

Lake County, Illinois

Reports required by the Uniform Guidance and
Government Auditing Standards

Year Ended November 30, 2019

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RSM US LLP

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable Chairman
and Members of the County Board
Lake County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, Illinois (the County), as of and for the year ended November 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 10, 2020. Our report includes a reference to other auditors who audited the financial statements of the Lake County Forest Preserve District and Lake County Office of the Circuit Court Clerk, as described in our report on the 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Chicago, Illinois
August 10, 2020

Independent Auditor's 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 the Uniform Guidance

To the Honorable Chairman
and Members of the County Board
Lake County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Lake County, Illinois' (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended November 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended November 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 10, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
August 10, 2020

LAKE COUNTY, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures	Subrecipient Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster					
National School Breakfast Program	10.553	SBE	34-049-012P	\$ 22,573	\$ -
National School Lunch Program - USDA Foods	10.555	SBE	34-049-12P-00A7	4,163	-
National School Lunch Program	10.555	SBE	34-049-012P	40,939	-
Summer Food Service Program for Children	10.559	IDPH	063 85280149F	2,100	-
Total Child Nutrition Cluster				<u>69,775</u>	<u>-</u>
Special Supplemental Nutrition Program					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	IDHS	FCSXQ00915	1,259,913	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	IDHS	FCSXQ01153	68,550	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	IDHS	FCSYQ00915	801,733	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	IDHS	FCSYQ01153	39,017	-
Special Supplemental Nutrition Program for Women, Infants and Children - noncash	10.557	IDHS	SFY19	2,722,474	-
Special Supplemental Nutrition Program for Women, Infants and Children - noncash	10.557	IDHS	SFY20	1,826,180	-
Total Special Supplemental Nutrition Program				<u>6,717,867</u>	<u>-</u>
WIC Farmers' Market Nutrition Program (FMNP)	10.572	IDHS	FCSYQ01242	1,000	-
Total U.S. Department of Agriculture				<u>6,788,642</u>	<u>-</u>
U.S. Department of Commerce					
Coastal Zone Management Administration Awards					
Coastal Zone Management Administration Awards	11.419	IEPA	N-18-09-01	14,002	-
Coastal Management Grant	11.419	IDNR	17-07-02	19,909	-
Coastal Management Grant	11.419	IDNR	17-07-02	1,523	-
Total U.S. Department of Commerce				<u>35,434</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218		B08UN17004	211,260	194,938
Community Development Block Grants/Entitlement Grants	14.218		B11UN17004	151	29
Community Development Block Grants/Entitlement Grants	14.218		B14UC170003	49,018	42,642
Community Development Block Grants/Entitlement Grants	14.218		B15UC170003	29,330	29,330
Community Development Block Grants/Entitlement Grants	14.218		B16UC170003	145,987	144,663
Community Development Block Grants/Entitlement Grants	14.218		B17UC170003	770,971	645,595
Community Development Block Grants/Entitlement Grants	14.218		B18UC170003	844,355	641,466
Community Development Block Grants/Entitlement Grants	14.218		B19UC170003	317,905	271,984
Total CDBG - Entitlement Grants Cluster				<u>2,368,977</u>	<u>1,970,647</u>
Emergency Solutions Grant Program					
Emergency Solutions Grant Program	14.231	IDHS	E17UC170003	206,085	143,069
Emergency Solutions Grant Program	14.231	IDHS	E18UC170003	169,509	169,509
Emergency Solutions Grant Program	14.231	IDHS	E19UC170003	67,544	66,426
Total Emergency Solutions Grant Program				<u>443,138</u>	<u>379,004</u>

LAKE COUNTY, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended November 30, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures	Subrecipient Expenditures
U.S. Department of Housing and Urban Development (Continued)					
Home Investment Partnerships Program					
Home Investment Partnerships Program	14.239		M14DC170205	\$ 446,134	\$ 446,134
Home Investment Partnerships Program	14.239		M15DC170205	23,472	23,471
Home Investment Partnerships Program	14.239		M16DC170205	346,783	345,757
Home Investment Partnerships Program	14.239		M17DC170205	318,432	188,520
Home Investment Partnerships Program	14.239		M18DC170205	193,344	13,350
Home Investment Partnerships Program	14.239		M19DC170205	26,620	26,620
Total Home Investment Partnerships Program				<u>1,354,785</u>	<u>1,043,852</u>
Continuum of Care Program					
Continuum of Care Program 2017 HMIS	14.267		IL0020L5T021709	82,042	-
Continuum of Care Program 2017 Independence Center	14.267		IL0025L5T021710	67,551	66,166
Continuum of Care Program 2017 Lake County Haven	14.267		IL0035L5T021710	22,502	22,040
Continuum of Care Program 2018 Lake County Haven	14.267		IL0035L5T021811	6,367	6,367
Continuum of Care Program 2017 Planning	14.267		IL1583L5T021700	49,039	-
Continuum of Care Program	14.267		IL0031L5T021710	153,300	-
Continuum of Care Program	14.267		IL0439L5T021708	12,045	-
Continuum of Care Program	14.267		IL0439L5T021809	196,386	-
Total Continuum of Care Program				<u>589,232</u>	<u>94,573</u>
Total U.S. Department of Housing and Urban Development				<u>4,756,132</u>	<u>3,488,076</u>
U.S. Department of Justice					
Crime Victim Assistance					
Crime Victim Assistance	16.575	CJIA	216003	154,317	-
Crime Victim Assistance	16.575	CJIA	216444	102,960	-
Crime Victim Assistance	16.575	CJIA	217003	97,742	-
Crime Victim Assistance	16.575	CJIA	218444	61,836	-
Total Crime Victim Assistance				<u>416,855</u>	-
Crime Victim Assistance/Discretionary Grants	16.582	NAVAA	19-030	6,000	-
State Criminal Alien Assistance Program Grant	16.606		2019-AP-BX-0128	12,750	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJIA	416723	46,334	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJIA	417723	97,176	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Wauk	2016-DJ-BX-0243	4,180	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Wauk	2017-DJ-BX-0522	1,145	-
Total Edward Byrne Memorial Justice Assistance Grant (JAG) Program				<u>148,835</u>	-
Justice and Mental Health Collaboration Program	16.745		16-MO-BX-0032	102,598	-
Comprehensive Opioid Abuse Site-Based Program	16.838		2018-AR-BX-K068	120,319	-
Total U.S. Department of Justice				<u>807,357</u>	-

LAKE COUNTY, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended November 30, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures	Subrecipient Expenditures
U.S. Department of Labor					
WIOA Cluster					
WIOA Adult Programs	17.258	DCEO	17-681001	\$ 204,188	\$ -
WIOA Adult Programs	17.258	DCEO	18-681001	1,133,394	-
WIOA Adult Programs	17.258	DCEO	19-681001	561,741	-
WIOA Local Incentive	17.258, 17.278, 17.259	DCEO	16-632001	19,534	-
WIOA Local Incentive	17.258	DCEO	17-632001	3,384	-
WIOA Youth Activities	17.259	DCEO	17-681001	165,477	-
WIOA Youth Activities	17.259	DCEO	18-681001	912,677	305,819
WIOA Youth Activities	17.259	DCEO	19-681001	232,830	69,536
WIOA Dislocated Worker Formula Grant	17.278	DCEO	17-681001	178,109	-
WIOA Dislocated Worker Formula Grant	17.278	DCEO	18-681001	1,248,998	-
WIOA Dislocated Worker Formula Grant	17.278	DCEO	19-681001	372,064	-
WIOA Statewide Rapid Response	17.278	DCEO	18-651001	117,497	-
WIOA Statewide Rapid Response	17.278	DCEO	19-651001	3,810	-
Total WIOA Cluster				<u>5,153,703</u>	<u>375,355</u>
WIOA National Emergency Grant	17.277	DCEO	18-671001	193,377	-
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	DCEO	17-661001	227,416	-
Trade Adjustment Assistance	17.245	DCEO	18-661001	8,453	-
Total Trade Adjustment Assistance				<u>235,869</u>	<u>-</u>
Total U.S. Department of Labor				<u>5,582,949</u>	<u>375,355</u>
U.S. Department of Transportation					
Highway Planning & Construction Cluster					
Highway Planning & Construction	20.205	DOT	08-00073-08-CH I	7,049	-
Highway Planning & Construction	20.205	DOT	09-00174-05-CH ROW	43,962	-
Highway Planning & Construction	20.205	DOT	09-00174-05-CH III	3,383	-
Highway Planning & Construction	20.205	DOT	14-00158-11-WR III	221,269	-
Highway Planning & Construction	20.205	DOT	15-00038-07-WR	284,729	-
Highway Planning & Construction	20.205	DOT	99-00260-01-WR	457,928	-
Highway Planning & Construction	20.205	DOT	16-00280-05-ES	2,661	-
Highway Planning & Construction	20.205	DOT	12-00999-26-TL	6,960	-
Highway Planning & Construction	20.205	DOT	08-00090-12-CH	938,339	-
Total Highway Planning & Construction Cluster				<u>1,966,280</u>	<u>-</u>
Metropolitan Transportation Planning & State & Non-Metropolitan Planning & Research					
Metropolitan Agency for Planning 2018 (MAP)	20.505		Planning Liaison	79,523	-
Illinois Highway Planning & Construction (CMAP 2020)	20.505		Planning Liaison	115,724	-
Total Metropolitan Transportation Planning & State & Non-Metropolitan Planning & Research				<u>195,247</u>	<u>-</u>
Transit Services Programs Cluster					
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	RTA	16-00280-04-ES	43,857	-
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	RTA	18-00280-06-ES	90,172	-
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	RTA	19-00280-07-ES	13,502	-
Total Transit Services Program Cluster				<u>147,531</u>	<u>-</u>

LAKE COUNTY, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended November 30, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures	Subrecipient Expenditures
U.S. Department of Transportation (Continued)					
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	OP-19-0103	\$ 128,317	\$ -
Sustained Traffic Enforcement Program (STEP) Grant Amendment	20.600	DOT	AP-20-0119	25,340	-
Total Highway Safety Cluster				<u>153,657</u>	<u>-</u>
Total U.S. Department of Transportation				<u>2,462,715</u>	<u>-</u>
U.S. Environmental Protection Agency					
Nonpoint Source Implementation Grants	66.460	IEPA	3191715	120,000	-
Performance Partnership Grants					
Performance Partnership Grants	66.605	IDPH	063 05080049H	13,350	-
Performance Partnership Grants	66.605	IDPH	063 95380149G	24,288	-
Total Performance Partnership Grants				<u>37,638</u>	<u>-</u>
Beach Monitoring and Notification Program Implementation Grants					
Beach Monitoring and Notification Program Implementation Grants	66.472	IDPH	063 05380402H	13,756	-
Beach Monitoring and Notification Program Implementation Grants	66.472	IDPH	063 95380402G	22,296	-
Total Beach Monitoring and Notification Program Implementation Grants				<u>36,052</u>	<u>-</u>
Total U.S. Environmental Protection Agency				<u>193,690</u>	<u>-</u>
U.S. Department of Health and Human Services					
Public Health Emergency Preparedness	93.069	IDPH	063 07180047H	110,979	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements					
Aligned Cooperative Agreements	93.074	IDPH	063 07580013H	8,667	-
Aligned Cooperative Agreements	93.074	IDPH	063 97180047G	320,540	-
Aligned Cooperative Agreements	93.074	IDPH	063 97580013G	66,128	-
Total HPP and PHEP Aligned Cooperative Agreements				<u>506,314</u>	<u>-</u>
Affordable Care Act (ACA) Personal Responsibility Education Program					
ACA Personal Responsibility Education Program	93.092	IDPH	FCSXP01837	64,893	-
ACA Personal Responsibility Education Program	93.092	IDPH	FCSYP01837	52,194	-
Total ACA Personal Responsibility Education Program				<u>117,087</u>	<u>-</u>
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)					
Comprehensive Community Mental Health Services for Children with SED	93.104		5H79SM080157-02M001	683,569	-
Comprehensive Community Mental Health Services for Children with SED	93.104		6H79SM080157-03M001	102,362	-
Total Comprehensive Community Mental Health Services for Children with SED				<u>785,931</u>	<u>-</u>
Family Planning Services	93.217	IDPH	063 96180059G	120,785	-
Health Center Program Cluster					
Health Center Program	93.224/93.527		6 H80CS00119-17-15	1,040,268	-
Health Center Program	93.224/93.527		6 H80CS00119-18-09	4,013,182	-
Total Health Center Program Cluster				<u>5,053,450</u>	<u>-</u>

LAKE COUNTY, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended November 30, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures	Subrecipient Expenditures
U.S. Department of Health and Human Services (Continued)					
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		6H79SM081112-01M001	\$ 112,361	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		6H79SM062311-03M001	255,694	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		6H79SM062311-04M001	38,126	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		6H79SM081112-02M001	51,662	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		6H79TI080379-01M002	188,586	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		6H79TI080379-02M001	49,505	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	IDHS	43CXZ03217	116,107	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	IDHS	43CZY03217	73,070	-
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance				<u>885,111</u>	<u>-</u>
Immunization Cooperative Agreements					
Immunization Cooperative Agreements	93.268	IDPH	063 95080049G	15,841	-
Immunization Cooperative Agreements	93.268	IDPH	063 05080049H	4,636	-
Immunization Cooperative Agreements	93.268	IDPH	063 05080049H	14,930	-
Immunization Cooperative Agreements - noncash	93.268	IDPH	1330	1,950,418	-
Total Immunization Cooperative Agreements				<u>1,985,825</u>	<u>-</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response					
Public Health Crisis Response to Opioid Overdose Crisis and Injury Prevention	93.354	IDPH	063 95080202G	11,431	-
Public Health Crisis Response to Opioid Overdose Crisis and Injury Prevention	93.354	IDPH	063 95080202G-1	7,288	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	IDPH	063 95080303G	14,002	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	IDPH	063 95080303G-1	20,698	-
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				<u>53,419</u>	<u>-</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		063 95780045G	23,018	-
Child Support Enforcement					
Child Support Enforcement	93.563	HFS	2017-55-013-K3	186,836	-
Child Support Enforcement	93.563	HFS	2020-55-013-K	220,047	-
Total Child Support Enforcement				<u>406,883</u>	<u>-</u>
Grants to States for Access & Visitation Programs					
Grants to States for Access & Visitation Programs	93.597	HFS	2018-55-024-KD	29,574	-
Grants to States for Access & Visitation Programs	93.597	HFS	2018-55-024-KD	17,929	-
Total Grants to States for Access & Visitation Programs				<u>47,503</u>	<u>-</u>
Social Services Block Grant					
Social Services Block Grant	93.667	IDHS	FCSXU05067	16,880	-
Social Services Block Grant	93.667	IDHS	FCSYU05067	64,800	-
Social Services Block Grant	93.667	IDPH	063 86180059G	66,017	-
Total Social Services Block Grant				<u>147,697</u>	<u>-</u>
State Public Health Approaches for Ensuring Quiltline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	93.735	IDPH	063 83281046F	110,000	-
Medicaid Cluster					
Medical Assistance Program	93.778	HFS	N/A	358,773	-
Opioid STR					
Opioid STR	93.788	IDHS	43CXZ03222	4,669	-
Opioid STR	93.788	IDHS	43CZY03222	2,136	-
Total Opioid STR				<u>6,805</u>	<u>-</u>

LAKE COUNTY, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended November 30, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures	Subrecipient Expenditures
U.S. Department of Health and Human Services (Continued)					
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations					
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	IDPH	063 06180012H	\$ 323,002	\$ -
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	IDPH	063 96180012G	247,688	-
Total Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations				<u>570,690</u>	<u>-</u>
HIV Emergency Relief Project Grants					
HIV Emergency Relief Project Grants	93.914	CDPH	72956	92,940	-
HIV Emergency Relief Project Grants	93.914	CDPH	102860	158,541	-
Total HIV Emergency Relief Projects Grants				<u>251,481</u>	<u>-</u>
HIV Care Formula Grants					
HIV Care Formula Grants	93.917	AFC	103539	110,622	-
HIV Care Formula Grants	93.917	AFC	103781	69,032	-
Total HIV Care Formula Grants				<u>179,654</u>	<u>-</u>
HIV Prevention Activities Health Department Based	93.940	IPHA	19-142-02	26,945	-
Block Grants for Community Mental Health Services					
Block Grants for Community Mental Health Services	93.958	IDHS	45CXB00775	72,872	-
Block Grants for Community Mental Health Services	93.958	IDHS	45CXB00776	41,520	-
Block Grants for Community Mental Health Services	93.958	IDHS	45CXB00778	57,368	-
Block Grants for Community Mental Health Services	93.958	IDHS	45CYB00775	113,860	-
Block Grants for Community Mental Health Services	93.958	IDHS	45CYB00776	82,209	-
Block Grants for Community Mental Health Services	93.958	IDHS	45CYB00778	113,589	-
Total Block Grants for Community Mental Health Services				<u>481,418</u>	<u>-</u>
Substance Abuse Treatment Program					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CXZ03400	8,518	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CXZ03222	126,536	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CXZ03069	1,240	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CXZ03217	6,099	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CYC00180	39,252	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CYC03076	261,854	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	IDHS	43CYZ03222	46,360	-
Total Substance Abuse Treatment Program				<u>489,859</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>12,608,648</u>	<u>-</u>
U.S. Department of Homeland Security					
Emergency Management Performance Grants	97.042	IEMA	19EMALAKE	216,225	-
Total U.S. Department of Homeland Security				<u>216,225</u>	<u>-</u>
TOTAL FEDERAL AWARDS				<u>\$ 33,451,792</u>	<u>\$ 3,863,431</u>

See notes to schedule of expenditures of federal awards.

Lake County, Illinois

Notes to Schedule of Expenditures of Federal Awards Year Ended November 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lake County, Illinois (the County) under programs of the federal government for the year ended November 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, change in net position or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The County has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. 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
IDHS	Illinois Department of Human Services
CJIA	Illinois Criminal Justice Information Authority
NAVAA	National Association of VOCA Assistance Administrators
Wauk	City of Waukegan
DCEO	Illinois Department of Commerce and Economic Opportunity
DOT	Illinois Department of Transportation
RTA	Regional Transportation Authority
IEPA	Illinois Environmental Protection Agency
IEMA	Illinois Emergency Management Agency
HFS	Illinois Department of Healthcare and Family Services
CDPH	Chicago Department of Public Health
AFC	Aids Foundation of Chicago
IDNR	Illinois Department of Natural Resources
IPHA	Illinois Public Health Association
IDPH	Illinois Department of Public Health

Lake County, Illinois

**Schedule of Findings and Questioned Costs
Year Ended November 30, 2019**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? X Yes None Reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

 Yes X No

Identification of major programs.

<u>CFDA Numbers</u>	<u>Names of Federal Programs</u>
14.239	Home Investment Partnerships Program
17.258	WIOA Cluster: WIOA Adult Programs WIOA Youth Activities WIOA Dislocated Worker Formula Grant/ Statewide Rapid Response
17.259	
17.278	
93.224/93.527	Health Center Program Cluster
93.268	Immunization Cooperative Agreements

Dollar threshold used to distinguish between type A and type B programs: \$1,003,554

Auditee qualified as low-risk auditee? Yes X No

Lake County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2019**

II. Financial Statement Findings

Finding 2019-001: General Obligation Road Bonds Series 2013 – Delinquent Debt Service Payment

Criteria: The debt service associated with County's General Obligation Road Bonds (Sales Tax Alternative Revenue Source), Series 2013, is due on May 30 (interest only) and November 30 (principal and interest) each year for the life of the bond.

Condition: The County's General Obligation Road Bonds (Sales Tax Alternative Revenue Source), Series 2013, had an interest and principal payment in the amount of \$6,408,125 due on November 30, 2019. The County did not pay the principal and interest until December 5, 2019.

Cause: Due to the absence of key personnel involved in the debt service payment process, the County did not wire funds to the paying agent for this November 30, 2019 payment until December 5, 2019.

Effect: As a result, the County was required to file a material disclosure on the Electronic Municipal Market Access (EMMA) website on December 9, 2019, acknowledging the delinquency in accordance with the Securities Exchange Act. The County was also required to discuss the delinquency with S&P Global Ratings which did not result any changes to the bond rating.

Recommendation: We recommend that policies and procedures be implemented and adhered to so that interest and principal payments due on the County's bonds are made on a timely basis.

Views of responsible officials: The County's management agrees with the aforementioned finding. See management's corrective action plan.

Lake County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2019**

II. Financial Statement Findings (Continued)

Finding 2019-002: Accounting for Expenditures and Prepaid Expenses

Criteria: The County's fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, expenditures are generally recorded when a liability is incurred. At the end of the fiscal year, the County records a prepaid expense asset for any goods received or services performed after the end of the year which were paid prior to the year-end.

Condition: The County did not properly record prepaid expense assets for certain invoices paid prior to year-end that pertained to fiscal year 2020.

Cause: The County did not have adequate year-end controls and monitoring procedures to identify certain prepaid expenses.

Effect: The lack of adequate controls and monitoring procedures led to the understatement of prepaid expenses and the overstatement of expenditures at year-end.

Recommendation: We recommend that the County increase year-end supervisory reviews over prepaid expenses, expenditure cut-off, and outstanding invoices.

Views of responsible officials: The County's management agrees with the aforementioned finding. See management's corrective action plan.

Lake County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2019**

III. Findings and Questioned Costs for Federal Awards

No matters were reported.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED NOVEMBER 30, 2018**

Identifying Number FS2018-001

Finding: The County did not defer intergovernmental revenues received after the 120 availability period. Intergovernmental revenues of \$686,361 in the 1/4% Sales Tax for Transportation and Public Safety Fund, \$936,182 in the General Fund, and \$647,800 in the Nonmajor Governmental Fund were received outside of the availability period and not deferred. The lack of adequate year end controls and monitoring procedures led to the overstatement of intergovernmental revenues of \$686,361 in the 1/4% Sales Tax for Transportation and Public Safety Fund, \$936,182 in the General Fund, and \$647,800 in the Nonmajor Governmental Fund.

LAKE COUNTY CORRECTIVE ACTIONS COMPLETED:

Lake County's procedure to accrue revenue at year end and then defer any revenue that has not yet been received 120 days after year end was successfully implemented during the FY19 audit.

Corrective Action Planned	Name of Responsible Person	Anticipated Completion Date
1. Correcting entries were posted as of November 30, 2018 to properly record deferred revenues of \$686,361 for the 1/4 % Sales Tax for Transportation and Public Safety Fund.	Patrice Sutton, Chief Financial Officer Ryan Horne, Controller	Completed
2. Inadequate controls for reviewing intergovernmental revenues were determined to be the reason for not deferring revenues received after the 120 day availability. Training on proper recording and accounting of intergovernmental revenues will be provided to staff in the department recording the revenues. Effective for the FY2019 audit, Finance Department accounting staff will review all receivables still outstanding 120 days after year end and properly reclassify as deferred revenue.	Patrice Sutton, Director of Finance Ryan Horne, Controller	Completed during FY19 audit.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED NOVEMBER 30, 2018**

Identifying Number FS2018-002

Finding: There were significant delays in receiving accurate capital asset schedules and supporting documentation. A detailed review and reconciliation of capital asset records are not currently being performed on a consistent and timely basis. This resulted in revisions to internal schedules and previously prepared audit schedules which did not agree with detail capital asset records once provided. Errors were identified in prior year equipment additions in the Governmental Fund and in the prior year capital asset deletions and accumulated depreciation for Public Works. The County has numerous capital assets and ongoing construction projects that it has to account for and monitor. The process requires the consolidation of separate automated and manual records and takes significant time to analyze and reconcile capital asset additions, deletions, and depreciation.

LAKE COUNTY CORRECTIVE ACTIONS COMPLETED:

Lake County's fixed asset module in its Oracle ERP system is effectively used to track fixed assets for all departments of Lake County. Due to competing priorities, it was not possible to begin the quarterly maintenance described below, such that the entire process was conducted after the end of the fiscal year for FY19. While independent departments have now been trained, the timelier maintenance on a quarterly basis is anticipated to occur during FY20.

Corrective Action Planned	Name of Responsible Person	Anticipated Completion Date
1. An interdepartmental effort to properly classify completed projects for Public Works was completed for the year ended November 30, 2018. A detail listing of individual assets and depreciation is now generated by the Oracle ERP fixed asset module.	Patrice Sutton, Chief Financial Officer Ryan Horne, Controller	Completed
2. Training to improve the County's capital asset financial reporting process will be provided to all accounting and finance staff to improve the quality and timeliness of preparing capital asset schedules, including the supporting reconciliations, closing entries, and other documentation.	Patrice Sutton, Chief Financial Officer Ryan Horne, Controller	Completed
3. Finance and Public Works staff will maintain fixed asset on a quarterly basis in the Oracle fixed asset module to allow for more timely preparation of schedules, reconciliations, and closing entries for year end.	Patrice Sutton, Chief Financial Officer Ryan Horne, Controller	Fiscal Year 2020



**SUMMARY SCHEUDLE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED NOVEMBER 30, 2018**

Identifying Number FS2018-003

Finding: The County did not have adequate year-end controls and monitoring procedures to identify outstanding invoices of \$2,167,948 that pertained to the current year as accounts payable for the Nonmajor Governmental Fund. The invoices were not accrued, and this led to an understatement of accounts payable.

LAKE COUNTY CORRECTIVE ACTIONS COMPLETED:

Lake County Finance did conduct county-wide training on the appropriate accrual of invoices with service dates during the fiscal year. Finance also met specifically with the personnel involved in these specific invoices; unfortunately, the trained employees are no longer with the department and there are new employees in these roles. The targeted training was repeated with the new employees. In addition, Finance staff are also more diligent about reviewing the service dates prior to payment.

Corrective Action Planned	Name of Responsible Person	Anticipated Completion Date
1. Correcting entries were posted as of November 30, 2018 to properly record accounts payable of \$2,167,948 for the Nonmajor Governmental Fund.	Patrice Sutton, Chief Financial Officer Ryan Horne, Controller	Completed
2. Inadequate controls for reviewing year end accounts payable were determined to be the reason for not properly identifying outstanding invoices for accrual. Training on year end controls and appropriate monitoring and review will be provided to accounting and finance staff responsible for year end accruals and adjustments. Training has already taken place to ensure that appropriate staff understand how to properly enter invoices to properly charge back activity to the prior year and that all reviewers in the approval workflow ensure accuracy before advancing invoices for payment.	Patrice Sutton, Chief Financial Officer Ryan Horne, Controller	Completed and ongoing due to normal employee turnover



**CORRECTIVE ACTION PLAN
YEAR ENDED NOVEMBER 30, 2019**

Identifying Number FS2019-001

Finding: The General Obligation Road Bonds (Sales Tax Alternative Revenue Source), Series 2013, had an interest and principal payment in the amount of \$6,408,125 due on November 30, 2019. The County did not make the interest and principal payment until December 5, 2019. As a result, the County was required to file a material disclosure on the Electronic Municipal Market Access (EMMA) website on December 9, 2019, acknowledging the delinquency in accordance with the Security Exchange Act. The County was also required to discuss the delinquency with S&P Global Ratings which did not result in any change to the County's bond rating.

LAKE COUNTY CORRECTIVE ACTIONS PLANNED:

Corrective Action Planned	Name of Responsible Person	Anticipated Completion Date
1. All required disclosures were made in a timely basis.	Patrice Sutton, Chief Financial Officer	Completed December 9, 2019
2. Cross-training has occurred within the Finance Department and the Treasurer's Office to ensure multiple layers of accountability for payment of the debt service.	Patrice Sutton, Chief Financial Officer Department of Finance and Administrative Services staff	Completed December 2019
3. Contact information was updated with the County's Paying Agent to ensure timely notifications and ability to confirm receipt of all County debt service payments.	Patrice Sutton, Chief Financial Officer	Completed December 2019



**CORRECTIVE ACTION PLAN
YEAR ENDED NOVEMBER 30, 2019**

Identifying Number FS2019-002

Finding: The County's fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, expenditures are generally recorded when a liability is incurred. At the end of the fiscal year, the County records a prepaid expense asset for any goods received or services performed after the end of the year which were paid prior to the year-end. The County Did not properly record prepaid expense assets for certain invoices paid prior to year-end that pertained to fiscal year 2020. The lack of adequate controls and monitoring procedures led to the understatement of prepaid expenses and the overstatement of expenditures at year-end.

LAKE COUNTY CORRECTIVE ACTIONS PLANNED:

Corrective Action Planned	Name of Responsible Person	Anticipated Completion Date
1. Some County contracts have annual or other frequency of terms that do not align with the fiscal year. The Purchasing Division within Finance and Administrative Services will attempt to align more contracts with the fiscal year to avoid the prepaid expense accounting issue.	Patrice Sutton, Chief Financial Officer	Ongoing throughout Fiscal Year 2020 and upon renewal of existing contracts
2. Training will be conducted with County-wide financial liaisons in each department to explain prepaid expenses on contracts, since the accounting treatment is first determined at the departmental level.	Patrice Sutton, Chief Financial Officer	Fall 2020
3. Multi-year contracts that include twelve months of activity in the fiscal year, in which the contracted amount may have changed only slightly, may continue to be accounted for as is.	Patrice Sutton, Chief Financial Officer	Ongoing throughout Fiscal Year 2020 and upon renewal of existing contracts