

WILL COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

As of and for the Year Ended November 30, 2011

WILL COUNTY, ILLINOIS

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INDEPENDENT AUDITORS' 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

To Members of the County Board
Will County, Illinois

We have audited the financial statements of the governmental activities, the 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, 2011, which collectively comprise Will County's financial statements and have issued our report thereon dated May 25, 2012. Our report includes a reference to other auditors. We conducted our audit 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. Other auditors 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 and the Will County Public Building Commission were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Will County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Will County's internal control over financial reporting as a basis for designing our audit procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Will County's internal control over financial reporting.

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 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.

To Members of the County Board
Will County, Illinois

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in Will County's internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. These deficiencies are items 2011-1 and 2011-2. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Will County's financial statements are free of 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*.

We noted certain matters that we reported to management of Will County in a separate letter dated May 25, 2012.

Will County's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Will County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of Will County's management, the County Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
May 25, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To Members of the County Board
Will County, Illinois

Compliance

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, 2011. Will County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Will County's management. Our responsibility is to express an opinion on Will County's compliance based on our audit.

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. Our audit does not provide a legal determination of Will County's compliance with those requirements.

In our opinion, Will County complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, 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 2011-3, 2011-4, and 2011-5.

To Members of the County Board
Will County, Illinois

Internal Control Over Compliance

Management of Will County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Will County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the 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, 2011, and have issued our report thereon dated May 25, 2012 which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise Will County's financial statements. Our report was modified to include 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

Will County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Will County's responses and, accordingly, we express no opinion on the responses.

To Members of the County Board
Will County, Illinois

This report is intended solely for the information and use of the County Board, Will County's management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
August 28, 2012

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Illinois Department of Human Services:</i>			
Special Supplemental Nutrition for Women, Infants and Children	10.557*	10CM001775/11	\$ 701,000
Special Supplemental Nutrition for Women, Infants and Children	10.557*	11GQ01261/12	501,327
Special Supplemental Nutrition for Women, Infants and Children (Non Cash)	10.557*	10CM001775/11	3,376,424
Special Supplemental Nutrition for Women, Infants, and Children(Non-Cash)	10.557*	11GQ01261/12	3,627,584
Breastfeeding Peer Counseling	10.557*	10CM001775/11	58,200
Breastfeeding Peer Counseling	10.557*	11GQ01648/12	24,892
Total Special Supplemental Nutrition for Women, Infants and Children			<u>8,289,427</u>
Child Nutrition Cluster:			
<i>Passed Through Illinois Department of Public Health:</i>			
Summer Food Program for Children	10.559	15280144/11	3,025
<i>Passed Through Illinois Department of Education:</i>			
School Breakfast Program	10.553	2010	19,495
National School Lunch Program	10.555	2010	38,269
Total Child Nutrition Cluster			<u>60,789</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>8,350,216</u>
U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Neighborhood Stabilization Grant	14.218	B-08-UN-17-0007	3,043,965
ARRA-HPRP	14.218	S-09-UY-17-0006	222,191
Community Development Block Grant	14.218	B-10/11-UC-17-0006	1,408,128
Total Community Development Block Grant			<u>4,674,284</u>
HOME Investment Partnership Program	14.239*	M-11-UC-17-0211	923,926
Lead Reduction Grant	14.905*	ILLHD0179-07	898,436
TOTAL U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>6,496,646</u>
U. S. DEPARTMENT OF JUSTICE			
COPS Technology Program Grant	16.710	2008CKWX0397	35,017
COPS Technology Program Grant	16.710	2008CKWX0407	31,169
COPS Technology Program Grant	16.710	2009CKWX0389	72,883
COPS Technology Program Grant	16.710	2010CKWX0364	72,255
Total COPS Grant			<u>211,324</u>
<i>Passed Through Illinois Criminal Justice Information Authority:</i>			
Juvenile Crime Prevention Grant	16.523	509017/11	25,952
Juvenile Crime Prevention Grant	16.523	507806/11	8,421
Total Juvenile Crime Prevention Grant			<u>34,373</u>
Crime Victim Assistance:			
Child Advocacy Center Services Program - Counselor Grant	16.575	211055	36,002
Child Advocacy Center Services Program -	16.575	211233	6,470
Child Advocacy Center Services Program - Case Manager Grant	16.575	209323	25,877
Total Crime Victim Assistance			<u>68,349</u>

See accompanying notes to schedule of expenditures of federal awards.

* Indicates major program.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Expenditures
<i>Passed Through Illinois Criminal Justice Information Authority:</i>			
Edward Byrne Memorial Formula Grant Program:			
Byrne Memorial Justice Assistance Grant	16.803	809127	\$ 33,132
Byrne Memorial Justice Assistance Grant	16.738	409027	99,396
Total Edward Byrne Memorial Formula Grant Program			<u>132,528</u>
Edward Byrne Memorial Justice Assistance Grant Program:			
Byrne Formula Grant - Probation Continuum of Care	16.803	809046	84,238
Byrne Formula Grant - Probation Continuum of Care	16.803	407150	52,305
Correctional Initiative Program	16.738	408046	9,000
Expanding Multi-Jurisdictional Narcotics Units	16.738	809104	104,733
Expanding Multi-Jurisdictional Narcotics Units	16.738	409004	34,911
Total Edward Byrne Justice Assistance Grant Program			<u>285,187</u>
Total JAG Program Cluster			<u>417,715</u>
<i>Passed Through Office of Justice Programs:</i>			
Drug Court Discretionary Grant Program:	16.585	2011DCBX0018	6,028
Encouraging Arrest Policies and Enforcing Orders of Protection	16.590	2006-WEAX-0058	83,577
Missing Children's Assistance			
National Children's Alliance - Program Supplementary Grant	16.758	JOLI-IL-SA11	10,000
National Children's Alliance - Program Supplementary Grant	16.758	#005-JOLI-IL-PS-11	5,000
Total National Children's Alliance - Program Supplementary Grant			<u>15,000</u>
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>836,366</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Illinois Emergency Management Agency:</i>			
Citizen Corps Program Grant	97.067	2011 grant	5,550
Emergency Mgtm. Assist. Gt Pgm.	97.042	2011 grant	110,942
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>116,492</u>
U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
ARRA - Increased Services to Health Centers	93.703	1H8BCS12341-01/09	13,382
ARRA - Capital Improvement Program	93.703	1C81CS14329-01/09	405,430
Total ARRA - Grants to Health Center Programs			<u>418,812</u>
Consolidated Health Centers:			
Community Health Center Grant	93.224	6H80CS00476-09	124,125
Community Health Center Grant	93.224	6H80CS00476-10	849,392
Total Consolidated Health Centers			<u>973,517</u>
<i>Passed Through Illinois Department of Public Health:</i>			
Public Health Emergency Response PHER III	93.069	00017180035/11	46,489
Public Health Emergency Preparedness	93.069	00007181093/10	9,903
Public Health Emergency Preparedness	93.069	00007181093/11	299,358
Public Health Emergency Preparedness	93.069	27180093/12	116,669
Cities Readiness Initiative	93.069	00007181121/10	24,900
Cities Readiness Initiative	93.069	00007181121/11	122,385
Cities Readiness Initiative	93.069	27180121/12	27,104
Total Public Health Emergency Preparedness			<u>646,808</u>

See accompanying notes to schedule of expenditures of federal awards.

* Indicates major program.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Expenditures
<i>Passed Through Illinois Department of Public Health:</i>			
Immunization Grants:			
Vaccine for Children	93.268	05180775/10	\$ 5,399
Vaccine for Children	93.268	15180119/11	<u>49,256</u>
ARRA Immunization	93.712	05180402/10	<u>3,857</u>
Total Immunization Cluster			<u>58,512</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:			
Direct Observed Therapy Services	93.116	05180458	917
Direct Observed Therapy Services	93.116	15180131	<u>11,917</u>
Total Direct Observed Therapy Services			<u>12,834</u>
Maternal and Child Health Service Block Grant:			
Oral Health Program	93.994	13480180/11	11,018
Oral Health Program	93.994	23480145/12	<u>545</u>
Total Oral Health Program			<u>11,563</u>
Tobacco Prevention	93.283	13281092/11	<u>22,509</u>
<i>Passed Through Illinois Department of Human Services:</i>			
Family Planning Services:			
Family Planning Grant- Title X	93.217	10CM001775/11	33,925
Family Planning Grant -Title X	93.217	11GQ01665/12	<u>108,099</u>
Total Family Planning Grant -Title X			<u>142,024</u>
Social Services Block Grant:			
Family Planning Grant- Title XX	93.667	10CM001775/11	39,526
Family Case Management-High Risk	93.667	10CM001775/11	20,900
Family Case Management-High Risk	93.667	11GQ01168	6,966
Teen Parent Services	93.667	10CM001775/11	<u>16,674</u>
Total Social Services Block Grant			<u>84,066</u>
Family Planning-MCH	93.994	10CM001775/11	<u>2,872</u>
Temporary Assistance for Needy Families:			
Healthy Family Illinois	93.558	10CM001775/11	188,405
Healthy Family Illinois	93.558	11GQ01584/12	<u>92,400</u>
Total Healthy Family Illinois			<u>280,805</u>
CCDF Cluster:			
Child Care and Development Block Grant:			
Healthy Child Care - Social Services Block Grant	93.575	10CM001775/11	35,000
Healthy Child Care - Social Services Block Grant	93.575	11GQ01546/12	<u>24,998</u>
Total Child Care and Development Block Grant, CCDF Cluster			<u>59,998</u>
Donated Funds Initiative - Social Services Block Grant	93.667	81XQ076000/11	<u>23,337</u>
Additions	93.959	10CM001775/11	53,162
Additions	93.959	43CQQA1775/12	<u>16,331</u>
Total Block Grant for Prevention and Treatment of Substance Abuse			<u>69,493</u>

See accompanying notes to schedule of expenditures of federal awards.

* Indicates major program.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Expenditures
<i>Passed Through Illinois Department of Human Services</i>			
Projects for Assistance in Transition from Homelessness:			
Homeless Case Management	93.150	10CM001775/11	\$ 61,127
Homeless Case Management	93.150	45CQ601775/12	43,660
Total Projects for Assistance in Transition from Homelessness			<u>104,787</u>
Block Grants for Community Mental Health Services:			
Special Projects-1112	93.958	10CM001775/11	40,000
Data Link Project	93.958	45CQ301775/12	37,000
Community Mental Health Services Block Grant - Psychological Services	93.958	10CM001775/11	127,198
Community Mental Health Services Block Grant - Psychological Services	93.958	45CQ021775/12	58,242
Total Block Grants for Community Mental Health Services			<u>262,440</u>
<i>Passed Through Illinois Department of Healthcare and Family Services:</i>			
Medical Assistance Program:			
Family Case Management Refund	93.778	WCHD	<u>437,500</u>
Child Support Enforcement	93.563	2011	<u>71,260</u>
TOTAL U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES			<u>3,683,137</u>
U. S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Illinois Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning & Construction	20.205*	00-00074-21-EG-1	130,626
Highway Planning & Construction	20.205*	01-00051-04-BR-1&2	19,101
Highway Planning & Construction	20.205*	01-00056-15-BR-3	32,953
Highway Planning & Construction	20.205*	01-00181-00-FP-2	745,988
Highway Planning & Construction	20.205*	04-00090-07-BR-3	92,896
Highway Planning & Construction	20.205*	04-00090-07-EG/BR-2	14,453
Highway Planning & Construction	20.205*	06-00122-16-FP-1	117,116
Highway Planning & Construction	20.205*	06-00169-14-FP-2	45,244
Highway Planning & Construction	20.205*	07-00117-13-FP-1	62,334
Highway Planning & Construction	20.205*	07-00138-26-TL-3	7,914
Highway Planning & Construction	20.205*	08-00138-28-TL-1	52,008
Highway Planning & Construction	20.205*	08-00169-18-FP/EG-1	162,180
Total Highway Planning & Construction			<u>1,482,812</u>
<i>Passed through National Highway Traffic Safety Administration:</i>			
Highway Safety Cluster:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants:			
Local Alcohol Program (LAP)	20.601	AL2-0099-198	23,888
Local Alcohol Program (LAP)	20.601	AL1-0099-133	142,746
Sustained Traffic Enforcement Program(STEP)	20.601	OP2-0099-199	7,073
Labor Day Enforcement Campaign	20.601	AL1-0099-648	922
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants			<u>174,629</u>
Hazardous Materials Emergency Preparedness Grant Program	20.703	2011grant	<u>74,671</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>1,732,112</u>

See accompanying notes to schedule of expenditures of federal awards.

* Indicates major program.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Expenditures
U. S. ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed through Illinois Department of Public Health</i>			
Performance Partnership Grants:			
Non-Comm. Public Water Supply	66.605	15380154/11	\$ 26,275
Non-Comm. Public Water Supply	66.605	25380311/12	4,508
Total Non-Comm. Public Water Supply			<u>30,783</u>
<i>Passed Through Illinois Emergency Management Agency:</i>			
State Indoor Radon Grants:			
Radon Awareness	66.032	10011WILCHD/11	<u>2,651</u>
Capitalization Grants for Clean Water State Revolving Funds			
Drinking Water State Revolving Fund	66.458	L172918	<u>140,853</u>
TOTAL U. S. ENVIRONMENTAL PROTECTION AGENCY			<u>174,287</u>
 U.S. DEPARTMENT OF LABOR			
<i>Passed through Illinois Department of Commerce & Economic Opportunity</i>			
Trade Adjustment Assistance:			
PY10 TAA	17.245	10-661010	23,619
PY11 TAA	17.245		13,109
PY10 TGAAA	17.245	10-662010	293,369
Total Trade Adjustment Assistance			<u>330,097</u>
WIA Cluster:			
ARRA - PY08 Dislocated worker DW1DS	17.260*	08-762010	161,175
ARRA - PY08 Dislocated worker	17.260*	08-761010	21,452
Total WIA			<u>182,627</u>
WIA Adult Program:			
PY10 Adult	17.258*	10-681010	869,075
PY11 Adult	17.258*	11-681010	62,453
Total WIA Adult Program			<u>931,528</u>
WIA Youth Activities:			
PY 11 Youth O/S	17.259*	09-681010	237,444
PY 10 Youth I/S	17.259*	10-681010	2,903
PY10 Youth O/S	17.259*	10-681010	1,325,528
Total WIA Youth Activities			<u>1,565,875</u>
WIA Dislocated Worker Activities:			
PY 11 Dislocated Worker	17.278*	11-681010	55,562
PY 10 Dislocated Worker	17.278*	10-681010	1,246,693
Total WIA Dislocated Workers Activities			<u>1,302,255</u>
Total WIA Cluster			<u>3,982,285</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>4,312,382</u>

See accompanying notes to schedule of expenditures of federal awards.

* Indicates major program.

WILL COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF INTERIOR, NATIONAL PARK SERVICE			
<i>Passed through Illinois Historic Preservation Agency</i>			
Will County Rural Survey	15.904	20100183	\$ 18,000
Total Historic Preservation Fund Grants-in-Aid			<u>18,000</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>18,000</u>
U.S. DEPARTMENT OF ENERGY			
ARRA Energy Efficiency Conservation Block Grant	81.128*	EE0000823	<u>642,139</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>642,139</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 26,361,777</u>

See accompanying notes to schedule of expenditures of federal awards.

* Indicates major program.

WILL COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2011

NOTE 1 – REPORTING ENTITY

This Report on Federal Awards includes the federal awards of Will County, Illinois. 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 of the County. The component units are not required to be audited according to OMB Circular A-133.

Federal awards received directly by the component units are not included in this report.

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 – 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 (\$7,004,008).

NOTE 4 – INSURANCE AND LOANS OR LOAN GUARANTEES

During the year ended November 30, 2011, 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, 2011

NOTE 5 – 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	14.218	\$ 111,838
Disbursed to HMIS Match Continuum of Care	14.218	16,007
Disbursed to Homer Township	14.218	300,000
Disbursed to Ridgewood Health Department	14.218	294,853
Disbursed to Joliet Township	14.218	3,382
Disbursed to Lockport Township	14.218	64,071
Disbursed to Community Services Council	14.218	40,000
Disbursed to Cornerstone	14.218	37,500
Disbursed to CCC (Lead Match)	14.218	201,317
Total Community Development Block Grant		<u>1,068,968</u>
Neighborhood Stabilization Program		
Disbursed to WCCCC for NSP Rehab	14.218	547,575
Disbursed to Community Services Council	14.218	30,833
Disbursed to New Day Enterprises	14.218	16,546
Total Neighborhood Stabilization Program		<u>594,954</u>
HOME Investment Partnership Program		
Disbursed to Morning Star Mission	14.239	117,000
Disbursed to Cornerstone	14.239	80,000
Total HOME Investment Partnership Program		<u>197,000</u>
Lead Hazard Reduction Demonstration Grant Program		
Disbursed to Will County Center for Community Concerns	14.905	858,367
ARRA - Homelessness Prevention and Rapid Re-Housing Program		
Disbursed to Will County Center for Community Concerns	14.257	222,191
U.S. Department of Justice		
Passed through Illinois Criminal Justice Information Authority		
Expanding Multi-Jurisdictional Narcotics Units		
Disbursed to Romeoville Police Department	16.738	20,000
Disbursed to Will County Sheriff	16.738	25,968
Disbursed to Lockport Police Department	16.738	31,154
Disbursed to Morris Police Department	16.738	25,446
Disbursed to Grundy County Sheriff	16.738	25,258
Disbursed to Channahon Police Department	16.738	11,818
Total Expanding Multi-Jurisdictional Narcotics Unit		<u>139,644</u>

WILL COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2011

NOTE 5 – 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 ESN (Community Works Foundation)	17.258/259/260/278	\$ 316,039
Disbursed to JCC Institute of Technology	17.258/259/260/278	549,350
Disbursed to ESN	17.258/259/260/278	127,755
Disbursed to JJC Community and Economic Development	17.258/259/260/278	209,417
Total Workforce Investment Grant		<u>1,202,561</u>
Illinois Environmental Protection Agency		
Drinking Water State Revolving Loan		
Disbursed to Ridgewood Health Department	66.458	74,914
Disbursed to IEPA	66.458	43,568
Disbursed to IEPA	66.458	11,747
		<u>130,229</u>
Total Disbursed to Subrecipients		<u>\$ 4,413,914</u>

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2011

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- > Material weakness(es) identified? yes X 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? yes X none reported

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

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 for Women, Infants and Children
14.239	HOME Investment Partnership Program
14.905	Lead Reduction Grant
17.258/17.259/17.260/17.278	Workforce Investment Act – Cluster (including ARRA)
20.205	Highway Planning & Construction
81.128	ARRA-Energy Efficiency Conservation Block Grant

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

\$ 790,853

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2011

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

FINDING 2011-1 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REPORTING

During our review of the County prepared Schedule of Expenditures of Federal Awards (SEFA) we identified significant adjustments. 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 County 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 some of these adjustments prior to completion.

Management's Response:

The County is aware of the need for a centralized process and controls for the preparation of the SEFA. During this and recent years, a staff member of the Will County Auditor's office has centrally coordinated the SEFA preparation after collecting and reviewing requested year-end departmental grant information. The Will County Auditor has reviewed the County's procedures regarding controls for grant coordination, compliance, and SEFA report compilation and has recommended a process and the use of a grant accounting module within the County's existing financial system. The Will County Auditor has begun the training for this module and coordination of this process with departmental grant managers, finance, and accounting personnel. This centralized process and system should incorporate controls for recordkeeping of grant transactions within the general ledger; compilation of a directory of grant award documentation; and comprehensive SEFA preparation.

FINDING 2011-2 – NURSING CENTER CONTROLS

During the review of controls at the Sunny Hill Nursing Center it was noted that the fiscal technician and the financial liaison have the ability to update the census information within the HDSI and Add-On accounting systems. These same employees are involved in the collection of payments and updating individual patient accounts receivable balances.

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.

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 resident's 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.

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2011

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

FINDING 2011-2 – NURSING CENTER CONTROLS (cont.)

Management's Response:

There are four personnel within the Finance Department at Sunny Hill that have the ability to update the census. They are the following positions: Fiscal Technician, Financial Analyst, Financial Liaison and Financial Supervisor.

From this point forward, the census will be entered in this position order:

- 1.) Fiscal Technician,
- 2.) Financial Liaison,
- 3.) Financial Analyst, and
- 4.) Financial Supervisor – with the Financial Supervisor as the last resort.

Therefore, the Financial Supervisor will always be reviewing the census. The reason why the census needs to be entered into the computer system by the Finance Department is because it is an intricate process that requires an understanding of Levels of Care, Payor Sources and the Financial computer system, itself. The Finance Department attended a week long computer training in order to understand these intricacies in the system.

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS

FINDING 2011-3 – HOME INVESTMENT PARTNERSHIP PROGRAM - CFDA No. 14.239

Criteria: The Federal Funding Accountability and Transparency Act requires that the County file federal reports for first-tier subawards.

Condition/Cause: The County was unaware of the new reporting requirements for the fiscal year, and as such did not file the required reports.

Effect: The County did not comply with federal reporting requirements.

Questioned Costs: None

Recommendation: We recommend that the County become knowledgeable about the reporting requirements under the Federal Funding Accountability and Transparency Act, and the file the required reports when making subawards.

Management's Response: Will County has registered to and is in the process of submitting the appropriate reports for FY 2012 required of all applicable Federal grants administered by the County. We expect to complete the process and become current and compliant by September 30, 2012. In addition we have put mechanisms in place to provide ongoing updates as needed moving forward.

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2011

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

FINDING 2011-4 – HOME INVESTMENT PARTNERSHIP PROGRAM - CFDA No. 14.239

Criteria: OMB Circular A-87 and the Grants Management Common Rule require that a signed subrecipient agreement between both parties be in effect before disbursements are made.

Condition: The County could not produce a signed subrecipient agreement for one of the two subrecipients of the program.

Effects: The County did not comply with federal grant requirements.

Questioned Costs: None

Cause: Unknown

Recommendation: We recommend that the County keep original records intact, and when possible, only distribute photocopies or scanned versions or records to minimize the potential for misplaced originals.

Management's Response: The Community Development Division is in the process of hiring a Program Compliance Monitor. Among the defined duties for this role will be to ensure full compliance with HUD regulations concerning contract development and internal record keeping controls for all vendor/subrecipient contracts and related documentation for grant activities. This will include keeping backups of the appropriate paper/electronic files for all grant activities that are readily accessible upon request. Lastly, we have engaged with the subrecipient in question to update our contract to bring it into compliance both retroactively and through the remainder of the budget year.

FINDING 2011-5 – ENERGY EFFICIENCY CONSERVATION DEVELOPMENT BLOCK GRANT - CFDA No. 81.128

Criteria: Requirements for cash management of federal awards contained in 2 CFR section 215.22 states that payment methods shall minimize the time elapsing between the transfer of funds from the federal government and the issuance of payments by the recipient. Also, cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved project.

Condition: We noted the County had requested \$27,000 on March 1, 2011 and did not fully expend the funds until July 13, 2011 and requested \$150,000 on April 8, 2011 and did not fully expend the funds until June 10, 2011.

Effects: The County is not in compliance with federal cash management requirements.

Questioned Costs: None

Cause: The County stated that they believed there was risk that the federal government would shut down, so they requested additional funds so that they could continue to make payments to vendors.

WILL COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2011

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

FINDING 2011-5 – ENERGY EFFICIENCY CONSERVATION DEVELOPMENT BLOCK GRANT - CFDA No. 81.128 (cont.)

Recommendation: We recommend the County reviews its control procedures surrounding advancement of funds to minimize the time elapsing between transfer of funds from the federal government and the issuance of eligible expenditures.

Management's Response: The County made draw downs in excess of what would be immediately needed in FY 2011 because they believed that there could be a government shutdown that would limit their access to funds and their ability to pay their vendors. The County believes that this is an isolated incidence and that in the future they will draw down funds as needed.

WILL COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended November 30, 2011

FINDING 2010-3 – CONSOLIDATED HEALTH CENTERS – CFDA No. 93.224

Federal regulations require that the County maintain a schedule of discounts to be applied and adjusted on the basis of the patient's ability to pay (42 USC 254b(k)(3)(G)(i)). The patient's ability to pay is determined on the basis of the official poverty guideline, as revised annually by HHS (42 CFR sections 51c.107 (b)(5), 56.108(b)(5), and 56.303(f)).

In addition, County policy states that employees should verify family size and income in the WCCHC practice management system at each visit and maintain documentation no more than six months old.

The County is required to calculate the fee that the patient is supposed to pay for health and dental services under the program based upon the patient's ability to pay. Ability to pay is determined based upon the number of dependents in the family as well as the family income. In four out of forty patients tested, we were not able to determine that the fee assessed to the patient was calculated correctly because proof of income was not retained in the file and the information in the system had been superseded with a later encounter. In addition, for one of the forty patients tested, the income and dependent information was more than six months old.

MANAGEMENT'S STATUS: The Health department Board has approved policies which now require verification of annual income and family size every six months. All policies are presented to the Governing Council when created and/or revised. In addition, the Governing Council reviews all policies annually. The Center has had a policy regarding determining/verifying income and family size since April 2008. This original policy, BR002, "Determining Family Size and Family Income", indicated that income was to be verified at every visit. This was revised in June of 2011 to reflect verification every 6 months in order to satisfy PIN 98-23 without creating a barrier to care. PIN 98-23 dictates that screening for financial status must be done in a culturally appropriate manner to assure that these important administrative steps do not present a barrier to care." In addition to policy BR002, a new policy, BR0017 "Internal Controls – Patient Workflow Medical & Dental" was approved and implemented in June of 2011 to ensure proper documentation of patient demographic and financial information.

Also, mechanisms have been implemented to maintain written documentation in the medical record. The demographic document was implemented in June of 2011. Once completed by the patient, and reviewed by the registration clerk, the document is stored until the date when Electronic Medical Records are 100% implemented in January 2012 and then will be scanned into the patient's medical record.

Finally, a more comprehensive Practice Management System entitled NextGen Practice Management System was implemented on March 22, 2011.

WILL COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended November 30, 2011

FINDING 2010-4 – ARRA-ENERGY EFFICIENCY CONSERVATION BLOCK GRANT – CFDA No. 81.128

Reports should be reviewed and approved by supervisory personnel.

There was no supervisory review of the SF-425 Financial Reports before they were submitted to the Department of Energy. During 2010, there was one instance of a rejected SF-425 Financial Report that was required to be resubmitted. Also, an error was identified in the 3rd quarter ARRA 1512 report. The County had drawn down \$75,000 in excess of their actual expenditures. The error was realized by the County and cumulative expenditures reported on the 4th quarter report were adjusted.

MANAGEMENT'S STATUS: The SF425 Report was rejected by the Department of Energy due to a miscalculation error due to a staff miscommunication. The procedure for compiling the reports was changed the First Quarter of 2011 to add more communication and coordination; specifically, when an invoice is submitted for payment, it is first provided to the Secretary who makes a copy for the file. The invoice is then signed and brought to Land Use Accounts Payable. A drawdown is then requested after approval so that the funds are available to pay the invoice. The funds are then requested from the Treasury and the Treasurer's office is notified that funds have been requested. The excess drawdown should not occur again due to improved communication and coordination of checks and balances among staff members. The Land Use Department approved and implemented a process, with improved communication and coordination of checks and balances among staff, which prevented an occurrence in the current period and ensures proper reporting in the future.

WILL COUNTY, ILLINOIS

CORRECTIVE ACTION PLAN For the Year Ended November 30, 2011

FINDING 2011-1 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REPORTING

Please refer to “Management’s Response” in the Schedule of Findings and Questioned Costs.

FINDING 2011-2 – NURSING CENTER CONTROLS

Please refer to “Management’s Response” in the Schedule of Findings and Questioned Costs.

FINDING 2011-3 – HOME INVESTMENT PARTNERSHIP PROGRAM - CFDA No. 14.239

Please refer to “Management’s Response” in the Schedule of Findings and Questioned Costs.

FINDING 2011-4 – HOME INVESTMENT PARTNERSHIP PROGRAM - CFDA No. 14.239

Please refer to “Management’s Response” in the Schedule of Findings and Questioned Costs.

FINDING 2011-5 – ENERGY EFFICIENCY CONSERVATION BLOCK GRANT - CFDA No. 81.128

Please refer to “Management’s Response” in the Schedule of Findings and Questioned Costs.