

WILL COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended November 30, 2013

WILL COUNTY, ILLINOIS

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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*

Independent Auditors' Report

To Members of the County Board
Will County, Illinois

We have audited, in accordance with 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Will County, Illinois as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise Will County's basic financial statements and have issued our report thereon dated May 28, 2014. Our report includes a reference to other auditors who audited the financial statements of the Forest Preserve District of Will County, the Will County Public Building Commission, and the Circuit Clerk fund, as described in our report on Will County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Forest Preserve District of Will County were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Will 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 Will County's internal control. Accordingly, we do not express an opinion on the effectiveness of Will County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-001 to be a material weakness.

To Members of the County Board
Will County, Illinois

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Will 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Will County's Response to Findings

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Chicago, Illinois
May 28, 2014

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

Independent Auditors' Report

To Members of the County Board
Will County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Will County's 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 Will County's major federal programs for the year ended November 30, 2013. Will County'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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Will 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 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 Will 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 Will County's compliance.

Opinion on Each Major Federal Program

In our opinion, Will 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 November 30, 2013.

To Members of the County Board
Will County, Illinois

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 2013-004 and 2013-005. Our opinion on each major federal program is not modified with respect to these matters.

Will County's Response to Findings

Will County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Will 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 Will 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 Will County's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Will 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-004 and 2013-005 that we consider to be significant deficiencies.

Will County's Response to Findings

Will County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Will 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.

To Members of the County Board
Will County, Illinois

Purpose of this Report

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Will County, Illinois as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise Will County's basic financial statements. We issued our report thereon dated May 28, 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. Our report includes a reference to other auditors who audited the financial statements of the Forest Preserve District of Will County, the Will County Public Building Commission, and the Circuit Clerk fund, as described in our report on Will County's 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.

Baker Tilly Vichow Krause, LLP

Chicago, Illinois
July 30, 2014

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Passed Through Agency	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster				
School Breakfast Program	10.553	SBE	2013	\$ 13,303
National School Lunch Program	10.555	SBE	2013	30,055
National School Lunch Program; Commodities	10.555	SBE	2013	4,474
Summer Food Service Program for Children	10.559	DPH	35280185A/13	3,200
Total Child Nutrition Cluster				<u>51,032</u>
Supplemental Nutrition Assistance Program				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	DHS	FCSRE00837/13	535,047
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	DHS	FCSSQ00837/14	714,450
Special Supplemental Nutrition Program for Women, Infants and Children (Non-cash)	10.557	DHS	FCSRE00837/13	2,507,497
Special Supplemental Nutrition Program for Women, Infants and Children (Non-cash)	10.557	DHS	FCSSQ00837/14	2,250,903
Breastfeeding Peer Counseling	10.557	DHS	FCSRE01608/13	51,424
Breastfeeding Peer Counseling	10.557	DHS	FCSSQ01608/14	32,532
Total Special Supplemental Nutrition Assistance Program				<u>6,091,853</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>6,142,885</u>
 U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Community Development Block Grant/Entitlement Grants				
Community Development Block Grant	14.218		B-12-UC-17-0006	1,385,106
Neighborhood Stabilization Grant	14.218		B-08-UN-17-0007	1,116,851
Total Community Development Block Grants/Entitlement Grants				<u>2,501,957</u>
Community Development Block Grants/State's Program (IKE Grant)				
IKE Public Infrastructure Grant	14.228	DCEO	08-354085	868,864
IKE Buyout Program	14.228	DCEO	08-358006	2,297,600
Total Community Development Block Grants/State's Program (IKE Grant)				<u>3,166,464</u>
HOME Investment Partnership Program	14.239		M-12-UC-17-0211	426,639
Lead Hazard Reduction Demonstration Grant Program	14.905		ILLHB0444-09	34,475
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				<u>6,129,535</u>

See accompanying notes to schedule of expenditures of federal awards.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Passed Through Agency	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF INTERIOR				
Historic Preservation Grant				
Historic Preservation Fund Grants-in-Aid; Will County Educational Projects	15.904	HPA	P12AP10376	\$ 5,424
Historic Preservation Fund Grants-In-Aid; Will County Rural Survey	15.904	HPA	P13AS00007	<u>3,586</u>
Total Historic Preservation Grant				<u>9,010</u>
TOTAL U.S. DEPT OF INTERIOR				<u>9,010</u>
U.S. DEPARTMENT OF JUSTICE				
Juvenile Accountability Block Grants				
Juvenile Accountability Block Grants; Juvenile Crime Prevention Grant	16.523		510017/11	1,073
Juvenile Accountability Block Grants; Juvenile Crime Prevention Grant	16.523	DHS	FCSSR03270/14	<u>25,248</u>
Total Juvenile Accountability Block Grants				<u>26,321</u>
National Children's Alliance - Program Supplementary Grant	16.543	CACI	JOLI-IL-SA13	9,000
Crime Victim Assistance				
Child Advocacy Center Services Program - Counselor Grant	16.575	CJIA	210255	22,377
Child Advocacy Center Services Program - Counselor Grant	16.575	CJIA	213055	17,024
Child Advocacy Center Services Program - Case Manager Grant	16.575	CJIA	210223	25,871
Child Advocacy Center Services Program - Case Manager Grant	16.575	CJIA	213223	<u>6,470</u>
Total Crime Victim Assistance				<u>71,742</u>
Drug Court Discretionary Grant Program	16.585	CJIA	2011-DC-BX-0018	89,816
FY12 State Criminal Alien Assistance Program	16.606	CJIA	2012-AP-BX-0452	137,267
Edward Byrne Memorial Justice Assistance Grant Program				
Justice Assistance Grant	16.738		2009-DJ-BX-0816	3,300
Justice Assistance Grant	16.738		2010-DJ-BX-0143	51,700
Justice Assistance Grant	16.738		2012-DJ-BX-0151	12,000
Correctional Initiative Program	16.738		409046	56,000
Byrne Memorial Justice Assistance Grant	16.738	CJIA	410027	110,440
Byrne Memorial Justice Assistance Grant	16.738	CJIA	411027	17,670
Expanding Multi-Jurisdictional Narcotics Units	16.738	CJIA	411004	<u>125,329</u>
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>376,439</u>
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>710,585</u>

See accompanying notes to schedule of expenditures of federal awards.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Passed Through Agency	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR				
Trade Adjustment Assistance; TAA/TGAAA	17.245	DCEO	11-661010	\$ 62,263
WIA Cluster:				
WIA Adult Program	17.258	DCEO	12-681010	1,287,336
WIA Youth Activities	17.259	DCEO	12-681010	1,222,910
WIA Dislocated Worker Formula Grants	17.278	DCEO	12-681010	<u>1,992,428</u>
Total WIA Cluster				<u>4,502,674</u>
Workforce Innovation Fund; Accelerated Training for Illinois Manufacturing(ATIM)	17.283	DCEO	12-113010	<u>111,428</u>
TOTAL U.S. DEPARTMENT OF LABOR				<u>4,676,365</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster:				
Highway Planning & Construction	20.205	DOT	01-00042-07-BR-3	31,925
Highway Planning & Construction	20.205	DOT	01-00181-00-FP-2	51,234
Highway Planning & Construction	20.205	DOT	01-00181-00-FP-3	400,801
Highway Planning & Construction	20.205	DOT	04-00069-18-BR-2	41,402
Highway Planning & Construction	20.205	DOT	06-00122-16-FP-1	199,844
Highway Planning & Construction	20.205	DOT	06-00169-14-FP-2	20,807
Highway Planning & Construction	20.205	DOT	07-00117-13-FP-1	3,638
Highway Planning & Construction	20.205	DOT	08-00138-28-TL-1	24,301
Highway Planning & Construction	20.205	DOT	08-00169-18-FP-1	<u>77,588</u>
Total Highway Planning & Construction Cluster				<u>851,540</u>
Metropolitan Transportation Planning; Chicago Metropolitan Agency for Planning(CMAP) Grant	20.505	FTA	IL-80-0008	144,216
New Freedom Grant	20.521	RTA	IL-57-X019	56,544
Highway Safety Cluster:				
State and Community Highway Safety; Sustained Traffic Enforcement Program(STEP)	20.600	NHTSA	OP-13-243	18,903
Alcohol Impaired Driving Countermeasures Incentive Grants I; Local Alcohol Program (LAP)	20.601	NHTSA	AI-13-244	<u>33,420</u>
Total Highway Safety Cluster				<u>52,323</u>
National Priority Safety Programs; Local Alcohol Program (LAP)	20.616	NHTSA	AL-13-498	1,392
Hazardous Materials Emerg. Preparedness Planning Grant	20.703	EMA	2013	46,000
Technical Assistance Grants Program	20.710	HMSA	DTPH5612GPHPT14	<u>38,930</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>1,190,945</u>

See accompanying notes to schedule of expenditures of federal awards.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Passed Through Agency	Grant Number	Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Radon Awareness	66.032	EMA	30013WILCHD/13	\$ 2,881
Non-Comm. Public Water Supply	66.432	DPH	35382090A/13	<u>26,175</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>29,056</u>
ELECTION ASSISTANCE COMMISSION				
Help America Vote Act Requirements Payments; HAVA Phase III Grant	90.401	SBEL	2013	<u>259,018</u>
TOTAL ELECTION ASSISTANCE COMMISSION				<u>259,018</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Public Health Emergency Preparedness				
Public Health Emergency Preparedness	93.069	DPH	27180093/12	6,372
Public Health Emergency Preparedness	93.069	DPH	37180093A/13	216,737
Public Health Emergency Preparedness	93.069	DPH	47180093B/14	126,115
Public Health Emergency Preparedness Risk-Based Funding Initiative	93.069	DPH	37180135A/13	33,420
Cities Readiness Initiative	93.069	DPH	27180121/12	6,873
Cities Readiness Initiative	93.069	DPH	37180121A/13	57,378
Cities Readiness Initiative	93.069	DPH	47180121B/14	<u>40,798</u>
Total Public Health Emergency Preparedness				<u>487,693</u>
Direct Observed Therapy Services	93.116	DPH	35180064A	5,822
Projects for Assistance in Transition from Homelessness:				
PATH Homeless	93.150	DHS	45CRB00206/13	60,980
PATH Homeless	93.150	DHS	45CSB00206/14	<u>43,559</u>
Total Projects for Assistance in Transition from Homelessness				<u>104,539</u>
Family Planning Services				
Family Planning Grant -Title X	93.217	DPH	46080088B/14	123,786
Family Planning Grant -Title X	93.217	DHS	FCSRE01297/13	<u>9,711</u>
Total Family Planning Services				<u>133,497</u>

See accompanying notes to schedule of expenditures of federal awards.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Passed Through Agency	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (cont.)				
Consolidated Health Centers				
Community Health Center Grant	93.224		6H80CS00476-11/12	\$ 207,597
Community Health Center Grant	93.224		6H80CS00476-12/13	911,699
Total Consolidated Health Centers				<u>1,119,296</u>
Immunization Cooperative Agreements				
Vaccine for Children	93.268	DPH	25180024/12	5,128
Vaccine for Children	93.268	DPH	35180049A/13	62,648
Total Immunization Cooperative Agreements				<u>67,776</u>
Visiting Program; MIECHV Home Visit Resources				
In-Person Counselor Grant	93.505	DHS	1610WCHD/14	2,100
Child Support Enforcement	93.525	DPH	40180057B/14	84,174
Child Care and Development Block Grant:	93.563	HFS	2013	34,173
Healthy Child Care - Social Services Block Grant	93.575	DHS	FCSRI01756/13	34,631
Healthy Child Care - Social Services Block Grant	93.575	DHS	FCSSI01756/14	22,814
Total Child Care and Development Block Grant				<u>57,445</u>
Social Services Block Grant				
Family Planning Grant- Title XX	93.667	DPH	46080088B/14	19,069
Family Planning Grant- Title XX	93.667	DHS	FCSRE01297/13	60,813
Donated Funds Initiative	93.667	DHS	FCSRJ00052	23,331
Donated Funds Initiative	93.667	DHS	81XQ076000	16,665
Case Management - High Risk	93.667	DHS	FCSSU03029/14	20,900
Total Social Services Block Grant				<u>140,778</u>
Medical Assistance Program:				
Family Case Management Refund	93.778	HFS	WCHD	439,500
FQHC FFP Add-on Payment	93.778	HFS	WillCHC11-10/11	822,219
Total Medical Assistance Program				<u>1,261,719</u>
Block Grants for Community Mental Health Services; Psychological Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.958	DHS	45CRB00202/13	113,507
Maternal and Child Health Services Block Grant to the States	93.959	DHS	43CRC00284/13	69,994
Family Planning-MCH				
Oral Health Program	93.994	DHS	FCSRE01297/13	3,754
Oral Health Program	93.994	DPH	33480145A/13	5,154
Oral Health Program	93.994	DPH	43480147B/14	177
Total Maternal and Child Health Services Block Grant to the States				<u>9,085</u>
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				<u>3,691,598</u>

See accompanying notes to schedule of expenditures of federal awards.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2013

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through Agency</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Disaster Grants - Public Assistance	97.036	EMA	FEMA-4116-DR	\$ 15,048
Emergency Management Performance Grant	97.042	EMA	13-EMAWILLI-2	216,707
Port Security Grant Program	97.056		EMW-2012-PU-00087	787,500
Buffer Zone Protection Program	97.078		2010-BF-TO-0023	<u>14,840</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>1,034,095</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 23,873,092</u>

See accompanying notes to schedule of expenditures of federal awards.

WILL COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2013

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of Will County, Illinois under programs of the federal government for the year ended November 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Will County, it is not intended to and does not present the financial position, changes in net position or cash flows of Will County.

The reporting entity for the county is based upon criteria established by the Governmental Accounting Standards Board. Will County is the primary government according to GASB criteria, while the Forest Preserve District of Will County and the Will County Public Building Commission are discretely presented component units. The component units are not required to be audited according to OMB Circular A-133.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying 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.

WILL COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2013

NOTE 3 – PASS-THROUGH AGENCIES

The following identifies the pass-through agency acronyms used on the schedule of expenditures of federal awards:

SBE	State Board of Education
DPH	Illinois Department of Public Health
DHS	Illinois Department of Human Services
DCEO	Illinois Department of Commerce and Economic Opportunity
CJIA	Illinois Criminal Justice Information Authority
DOT	Illinois Department of Transportation
FTA	Federal Transit Administration
RTA	Regional Transportation Authority
EMA	Illinois Emergency Management Agency
NHTSA	National Highway Traffic Safety Administration
HMSA	Hazardous Materials Safety Administration
HFS	Illinois Department of Healthcare and Family Services
SBEL	Illinois State Board of Elections
HPA	Illinois Historic Preservation Agency
CACI	Child Advocacy Centers of Illinois

NOTE 4 – NONCASH PAYMENTS

Will County is required to disclose cash as well as non-cash transactions pertaining to federal grant expenditures, in accordance with the Single Audit Act of 1984, P.L. 98-502, the Single Audit Amendments of 1996, P.L. 104-156, and the Office of Management and Budget (OMB) Circular No. A-133. The accompanying Schedule of Expenditures of Federal Awards includes the non-cash transactions for federal funds provided under the Special Supplemental Nutrition Program for Women, Infants and Children (10.557) of \$4,758,400 and food commodities (10.555) of \$4,474.

NOTE 5 – INSURANCE AND LOANS OR LOAN GUARANTEES

During the year ended November 30, 2013, Will County received no insurance, loans, or loan guarantees for the purpose of administering federal programs.

WILL COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2013

NOTE 6 – SUBRECIPIENT RELATIONSHIPS

The following is a schedule of payments to subrecipients:

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
US Department of Housing and Urban Development		
Community Development Block Grant		
Disbursed to Continuum of Care (#857,858,873,874)	14.218	\$ 134,273
Disbursed to HMIS Match Continuum of Care (#859,875)	14.218	15,332
Disbursed to Homer Township (#847)	14.218	29,845
Disbursed to Ridgewood Health Department (#846,880)	14.218	141,534
Disbursed to Lockport Township (#831)	14.218	16,862
Disbursed to Cornerstone (#855,877)	14.218	41,667
Disbursed to Community Service Council (#856,878,211)	14.218	60,332
Disbursed to Plainfield Township(#870)	14.218	336,601
Disbursed to IEPA (#867)	14.218	87,136
Disbursed to IEPA (#867)	14.218	23,493
Total Community Development Block Grant		<u>887,075</u>
Neighborhood Stabilization Program		
Disbursed to WCCCC for NSP Rehab	14.218	377,464
Disbursed to LTLB Envirotecture	14.218	10,972
Disbursed to Community Service Council	14.218	1,667
Total Neighborhood Stabilization Program		<u>390,103</u>
Ike Grant		
Disbursed to Plainfield Township	14.228	<u>868,864</u>
HOME Investment Partership Program		
Disbursed to Cornerstone	14.239	<u>80,000</u>
Lead Hazard Reduction Demonstration Grant Program		
Disbursed to Will County Center for Community Concerns	14.905	<u>33,697</u>
U.S. Department of Justice		
Passed through Illinois Criminal Justice Information Authority		
Expanding Multi-Jurisdictional Narcotics Units		
Disbursed to Romeville Police Department	16.738	15,000
Disbursed to Will County Sheriff	16.738	25,968
Disbursed to Lockport Police Department	16.738	31,154
Disbursed to Grundy County Sheriff	16.738	25,258
Disbursed to Channahon Police Department	16.738	8,864
Local MMA	16.738	19,085
Total Expanding Multi-Jurisdictional Narcotics Unit		<u>125,329</u>

WILL COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2013

NOTE 6 – SUBRECIPIENT RELATIONSHIPS (cont.)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Labor		
Passed through IL Department of Commerce & Economic Opportunity Workforce Investment Grant		
Disbursed to JJC Community and Economic Development	17.258/259/278	\$ 534,593
Accelerated Training for Illinois Manufacturing (ATIM)		
Disbursed to Will County Fiscal	17.283	25,532
Disbursed to Kerber, Eck & Braeckel (Jan Etzkorn)	17.283	10,500
Disbursed to G2G Strategies (Joel C. Goldberg)	17.283	19,634
Disbursed to Lake County Workforce Development	17.283	12,023
Disbursed to McHenry County Workforce Network	17.283	17,389
Disbursed to DuPage County Workforce Development	17.283	11,091
Disbursed to Kane County Dept of Employment and Education	17.283	2,570
Disbursed to Workforce Services Division of Will County	17.283	12,689
Total Accelerated Training for Illinois Manufacturing (ATIM)		111,428
Total Disbursed to Subrecipients		\$ 3,031,089

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified? X yes no
- > Significant deficiencies identified? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

FEDERAL AWARDS

Internal control over federal award programs:

- > Material weakness(es) identified? yes X no
- > Significant deficiencies identified? X yes none reported

Type of auditor’s report issued on compliance of federal award programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

 X yes no

 Federal Programs

Auditee qualified as low-risk auditee?

 yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
14.218	Community Development Block Grants/ Entitlement Grants
14.228	Community Development Block Grants/State’s Program (IKE Grant)
93.224	Community Health Center Grant
93.778	Medical Assistance Programs
97.056	Port Security Grant Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 716,193

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

FINDING 2013-001 – INTERNAL CONTROL OVER FINANCIAL REPORTING

Criteria: The County's internal controls over financial reporting should be designed to prepare financial statements in accordance with United States Generally Accepted Accounting Principles (GAAP).

Condition: Material journal entries as a result of audit procedures in the current year or subsequent discovery of material financial reporting errors and the required correction of previously issued financial statements indicates that there is a material weakness in the County's financial reporting system.

Effect: Our audit procedures in the current year resulted in material entries to the allocation of current year investment income, and as described in Note 18 of the County's 2013 financial statements, a restatement of the prior year financial statements was necessary to adjust the allocation of investment income from 2012 in the General Fund and the County Motor Fuel Tax Fund.

Cause and Recommendation: Internal controls should be in place at the Treasurer's office to review investment income reports produced by investment tracker software to ensure the allocation of market value adjustments and interest income is reasonable by pool and across funds.

Management's Response:

The Treasurer's office reviewed and found that external investments were incorrectly categorized. Internal controls were immediately implemented and all transactions were corrected. In establishing new internal controls, the investment software company Tracker, created a customized report that groups investments by fund class and portfolio. This report will assist staff members to quickly identify asset categories and proof for accuracy. This reporting step has been added to the monthly reconciliation procedures to avoid any future errors in reporting.

FINDING 2013-002 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REPORTING

Criteria: The County's internal controls over financial reporting should be designed to prepare financial statements in accordance with United States Generally Accepted Accounting Principles (GAAP), which include the Schedule of Expenditure of Federal Awards (SEFA).

Condition and Effect: During our review of the SEFA we identified a significant adjustment to include non-cash support.

Cause and Recommendation: We acknowledge that the preparation of the SEFA at a large county government is complex and requires a centralized process which captures information from many decentralized departments. Since many individuals are involved in producing the necessary information, errors can result during the process. We recommend that the County review the current procedures and controls surrounding the preparation of the SEFA to determine if changes can be incorporated to identify adjustments prior to completion.

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (cont.)

FINDING 2013-002 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REPORTING (cont.)

Management's Response:

In October 2013 the responsibility for SEFA compilation was transferred to the Finance Department, under the County Executive. Steps implemented since October 2013, which have improved the process include: review of county activity to ensure all grants have been included, a revised grant information form for use by departments, and meeting with each department prior to submission of grant information. In addition, a revised SEFA review process was implemented. We plan to continue to strengthen both the process for gathering grant information during the year and regular communication with county departments managing grants in fiscal year 2014.

FINDING 2013-003 – NURSING CENTER CONTROLS

Criteria: OMB Circular A-133, *Auditee Responsibilities*, states that auditees must maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition: During the review of controls at the Sunny Hill Nursing Center it was noted that the fiscal technician, financial analyst and the financial supervisor have the ability to update the census information within the Point Click Care software. These same employees have access to collect payments and update individual patient accounts receivable balances.

Effect: By allowing access for the same employee to update the census information for generating an invoice, to collect payment for the invoice, and to update the accounts receivable balance, a potential misappropriation of funds could go undetected as the same employee is involved in duties that ideally should be segregated.

Cause and Recommendation: The Nursing Center has a good compensating control over the duties of the financial liaison and the financial analyst as the financial supervisor reviews and approves the daily census and the monthly residents' accounts. The Nursing Center may look to further strengthen controls by restricting the access of the financial supervisor to the duties mentioned above and provide for an additional employee to perform the supervisory review if the financial analyst or financial liaison is unavailable to perform the segregated duties.

Management's Response:

In September 2013 Sunny Hill Nursing Home of Will County migrated to an electronic charting system that also houses their Financial Billing System. This software program is called Point Click Care. The security changes implemented with this new system restrict the Assistant Administrator of Sunny Hill Nursing Home as on-site security administrator, with the ability to ensure that the Financial Supervisor has read-only capabilities within the census portion of the software. The Financial Supervisor no longer has the ability to update and/or change any of the census lines, only to view the census in the new electronic charting system. Segregation of duties has been achieved through implementation of Point Click Care, so this will no longer be an internal control issue for the 2014 audit.

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2013

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS

FINDING 2013-004 – SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC) 10.557

Criteria: OMB Circular A-133, *Auditee Responsibilities*, states that auditees must maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition/Cause: One out of forty participants selected for eligibility testing did not have evidence of supervisor review on their completed certification form. The County considers this an isolated oversight in their determination process.

Context: This was an isolated incidence.

Effect: An error could have been made in the eligibility determination process resulting in an incorrect denial or granting of federal benefits under the WIC program.

Questioned Costs: None noted.

Recommendation: Will County should monitor the intake process closely to ensure proper functioning of controls.

Management's Response:

The adjustment was not due to an oversight or error, but resulted from the delay in releasing the information by DHS. The information was not received from the state until after the draft was submitted.

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2013

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2013-005 – PORT SECURITY GRANT PROGRAM 97.056

Criteria: OMB Circular A-133, *Auditee Responsibilities*, states that auditees must maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. The Performance Progress Report (SF-PPR) is a semiannual report required per the grant agreement.

Condition/Cause: The County did not have a control in place for the review of their Federal Financial Reports (FFR) by someone independent of the report preparation process. The SF-PPR was not filed properly in two out of two instances. The County was not aware of the review or filing requirements.

Context: This was a systemic error, as no FFR report was independently reviewed before it was submitted, and the SF-PPR was not filed during the year.

Effect: Without independent review, the County has an increased likelihood of submitting incorrect information on their FFR. Without proper filing of the SF-PPR the U.S. Department of Homeland Security cannot monitor the programmatic outcomes of the federal expenditures.

Questioned Costs: None noted.

Recommendation: We recommend that the County institute a process that requires independent review before reports are filed with the federal agency and that all required reports are filed in a timely manner.

Management's Response:

In response to Finding 2013-005, Port Security Grant Program 97.056, the Sheriff's Department will institute a process wherein two signatures will be required on all Federal Financial and Performance Grant Reports. The first signature will be that of the person responsible for gathering the financial or programmatic information and preparing or submitting the required grant reports. The second signature will be that of the person reviewing the financial or programmatic information prior to or in conjunction with the timely submission of the grant reports. In addition to the signature of the preparer and reviewer, the date of report submission shall also be included. Every effort will be made to follow official grant guidelines as to the format of financial and performance reporting, if not system generated.

WILL COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended November 30, 2013

***FINDING 2012-3 – COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS -
CFDA No. 14.218***

The Federal Funding Accountability and Transparency Act (FFATA) requires that the County file federal reports for first-tier subawards. The County was unaware of the FFATA reporting requirements, and, as such, did not file the required reports for FFATA.

Management's Status: Since the finding was identified by the outside auditors, the County has filed the necessary FFATA reports covering Program Years 2011/2012 for the HOME Program. The County has also filed the current report through Program Year 2013 for the CDBG Program. As appropriate CDBG/HOME subaward contracts are executed, the County will continue to file the appropriate FFATA reports in a timely fashion.

***FINDING 2012-4 – COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS -
CFDA No. 14.218***

The Department of Housing and Urban Development (HUD) requires that the County file form HUD 60002 reports for the Community Development Block Grant program. The County was unaware of this reporting requirement, and, as such, did not file the required reports.

Management's Status: Since the finding was identified by the outside auditors, the County has filed the necessary HUD-6002 reports covering Program Year 2011 for both the CDBG and HOME programs. The County was in a position to submit the HUD-6002 report for program year 2012 at the end of December 2013; however the new HUD website to enter this information was not accessible, and has yet to become accessible.

FINDING 2012-5 – CONSOLIDATED HEALTH CENTERS - CFDA No. 93.224

Health Centers must have a schedule of fees or payments for the provision of their health services consistent with locally prevailing rates or charges and designed to cover their reasonable costs of operation. They are also required to have a corresponding schedule of discounts applied and adjusted based on the patient's ability to pay (42 USC 254b(k)(3)(G)(i)). Will County did not properly calculate the patient's annual income per the supporting original income documentation. This led to incorrectly determining the patient was eligible to receive a 100% full sliding scale discount at the Will County Health Center instead of the proper 70% discount.

Management's Status: On the basis of the audit findings, the Community Health Center's has implemented the following:

Management reviewed the eligibility determination-related documents of the 3 patients tested that did not have the properly calculated income to identify causes of the problem and identify areas for improvement.

The supervisors/managers of staff responsible for eligibility determination reviewed related Health Center policies on eligibility determination during the work unit's regular meetings and will continue to reinforce compliance to these policies on a periodic basis.

WILL COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended November 30, 2013

FINDING 2012-5 – CONSOLIDATED HEALTH CENTERS - CFDA No. 93.224 (CONT.)

Management's Status (Cont.):

Periodic chart audits of patients (at least monthly) have been conducted to determine if patient documentation of income is in the patients' EHR; this audit will continue on an ongoing basis. Audits conducted also validate that the income amount reflected in the submitted Proof of Income (POI) is consistent and correctly entered in the EHR Patient Information section. A report of audit findings is being prepared on a monthly basis. Audit findings are reviewed to determine follow up action needed (e.g. correction of inaccurate entries, incomplete documentation followed up, coaching and training of identified employees as needed).

A Payor Code In- service session was scheduled in August 2013 to target training in small groups of all administrative clerks. Objectives of the training session: to review the process of entering documentation for a self-pay patient ;to ensure that required original income documentation is requested of the patient; and to ensure that all information is entered in the EHR system accurately and consistent with information/documentation provided by patient.

A printed guide with illustrated examples covering the step by step documented process on eligibility determination was developed for reference of new/existing employees. This covers more detail and is in support of the existing policies on Determine Patient Family Size and Family Income (WCCHC Policy No.BR-0002), Fee Schedule and Sliding Fee Scale (WCCHC Policy No.BR-0003) and Internal Controls - Patient Workflow Medical and Dental (WCCHC Policy No.BR-0017)

FINDING 2012-6 – CONSOLIDATED HEALTH CENTERS - CFDA No. 93.224

Will County did not retain documentation of patients' original income documentation to support their eligibility determinations.

Management's Status: On the basis of the audit findings, the Community Health Center's has implemented or the following:

Management reviewed the required eligibility determination documents of the 2 patients tested whose original income documentation were not scanned in the patients' E H R. to identify causes of the problem and identify areas for improvement. It was determined that the Date of Visits for these 2 patients was during the early stages of the E H R implementation and could be attributed to unfamiliarity with the new procedures required in the E H R system.

Periodic chart audits of patients (at least monthly) have been conducted to determine if patient documentation of income is in the patients' EHR; this audit will continue on an ongoing basis. Audits conducted also validate that the income amount reflected in the submitted Proof of Income (POI) is consistent and correctly entered in the EHR Patient Information section. A report of audit findings is prepared on a monthly basis. Audit findings are reviewed to determine follow up action needed (e.g. correction of inaccurate entries, incomplete documentation followed up, coaching and training of identified employees as needed).

WILL COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended November 30, 2013

FINDING 2012-6 – CONSOLIDATED HEALTH CENTERS - CFDA No. 93.224

Management's Status (Cont.):

A Payor Code In- service session was scheduled in August 2013 to target training in small groups of all administrative clerks. Objectives of this training session: to review the process of entering documentation for a self-pay patient; to ensure that required original income documentation is requested of the patient; and to ensure that all information is entered in the EHR system accurately and consistent with information/documentation provided by patient.

A printed guide with illustrated examples covering the step by step documented process on eligibility determination was developed for reference of new/existing employees. This covers more detail and is in support of the existing policies on Determine Patient Family Size and Family Income (WCCHC Policy No.BR-0002), Fee Schedule and Sliding Fee Scale (WCCHC Policy No.BR-0003) and Internal Controls - Patient Workflow Medical and Dental (WCCHC Policy No.BR-0017)

WILL COUNTY, ILLINOIS

CORRECTIVE ACTION PLAN For the Year Ended November 30, 2013

FINDING 2013-004 – SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)10.557

Please refer to "Management's Response" in the Schedule of Findings and Questioned Costs.

FINDING 2013-005 – PORT SECURITY GRANT PROGRAM 97.056

Please refer to "Management's Response" in the Schedule of Findings and Questioned Costs.