



DEKALB COUNTY, ILLINOIS

SINGLE AUDIT REPORT

For the Year Ended December 31, 2017

A decorative background image featuring a teal horizontal band at the top, a large abstract geometric pattern of overlapping translucent shapes in shades of gray and white in the middle, and an orange rectangular box at the bottom right containing the website address.

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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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 27 2018. 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
July 27, 2018

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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, 2017. 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, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 27, 2018, 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
July 27, 2018

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2017

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 Bioterrorism Preparedness 77180019E	93.074	\$ 40,865	\$ 40,865	\$ -
		Cities Readiness 67180100E		56,184	56,184	-
		Ebola Grant 6718013D		990	990	-
		Bioterrorism Preparedness 87180019F		38,107	38,107	-
		Cities Readiness 77180100F		22,808	22,808	-
		Total 93.074		158,954	158,954	-
Department of Health and Human Services	Illinois Department of Public Health	Title X Family Planning Services State Contract 86180050F	93.217	62,803	62,803	-
		Total 93.217		62,803	62,803	-
Department of Health and Human Services	Illinois Department of Human Services	Title XX Block Grant State Contract 76180050E	93.667	58,371	58,371	-
		Total 93.667		58,371	58,371	-
Department of Health and Human Services	Illinois Department of Public Health	Immunization Cooperative Agreements Immunization Grants - Noncash	93.268	440,915	440,915	-
		Total 93.268		440,915	440,915	-
Department of Health and Human Services	Illinois Department of Public Health	State Public Health Approaches for Ensuring Quitline Capacity	93.735	35,000	35,000	-
		Total 93.735		35,000	35,000	-

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2017

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	\$ 7,266	\$ 7,266	\$ -
			Total 93.563	7,266	7,266	-
Department of Health and Human Services	Illinois Department of Commerce and Economic Opportunity	Community Services Block Grant Contract 17-231034	93.569	148,874	148,874	-
				50,934	50,934	-
		Contract 16-231034	Total 93.569	199,808	199,808	-
Department of Health and Human Services	Illinois Department of Healthcare and Family Services	Medicaid Cluster Medical Assistance Program	93.778	201,894	201,894	-
			Total 93.778	201,894	201,894	-
Department of Health and Human Services	Winnebago County - Department of Public Health	HIV Care Formula Grants HIV Care RW16002	93.917	20,520	20,520	-
				98,331	98,331	-
		HIV Care RW17002	Total 93.917	118,851	118,851	-
Department of Homeland Security	FEMA/EFSP Local Board	Emergency Food and Shelter National Board Program	97.024	1,204	1,204	-
			Total 97.024	1,204	1,204	-

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2017

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures	Amount Passed To Subrecipients
Department of Homeland Security	Illinois Emergency Management Agency	Emergency Management Performance Grant Program	97.042	\$ 35,260	\$ 35,260	\$ -
			Total 97.042	35,260	35,260	-
Environmental Protection Agency	Illinois Department of Public Health	Performance Partnership Grants	66.605	900	900	-
			Total 66.605	900	900	-
Department of Agriculture	Illinois Department of Human Services	Special Supplemental Food Program for Women, Infants, and Children	*10.557			-
		State Contract FCSVQ00847		158,493	158,493	-
		State Contract FCSWQ00847		146,719	146,719	-
		Noncash		699,223	699,223	-
			Total 10.557	1,004,435	1,004,435	-
Department of Agriculture	Illinois Department of Public Health	Child Nutrition Cluster Summer Food Service Program for Children	10.559	900	900	-
			Total 10.559	900	900	-
Department of Justice	Illinois Department of Human Services	Juvenile Accountability Grant	16.523	23,074	23,074	-
			Total 16.523	23,074	23,074	-
Department of Justice	Illinois Department of Human Services	Juvenile Justice and Delinquency Prevention Allocation to States	16.540	80,199	80,199	-
			Total 16.540	80,199	80,199	-

DEKALB COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2017

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Revenues	Expenditures	Amount Passed To Subrecipients
Department of Justice	N/A	State Criminal Alien Assistance Program	16.606	\$ 28,866	\$ 28,866	\$ -
			Total 16.606	28,866	28,866	-
Department of Justice	N/A	Swift, Certain, and Fair (SCF) Sanctions Program	16.828	102,842	102,842	-
			Total 16.828	102,842	102,842	-
Department of Transportation	Illinois Department of Transportation	Formula Grants for Other than Urbanized Areas	20.509			
		Section 5311, OP-16-10-FED FYE17		188,740	188,740	-
		Section 5311, OP-17-10-FED FYE18		186,702	186,702	-
			Total 20.509	375,442	375,442	-
Department of Transportation	Illinois Department of Transportation	Federal Transit Capital Investment Grants	20.500	331,048	331,048	-
Department of Transportation	Illinois Department of Transportation	Highway Safety Cluster	20.500			
		Formula Grants for Other than Urbanized Areas		35,790	35,790	-
			Total 20.500	366,838	366,838	-
Federal Emergency Management Agency	Illinois Emergency Management Agency	Interagency Hazardous Materials Emergency Preparedness	20.703	8,000	8,000	-
			Total 20.703	8,000	8,000	-
TOTAL FEDERAL AWARDS				\$ 3,311,822	\$ 3,311,822	\$ -

*Denotes Major Federal Program

DEKALB COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2017

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

There were no payments to subrecipients related to federal awards noted during the year ended December 31, 2017.

Note C - Non-Cash Transactions

The County received \$440,915 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 \$699,223 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 10.557.

Note D - Other Information

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, 2017

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>
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, 2017

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

Finding 2017-001: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - CFDA #10.557

Reporting Requirement

Criteria: The grant agreement for WIC requires monthly reports to be submitted by the 15th day of the following month.

Condition: For the WIC program, we tested three of the twelve monthly reports and two reports we tested were submitted late.

Effect: Due to the fact the County did not file its WIC reports by the due date stated in the grant agreement, future funding by the grantor could be delayed or suspended.

Cause: For the WIC program, the Health Department must perform the month end close process before the monthly grant reports can be prepared. Because of the complexity of administering the grants, it is difficult to perform the month-end close process and complete the monthly report by the deadline.

Recommendation: We recommend the County monitor report due dates and establish procedures to ensure reports are submitted timely. The County should also maintain support to document that all reports have been filed timely.

Views of Responsible Officials: Management agrees with the Single Audit Finding and a response is included in the Corrective Action Plan.

Section IV - Prior Year Findings and Questioned Costs

None



DeKalb County Finance Office

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DEKALB COUNTY, ILLINOIS

Corrective Action Plan

For the Year Ended December 31, 2017

FINDING 2017-001

Program: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

CFDA No.: 10.557

Federal Grantor: U.S. Department of Agriculture

Pass-Through Grantor: Illinois Department of Human Services

State Contract: FCSVQ00847 and FCSWQ00847

County's Response: The County concurs with this finding.

Corrective Action Plan:

The Illinois WIC Program is aware that the DeKalb County Health Department does not consistently meet the 15th of the month deadline for submitting the Expenditure Documentation Form (EDF). Because the deadline is within a contract that WIC has with the Illinois Department of Human Services, the WIC Program is unable to approve a formal extension.

Current WIC policy has simplified communication and has eliminated any possibility for errors by paying all contractual agents on "actual" reimbursable amounts rather than estimates. Any deviation from this policy will not be accepted for reimbursement of WIC allowable expenditures. Incorrect information provided by using estimated expenditures may require a revision which could result in extreme delays in payment.

DeKalb County Health Department will make all efforts to submit the monthly WIC Expenditure Documentation Form (EDF) by the 15th of the month following the month of service. Program guidance requires that *any change in this schedule be submitted in writing to the Department*. Beginning August 2018, in months where we do not have the needed information (i.e. claims/payroll information) on or before the 15th deadline, we will provide the State with notification in writing and include a revised anticipated date of submission.

Person Responsible for Implementation: Public Health Administrator

Implementation Date: August 15, 2018