**VILLAGE OF OAK PARK, ILLINOIS**

SINGLE AUDIT REPORT

For the Year Ended
December 31, 2016

Sikich®

**VILLAGE OF OAK PARK, ILLINOIS**
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# 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 Mayor
Members of the Village Board
Village of Oak Park, 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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Oak Park, Illinois (the Village), as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 13, 2017.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village'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 Village'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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 13, 2017

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

The Honorable Mayor
Members of the Village Council
Village of Oak Park, Illinois

## Report on Compliance for Each Major Federal Program

We have audited the Village of Oak Park, Illinois' (the Village) 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 Village's major federal programs for the year ended December 31, 2016. The Village'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 programs.

## Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village'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 Village'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 Village's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Village of Oak Park, Illinois 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, 2016.

**Report on Internal Control Over Compliance**

Management of the Village 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 Village'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 Village'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, each major fund, and the aggregate remaining fund information of the Village, as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated June 13, 2017, 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
June 13, 2017

**VILLAGE OF OAK PARK, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

| Federal Grantor | Pass-Through Grantor | Program Title | Federal CFDA Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|---|---|---|---|---|---|---|
| | | **CDBG Entitlement Grants Cluster** | | | | |
| Department of Housing and Urban Development | N/A | Entitlement Grants | *14.218 | B-15-MC-17-0017 | $ 1,213,481 | $ 181,988 |
| | N/A | Emergency Solutions Grant | 14.231 | E-15-MC-17-0003 | 112,696 | |
| Total Department of Housing and Urban Development | | | | | 1,326,177 | |
| Department of Justice | N/A | Edward Byrne Memorial Justice Assistance Grant Program (Non-Stimulus) | 16.738 | 2012-DJ-BX-0447 | 8,151 | |
| | | | 16.738 | 2013-DJ-BX-0471 | 4,818 | |
| Total Department of Justice | | | | | 12,969 | |
| | | **Highway Planning and Construction Cluster** | | | | |
| Department of Transportation | Illinois Department of Transportation | Bike Parking Facilities | 20.205 | 12-00255-00-MS | 211,332 | |
| | Illinois Department of Transportation | Chicago Avenue Resurfacing | 20.205 | 15-00263-00-RS | 59,761 | |
| | Illinois Department of Transportation | Ridgeland Resurfacing | 20.205 | 13-00260-00-RS | 5,435 | |
| Total Department of Transportation | | | | | 276,528 | |
| Department of Health and Human Services | Public Health Institute of Metro Chicago | HIV Prevention Activities (HIV Surveilance) | 93.940 | N/A | 9,999 | |
| | IL Dept of Public Health | Maternal and Child Health Services Block Grant (Dental Sealants) | 93.994 | 63480129D | 213 | |
| | IL Dept of Public Health | Maternal and Child Health Services Block Grant (Ebola Virus) | 93.994 | 67180174D | 4,438 | |
| | IL Dept of Public Health | Maternal and Child Health Services Block Grant (HIV) | 93.994 | 66380071D | 8,210 | |

**VILLAGE OF OAK PARK, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2016

| Federal Grantor | Pass-Through Grantor | Program Title | Federal CFDA Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|---|---|---|---|---|---|---|
| | | **Highway Planning and Construction Cluster (Continued)** | | | | |
| Department of Health (Continued) and Human Services | IL Dept of Public Health | Maternal and Child Health Services Block Grant (FM Healthy Incentive) | 93.994 | N/A | $ 9,923 | |
| | IL Dept of Public Health | Maternal and Chile Health Services Block Grant (Dental Sealants) | 93.994 | 56380084C | 102 | |
| | IL Dept of Public Health | Maternal and Chile Health Services Block Grant (Pandemic - Ebola Virus) | 93.994 | 66380071D | 20,081 | |
| | | | | | 42,967 | |
| | IL Dept of Public Health | Public Health Emergency Preparedness (Cities Readiness Initiative) | 93.074 | 77180114E | 20,407 | |
| | IL Dept of Public Health | Public Health Emergency Preparedness (Cities Readiness Initiative) | 93.074 | 67180114D | 22,530 | |
| | IL Dept of Public Health | Public Health Emergency Preparedness (Public Health Emergency Response) | 93.074 | 67180068D | 26,490 | |
| | IL Dept of Public Health | Public Health Emergency Preparedness (Public Health Emergency Response) | 93.074 | 77180068E | 22,891 | |
| | | | | | 92,318 | |
| | IL Dept of Public Health | Centers for Disease Control and Prevention - Investigations and Technical Assistance | 93.283 | 76380076E | 6,029 | |
| Total Department of Health and Human Services | | | | | 151,313 | |
| **TOTAL EXPENDITURES OF FEDERAL AWARDS** | | | | | $ 1,766,987 | $ 181,988 |

* Denotes major program.

**VILLAGE OF OAK PARK, ILLINOIS**

NOTES TO SCHEDULE OF EXPENDITURES

For the Year Ended December 31, 2016

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**Note A - Basis of Accounting**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Village's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles. 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 Village provided federal awards to subrecipients from the Community Development Block Grant (CFDA #14.218) in the amount of $181,988.

**Note C - Other Information**

No noncash assistance was provided and no federal insurance was in effect.

**Note D - Community Development Block Grant Loans (CFDA #14.218)**

The amount of loans outstanding at December 31, 2016 under the Community Development Block Grant program was $64,859 for first time homebuyers, $1,962,460 for development acquisition loans, $665,829 for single family rehabilitation loans and $553,863 for other deferred and non-deferred payment loans. These loans have no continuing compliance requirements outside of loan repayment.

**Note E - 10% De Minimis Indirect Cost Rate**

The Village has elected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

**VILLAGE OF OAK PARK, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2016

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**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 __X__ no
Significant deficiency(ies) identified? _____ yes __X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

Internal Control over major federal programs:
Material weakness(es) identified? _____ yes __X__ no
Significant deficiency(ies) identified? _____ yes __X__ 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 Circular A-133, 2 CFR 200.516(a)? _____ yes __X__ no

Identification of major federal programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 14.218 | Community Development Block Grant |

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

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

## Section II - Financial Statement Findings

None

## Section III - Federal Award Findings and Questioned Costs

None

## Section IV - Prior Year Audit Findings

None