

DEKALB COUNTY, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended
December 31, 2016



DEKALB COUNTY, 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 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, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated June 9, 2017. 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

June 9, 2017



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**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, 2016. 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, 2016.

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 9, 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 9, 2017

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

| Federal Grantor | Pass-Through Grantor | Program Title | Federal CFDA Number | Revenues | Expenditures | Amount Passed To Subrecipients |
|---|---------------------------------------|--------------------------------------|------------------------------------|-----------------|---------------------|---|
| Department of Health and Human Services | Illinois Department of Public Health | Public Health Emergency Preparedness | 93.074 | | | |
| | | Bioterrorism Preparedness 67180019D | | \$ 44,511 | \$ 44,511 | \$ - |
| | | Cities Readiness 67180100D | | 25,719 | 25,719 | - |
| | | Ebola Grant 67180138D | | 32,633 | 32,633 | - |
| | | Bioterrorism Preparedness 77180019E | | 42,173 | 42,173 | - |
| | | Cities Readiness 77180100E | | 22,542 | 22,542 | - |
| Total | | | 93.074 | 167,578 | 167,578 | - |
| Department of Health and Human Services | Illinois Department of Public Health | Title X Family Planning Services | 93.217 | | | |
| | | State Contract 66180058D | | 39,872 | 39,872 | - |
| | | State Contract 76180058E | | 65,852 | 65,852 | - |
| Total | | | 93.217 | 105,724 | 105,724 | - |
| Department of Health and Human Services | Illinois Department of Human Services | Title XX Block Grant | 93.667 | | | |
| | | State Contract 66180058D | | 36,509 | 36,509 | - |
| | | State Contract 76180058D | | 7,800 | 7,800 | - |
| Total | | | 93.667 | 44,309 | 44,309 | - |
| Department of Health and Human Services | Illinois Department of Public Health | Immunization Cooperative Agreements | *93.268 | | | |
| | | Immunization Grants - Noncash | | 521,468 | 521,468 | - |
| | | State Contract 00068937 | | 808 | 808 | - |
| Total | | | 93.268 | 522,276 | 522,276 | - |

DEKALB COUNTY, 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 | Revenues | Expenditures | Amount Passed To Subrecipients |
|---|--|---|---------------------------|-------------------|-------------------|--------------------------------------|
| Department of Health and Human Services | Illinois Department of Healthcare and Family Services | Child Support Enforcement - Title IV-D | 93.563 | \$ 10,806 | \$ 10,806 | \$ - |
| Department of Health and Human Services | Illinois Department of Commerce and Economic Opportunity | Community Services Block Grant Contract 16-231034 Contract 15-231034 | 93.569 | 204,809 42,248 | 204,809 42,248 | - - |
| | | Total | 93.569 | 247,057 | 247,057 | - |
| | | Medicaid Cluster | | | | |
| Department of Health and Human Services | Illinois Department of Healthcare and Family Services | Medical Assistance Program | 93.778 | 287,955 | 287,955 | - |
| | | Total Medicaid Cluster | | 287,955 | 287,955 | - |
| Department of Health and Human Services | Winnebago County - Department of Public Health | HIV Care Formula Grants HIV Care RW15002 HIV Care RW16002 | 93.917 | 26,484 87,281 | 26,484 87,281 | - - |
| | | Total | 93.917 | 113,765 | 113,765 | - |
| Department of Health and Human Services | Illinois Department of Public Health | Maternal and Child Health Services Block Grant to the States State Contract 66180058D | 93.994 | 265 | 265 | - |

DEKALB COUNTY, 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 | Revenues | Expenditures | Amount Passed To Subrecipients |
|---------------------------------|---------------------------------------|--|---------------------|-----------|--------------|--------------------------------|
| Department of Homeland Security | FEMA/EFSP Local Board | Emergency Food and Shelter National Board Program | 97.024 | \$ 982 | \$ 982 | \$ - |
| Department of Homeland Security | Illinois Emergency Management Agency | Emergency Management Performance Grant Program | 97.042 | 50,289 | 50,289 | - |
| Department of Homeland Security | Illinois Emergency Management Agency | Hazard Mitigation Grant | 97.039 | \$ 9,543 | \$ 9,543 | - |
| Environmental Protection Agency | Illinois Department of Public Health | State Public Water System Supervision | 66.432 | 1,425 | 1,425 | - |
| Environmental Protection Agency | Illinois Department of Public Health | Performance Partnership Grants | 66.605 | 713 | 713 | - |
| Department of Agriculture | Illinois Department of Human Services | Special Supplemental Food Program for Women, Infants, and Children | *10.557 | 151,933 | 151,933 | - |
| | | State Contract FCSUQ00847 | | 155,958 | 155,958 | - |
| | | State Contract FCSVQ00847 | | 761,552 | 761,552 | - |
| | | Noncash | | | | - |
| | | | Total | | | |
| | | | 10.557 | 1,069,443 | 1,069,443 | - |
| Department of Agriculture | Illinois Department of Public Health | Child Nutrition Cluster Summer Food Service Program for Children | 10.559 | 1,100 | 1,100 | - |
| | | Total Child Nutrition Cluster | | 1,100 | 1,100 | - |

DEKALB COUNTY, 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 | Revenues | Expenditures | Amount Passed To Subrecipients |
|---|---------------------------------------|--|----------------------------|---------------------|---------------------|---------------------------------------|
| Department of Justice | Illinois Department of Human Services | Juvenile Accountability Grant | 16.523 | \$ 58,613 | \$ 58,613 | \$ - |
| Department of Housing and Urban Development | DeKalb County Housing Authority | DCHA Permanent Supportive Housing | 14.268 | 1,102 | 1,102 | - |
| Department of Justice | Illinois Department of Human Services | Juvenile Justice and Delinquency Prevention Allocation to States | 16.540 | 52,209 | 52,209 | - |
| Department of Justice | N/A | State Criminal Alien Assistance Program Grant | 16.606 | 21,261 | 21,261 | - |
| Department of Transportation | Illinois Department of Transportation | Formula Grants for Other than Urbanized Areas | 20.509 | 187,081 | 187,081 | - |
| | | Section 5311, OP-16-10-FED FYE16 | | 183,735 | 183,735 | - |
| | | Section 5311, OP-17-10-FED FYE17 | | | | |
| | | | Total | | | |
| | | | 20.509 | 370,816 | 370,816 | 370,816 |
| | | Highway Safety Cluster | | | | |
| Department of Transportation | Illinois Department of Transportation | Formula Grants for Other than Urbanized Areas | 20.600 | 13,087 | 13,087 | - |
| | | Total Highway Safety Cluster | | 13,087 | 13,087 | - |
| Federal Emergency Management Agency | Illinois Emergency Management Agency | Interagency Hazardous Materials Emergency Preparedness | 20.703 | 17,760 | 17,760 | - |
| TOTAL FEDERAL AWARDS | | | | \$ 3,168,077 | \$ 3,168,077 | \$ 370,816 |

*Denotes Major Federal Program

DEKALB COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

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 \$370,816 for CFDA number 20.509 Formula Grants for Other than Urbanized Areas.

Note C - Non-Cash Transactions

The County received \$521,468 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 \$761,552 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 \$17,440 of loans outstanding at December 31, 2016 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, 2016

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> |
|-----------------------|--|
| 93.268 | Immunization Grant program |
| 10.557 | Special Supplemental Food Program for Women, Infants, and Children |

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, 2016

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Findings and Questioned Costs

None