

**VILLAGE OF OAK PARK, ILLINOIS**

**SINGLE AUDIT REPORT**

For the Year Ended  
December 31, 2013



**VILLAGE OF OAK PARK, ILLINOIS**  
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1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

630.566.8400 // [www.sikich.com](http://www.sikich.com)

Certified Public Accountants & Advisors  
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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, 2013, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 15, 2014.

**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  
May 15, 2014

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts and grants applicable to 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2013.

#### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001 through 2012-001. Our opinion on each major federal program is not modified with respect to these matters.

The Village's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village'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 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated May 15, 2014, 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 OMB Circular A-133 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  
May 15, 2014

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VILLAGE OF OAK PARK, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-17-0017	\$ 745,810
			14.218	B-13-MC-17-0017	697,945
Department of Housing and Urban Development	N/A	Emergency Solutions Grant	14.231	E-11-MC-17-0013	43,634
			14.231	E-12-MC-17-0013	68,120
			14.231	E-13-MC-17-0013	23,945
Department of Housing and Urban Development	N/A	Sustainable Communities Challenge Grant	14.704	CCPIL0052-11	<u>2,492,177</u>
Total Department of Housing and Urban Development					<u>4,071,631</u>
Department of Justice	N/A	Edward Byrne Memorial Justice Assistance Grant Program (Stimulus)	16.738	2009-SB-B9-0835	352
Department of Justice	N/A	Edward Byrne Memorial Justice Assistance Grant Program (Non-Stimulus)	16.738	2009-DJ-BX-0589	20,813
			16.738	2011-DJ-BX-2688	3,761
Department of Justice	N/A	Bulletproof Vest Partnership Program	16.607	2012	2,254
		Equitable Sharing of Federally Forfeited Assets	16.922	N/A	<u>129,901</u>
Total Department of Justice					<u>157,081</u>
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Cap the Ike Preliminary Engineering)	20.205	05-00240-00-EG	1,324
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (East Avenue Engineering)	20.205	09-00246-00-RS	43,673
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Village Wide Safe Route Engineering)	20.205	07-00244-00-BT	10,522
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Augusta, Chicago, Division Engineering)	20.205	10-00250-00-BT	24,829

VILLAGE OF OAK PARK, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2013

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Citywide Bus Shelters)	20.205	10-00251-00-MS	5,760
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Marion & Ridgeland Viaduct Engineering)	20.205	11-00253-00-LS	38,399
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Village Hall Engineering)	20.205	12-00254-00-MS	104,320
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Oak Park Avenue Engineering)	20.205	06-00243-00-BR	10,273
Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction - Recovery (Washington & Ridgeland Engineering)	20.205	07-00245-00-TL	1,682
Department of Transportation	Illinois Department of Transportation	Occupant Protection Enforcement	20.600	AP-14-0240	5,078
Department of Transportation	Illinois Department of Transportation	Occupant Protection Enforcement	20.600	AL-13-176	3,498
Department of Transportation	Illinois Department of Transportation	Impaired Driver Enforcement	20.601	AP-14-0240	2,478
Department of Transportation	Illinois Department of Transportation	Impaired Driver Enforcement	20.601	AL-13-176	<u>9,880</u>
Total Department of Transportation					<u>261,716</u>
Department of Energy	Chicago Metropolitan Agency for Planning	Multi-Unit Retrofit Loan Improvement Program	81.128	DE-EE0003561	<u>25,000</u>
Total Department of Energy					<u>25,000</u>
Department of Health and Human Services	National Association of County and City Health Officials	Medical Reserve Corps	93.008	MRC 11 76	6,974
Department of Health and Human Services	IL Dept of Healthcare & Family Services	Medical Assistance Program	93.778	FCM Medicaid	20,525
Department of Health and Human Services	IL Dept of Human Services	Teen Pregnancy Prevention	93.994	46080153B	8,392
Department of Health and Human Services	IL Dept of Human Services	Teen Pregnancy Prevention	93.994	FCSRE00759	18,971

VILLAGE OF OAK PARK, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2013

<b>Federal Grantor</b>	<b>Pass-Through Grantor</b>	<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Program/Grant Number</b>	<b>Expenditures</b>
Department of Health and Human Services	IL Dept of Human Services	Family Case Management - Infant Mortality	93.994	FCSSU03114	22,359
Department of Health and Human Services	IL Dept of Human Services	Family Case Management - Infant Mortality	93.994	FCSRE01591	14,454
Department of Health and Human Services	IL Dept of Public Health	Chicago Metropolitan Statistical Area Risk Based Funding	93.069	27180132A	10,466
Department of Health and Human Services	IL Dept of Public Health	Cities Readiness Initiative	93.069	47180114B	20,935
Department of Health and Human Services	IL Dept of Public Health	Cities Readiness Initiative	93.069	27180114	6
Department of Health and Human Services	IL Dept of Public Health	Cities Readiness Initiative	93.069	37180114A	24,674
Department of Health and Human Services	IL Dept of Public Health	Public Health Emergency Response	93.069	47180068B	23,950
Department of Health and Human Services	IL Dept of Public Health	Public Health Emergency Response	93.069	37180068A	29,033
Department of Health and Human Services	IL Dept of Public Health	Dental Sealants	93.994	33480131A	262
Department of Health and Human Services	IL Dept of Public Health	Dental Sealants	93.994	43480132B	397
Total Department of Health and Human Services					<u>201,398</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<u><u>\$ 4,716,826</u></u>

VILLAGE OF OAK PARK, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended December 31, 2013

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Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures
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Notes to the Schedule of Expenditures of Federal Awards

**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 in the amount of \$312,166.

**Note C - Other Information**

No non-cash assistance was provided.

**Note D - CDBG Loans**

The amount of loans outstanding at December 31, 2013 under the Community Development Block Grant program was \$84,094 for first time homebuyers, \$1,962,460 for development acquisition loans, \$586,881 for single family rehabilitation loans and \$741,017 for other deferred and non-deferred payment loans.

VILLAGE OF OAK PARK, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2013

**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 not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiency(ies) identified not considered to be material weaknesses? \_\_\_\_\_ yes  X  no

Type of auditor's report issued on compliance for Major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?  X  yes \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.704	Sustainable Communities Challenge Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

**VILLAGE OF OAK PARK, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

For the Year Ended December 31, 2013

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

**2013-001: Community Development Block Grants/Entitlement Grants (CDBG) – CFDA  
# 14.218**

*Criteria:* As noted on FSRS.gov: “Prime Grant Recipients awarded a new Federal grant greater than or equal to \$25,000 as of October 1, 2010 are subject to Federal Funding Accountability and Transparency Act (FFATA) subaward reporting requirements as outlined in the Office of Management and Budget’s guidance issued August 27, 2010. The prime awardee is required to file an FFATA subaward report by the end of the month following the month in which the prime recipient awards any subgrant greater than or equal to \$25,000.”

*Condition:* The Village did not file the required subaward reports required under the FFATA for the subawards it made which were greater than or equal to \$25,000.

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

*Context:* This finding relates to seven CDBG subgrants awarded by the Village for Program Year 2013. The total of those awards was \$468,142.

*Cause:* The Village did not properly identify the requirement to file FFATA subgrant reports.

*Effect:* The Village did not file the subgrant information required under the FFATA.

*Recommendation:* We recommend that the Village designate an individual in the CDBG Department to be in charge of ensuring that all FFATA subaward reporting is done on a timely basis.

*Corrective Action Plan:* The Village has designated the CDBG Grants Supervisor as the person in charge of FFATA subaward reporting. This procedure became effective in April 2014.

# VILLAGE OF OAK PARK, ILLINOIS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2013

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### Section IV - Prior Year Audit Findings

#### 2012-001 Prior Period Adjustments

*Condition:* In 2012, it was necessary to record prior period adjustments to correct prior year net position/fund balances in several funds in accordance with generally accepted accounting principles.

*Criteria:* Auditing standards (SAS 112) effective for fiscal periods ended December 31, 2006 and thereafter require that material prior period adjustments that are reported in the financial statements be considered as a material weakness.

*Cause:* The Village's internal control procedures were not sufficient to allow the Finance Department to record these adjustments in the correct period.

*Effect:* We proposed adjustments, agreed to by the Village, to adjust beginning fund balance/net assets.

*Recommendation:* We recommend the Village ensure all transactions are recorded in the proper period.

#### Corrective Action Plan

With the hiring of the new Deputy CFO, staff was able to thoroughly review the Village's general ledger. During this review, it was determined that certain adjustments were necessary. Review procedures have been implemented to help minimize the need for restatements going forward, other than items required by the implementation of new GASB statements.

Status - Comment is not applicable as of December 31, 2013.