocated to another property located in a floodplain mapped by FEMA, the names and addresses of those property owners will also be forwarded to IEMA for communication to FEMA. The Planning Director is responsible for overseeing the implementation of the corrective action plan by December 31, 2015.

Current Status: This finding is not repeated for the year ended December 31, 2015.