

**CITY OF EVANSTON, ILLINOIS**  
**Single Audit Reports**

**For the Year Ended December 31, 2014**

## **TABLE OF CONTENTS**

Independent Auditors' Report on Schedule of Expenditures of Federal Awards	1-2
Schedule of Expenditures of Federal Awards	3-4
Notes to Schedule of Expenditures of Federal Awards	5-6
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	7-8
Schedule of Findings and Questioned Costs	9-10

## INDEPENDENT AUDITORS' REPORT

The Honorable Elizabeth B. Tisdahl, Mayor and  
Members of the City Council  
Evanston, Illinois

### Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying Schedule of Expenditures of Federal Awards (Schedule) of the City of Evanston, Illinois (City), for the year ended December 31, 2014 and the related notes to the Schedule.

#### *Management's Responsibility for the Schedule of Expenditures of Federal Awards*

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit 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 U.S. Office of Management and Budget (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 the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the Schedule referred to above presents fairly, in all material respects, the respective expenditures of federal awards of the City for the year ended December 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

**Report on Other Legal and Regulatory Requirements**

In accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, we have also issued a report dated September 16, 2015, on our consideration of the City's compliance for each major program and on internal control over compliance required by OMB Circular A-133. The purpose of that report is 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. That report is an integral part of an audit performed in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and should be read in conjunction with this report.



Chicago, Illinois  
September 16, 2015

**CITY OF EVANSTON, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>			
Passed through the Illinois State Board of Education Child and Adult Care Food Program	10.558	ISBE 13-4225-00 - 05016510P00	\$ 30,645
Passed through the Illinois State Board of Education Summer Food Service Program for Children	10.559	ISBE 13-4225-00 - 05016510P00	99,516
Passed through the State of Illinois Department of Public Health Summer Food Inspection Program	10.559	45280148B	500
<b>Total Department of Agriculture</b>			<b><u>130,661</u></b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants/Entitlement Grants			
Entitlement year 37	14.218	B11MC-170012	6,118
Entitlement year 38	14.218	B12MC-170012	5,300
Entitlement year 39	14.218	B13MC-170012	183,869
Entitlement year 40	14.218	B14MC-170012	1,419,111
Total Community Development Block Grants/Entitlement Grants *			<u>1,614,398</u>
Emergency Solutions Grant Program	14.231	E13-MC-170012/E14-MC-170012	169,959
Home Investment Partnerships Program	14.239	M09-MC-170218	33,555
Home Investment Partnerships Program	14.239	M10-MC-170218	421,410
Home Investment Partnerships Program	14.239	M11-MC-170218	298,404
Home Investment Partnerships Program	14.239	M12-MC-170218	55,474
Home Investment Partnerships Program	14.239	M13-MC-170218	130,638
Home Investment Partnerships Program	14.239	M14-MC-170218	20,538
Total Home Investment Partnerships Program			<u>960,019</u>
ARRA - Neighborhood Stabilization Program *	14.256	S10-MC-170012	1,148,502
<b>Total Department of Housing and Urban Development</b>			<b><u>3,892,878</u></b>
<b>DEPARTMENT OF JUSTICE</b>			
Passed through Cook County Department Homeland Security and Emergency Management Edward Byrne Memorial Justice Assistance Grant	16.738	Public Law 109-162	30,471
Passed through Illinois Criminal Justice Information Authority Crime Victim Assistance	16.575	213045 & 214045	44,406
<b>Total Department of Justice</b>			<b><u>74,877</u></b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction	20.205	D-91-410-10	8,970
Highway Planning and Construction	20.205	D-91-398-08	155,239
Highway Planning and Construction	20.205	D-91-467-12	54,199
Total Highway Planning and Construction			<u>218,408</u>
Passed through Illinois Department of Transportation State and Community Highway Safety	20.600	OP-14-004	31,058
<b>Total Department of Transportation</b>			<b><u>249,466</u></b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**CITY OF EVANSTON, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Identifying Number	Federal Expenditures
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed through the Illinois Department of Public Health Beach Monitoring and Notification Program Implementation Grant	66.472	45380191B	7,994
Passed through Illinois Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds *	66.468	L17-4430	243,699
Capitalization Grants for Clean Water State Revolving Funds *	66.458	L17-4775	1,099,646
<b>Total Department of Environmental Protection Agency</b>			<b><u>1,351,339</u></b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Suburban Area Agency on Aging Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	B119	35,958
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	B119	46,993
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ARDC) Option Counseling for Medicare-Medicaid Individual in States with Approved Financial Alignment Models	93.626	B119	2,625
Passed through the Illinois Department of Public Health Public Health Emergency Preparedness	93.069	47180027B/ 57180027C	59,249
Public Health Emergency Preparedness	93.069	47180103B/ 57180103C	43,073
Total Public Health Emergency Preparedness			<u>102,322</u>
Center for Disease Control and Prevention Investigation and Technical Assistance	93.283	45380121B	10,000
Maternal and Child Health Services Block Grant to the States	93.994	SFY14#33480115A	7,655
<b>Total Department of Health and Human Services</b>			<b><u>205,553</u></b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through the Illinois Emergency Management Agency Emergency Management Performance Grants	97.042	413 EMAEVANS	1,928
<b>Total Department of Homeland Security</b>			<b><u>1,928</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 5,906,702</u></b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**CITY OF EVANSTON, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2014**

**NOTE 1 – REPORTING ENTITY**

This report on Federal Awards includes the federal awards of the City of Evanston, Illinois. The reporting entity for the city is based upon criteria established by the Governmental Accounting Standards Board (GASB).

The City of Evanston is the primary government according to GASB criteria. On April 30, 2014, the Township was discontinued and dissolved following March 18, 2014 general election vote taken by the registered voters of the Evanston Township. Pursuant to 60 ILCS 1/27-15 and 1/27-20, effective 12:00 a.m. May 1, 2014, the City of Evanston assumed all rights, powers, assets, property, obligations and duties of the Evanston Township, including the responsibilities of providing the services that were previously provided by the Township. Beginning May 1, 2014, the functions of the Township are reported along with the City.

**NOTE 2 – BASIS OF PRESENTATION**

The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.

**NOTE 3 – SUBRECIPIENTS**

Of the federal expenditures presented in the schedule of expenditures of federal awards, the City of Evanston provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$251,584
Emergency Solutions Grant Program	14.231	\$159,322
HOME Investment Partnerships Program	14.239	\$215,815

**CITY OF EVANSTON, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2014**

**NOTE 4 – PROGRAM INCOME**

The City of Evanston received the following program income amounts for the year ended December 31, 2014. The balances of receipts are from letter of credit drawdowns for the program. The program expenditures for the year include expenditures of this program income.

Program Title	Federal CFDA Number	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$58,572
Home Investment Partnerships Program	14.239	\$27,384
ARRA- Neighborhood Stabilization Program	14.256	\$1,148,272

**NOTE 5– LOANS RECEIVABLE OUTSTANDING**

The City of Evanston had the following loan receivable balances outstanding at December 31, 2014:

Program Title	Federal CFDA Number	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$2,307,999
Home Investment Partnerships Program	14.239	\$4,530,261

**NOTE 6 – NONCASH ASSISTANCE**

Of the federal expenditures presented in the schedule of expenditures of federal awards, the City of Evanston did not receive any noncash assistance during the year ended December 31, 2014.

**NOTE 7 – FEDERAL INSURANCE**

The City of Evanston had no federal insurance for the year ended December 31, 2014.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

The Honorable Elizabeth B. Tisdahl, Mayor and  
Members of the City Council  
Evanston, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited the City of Evanston, Illinois (City) 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 the City's major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditors' 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 the City'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 City'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 City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City 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, 2014.

## Report on Internal Control over Compliance

Management of the City 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 City'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 City'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.



Chicago, Illinois  
September 16, 2015

**CITY OF EVANSTON, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

Financial Statements

- 1) Type of auditors’ report issued: **Unmodified**
- 2) Internal control over financial reporting:
- Material weakness(es) identified?   X   Yes        No
  - Significant deficiency(ies) identified?   X   Yes        None reported
- 3) Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

- 1) Internal control over major programs:
- Material weakness(es) identified?        Yes   X   No
  - Significant deficiency(s) identified?        Yes   X   None reported
- 2) Type of auditors’ report issued on compliance for major programs: **Unmodified**
- 3) Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?        Yes   X   No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.256	ARRA- Neighborhood Stabilization Program
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B Programs:                   \$300,000                  

Auditee qualified as low risk auditee?        Yes   X   No

**CITY OF EVANSTON, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

See findings 2014-1, 2014-2, and 2014-3 in the separate Independent Auditors’ report titled “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*”.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.