

VILLAGE OF OAK PARK, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended December 31, 2018

“We are submitting to you the following draft of your financial statements to expedite your review. As stated in our engagement letter with you, the fair presentation of the financial statements is your responsibility. This draft, or elements within should not be shared with any external parties, nor should any inference be made to any parties that no material adjustments or material disclosure modifications are expected before these statements are submitted as final.”

VILLAGE OF OAK PARK, ILLINOIS
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For Discussion Purposes Only

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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, 2018, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated **DATE OPEN**.

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.

Naperville, Illinois

DATE OPEN

**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, 2018. 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, 2018.

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, 2018, and the related notes to financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated **DATE OPEN**, 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.

Naperville, Illinois

DATE OPEN

VILLAGE OF OAK PARK, ILLINOIS

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2018

Federal Grantor/Program or Cluster Title	Pass-Through	Federal CFDA	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Department of Homeland Security					
Assistance to Firefighters Grant					
Assistance to Firefighters Grant	N/A	97.044	FEMA-- EMW-2016-FO-02962	\$ 93,963	
Total Assistance to Firefighters Grant				<u>93,963</u>	
Total Department of Homeland Security					<u>93,963</u>
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	IL IDOT	20.205	South Blvd-- 13-000256-00-PV	42,016	
Total Highway Planning and Construction Cluster				<u>42,016</u>	
State and Community Highway Safety					
Highway Safety Cluster					
State and Community Highway Safety	IL IDOT	20.600	Local Highway Safety Grant-- AP-18-0135	11,808	
State and Community Highway Safety	IL IDOT	20.600	Local Highway Safety Grant-- OP-19-0153	4,703	
Total Highway Safety Cluster				<u>16,511</u>	
Total Department of Transportation					<u>58,527</u>
Department of Health and Human Services					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	IDPH	93.074	Cities Readiness Initiative-- 87180114E	22,029	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	IDPH	93.074	Cities Readiness initiative-- 97580024G	20,084	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	IDPH	93.074	Public Health Emergency Preparedness-- 87180068F	22,119	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	IDPH	93.074	Public Health Emergency Preparedness-- 97180068G	17,985	
Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				<u>82,217</u>	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2018

Federal Grantor/Program or Cluster Title	Pass-Through	Federal CFDA	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Department of Health and Human Services (Continued)					
Medical Reserve Corps Small Grant Program					
Medical Reserve Corps Small Grant Program	NACCHO	93.008	Medical Reserve Corps-- MRCSG061001-01	\$ 140	
Total Centers for Disease Control and Prevention_Investigations and Technical Assistance				<u>140</u>	
HIV Prevention Activities_Health Department Based					
HIV Prevention Activities_Health Department Based	PHIMC	93.940	HIV Prevention Services	2,239	
HIV Prevention Activities_Health Department Based	PHIMC	93.940	HIV Prevention Services	13,239	
Total HIV Prevention Activities_Health Department Based				<u>15,478</u>	
Total Department of Health and Human Services				<u>97,835</u>	
Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	IL HUD	*14.218	CDBG--B-14-MC-17-0017	305,546	
Community Development Block Grants/Entitlement Grants	IL HUD	*14.218	CDBG--B-15-MC-17-0017	90,353	
Community Development Block Grants/Entitlement Grants	IL HUD	*14.218	CDBG--B-16-MC-17-0017	1,013,845	
Community Development Block Grants/Entitlement Grants	IL HUD	*14.218	CDBG--B-17-MC-17-0017	196,335	
Community Development Block Grants/Entitlement Grants	IL HUD	*14.218	CDBG--B-18-MC-17-0017	79,250	
Total Community Development Block Grants/Entitlement Grants Cluster				<u>1,685,329</u>	298,507
Emergency Solutions Grant Program					
Emergency Solutions Grant Program	IL HUD	14.231	Emergency Solutions Grants (ESG)-- E-17-MC-17-0003	107,288	
Emergency Solutions Grant Program	IL HUD	14.231	Emergency Solutions Grants (ESG)-- E-18-MC-17-0003	19,319	
Total Emergency Solutions Grant Program				<u>126,607</u>	
Total Department of Housing and Urban Development				<u>1,811,936</u>	298,507

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2018

Federal Grantor/Program or Cluster Title	Pass-Through	Federal CFDA	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
United States Department of Justice					
Bulletproof Vest Partnership Program					
Bulletproof Vest Partnership Program	NJ	16.607	Bulletproof Vest Partnership Program	\$ 7,226	
Total Bulletproof Vest Partnership Program				<u>7,226</u>	
Equitable Sharing Program					
Equitable Sharing Program	N/A	16.922	Equitable Sharing Program	<u>196,637</u>	
Total Department of Housing and Urban Development				<u>196,637</u>	
Total United States Department of Justice				<u>203,863</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 2,266,124</u>	<u>\$ 298,507</u>

* Denotes major program

The accompanying notes are an integral part of this schedule

VILLAGE OF OAK PARK, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES

For the Year Ended December 31, 2018

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 modified 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 \$298,507.

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, 2018 under the Community Development Block Grant program was \$33,055 for first time homebuyers, \$1,962,460 for development acquisition loans, \$643,921 for single family rehabilitation loans and \$390,334 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, 2018

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?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over major federal programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> 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 X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants

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

Auditee qualified as low-risk auditee? X yes no

VILLAGE OF OAK PARK, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2018

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Audit Findings

None