

LAKE COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

As of and for the Year Ended November 30, 2014

LAKE COUNTY, ILLINOIS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, Illinois as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise Lake County's basic financial statements and have issued our report thereon dated May 15, 2015. Our report includes a reference to other auditors who audited the financial statements of the Lake County Forest Preserve District, as described in our report on Lake 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 Lake 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 Lake County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake 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.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. This significant deficiency is item 2014-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lake County's Response to Finding

Lake County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Lake 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.

Baker Tilly Vuchaw Krause LLP

Chicago, Illinois
May 15, 2015

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

Independent Auditors' Report

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'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 Lake County's major federal programs for the year ended November 30, 2014. Lake County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Lake County's basic financial statements include the operations of the Lake County Forest Preserve District, a component unit of Lake County, which received \$963,293 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended November 30, 2014. Our audit, described below, did not include the operations of the Lake County Forest Preserve District because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lake County's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake 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 Lake County's compliance.

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

Opinion on Each Major Federal Program

In our opinion, Lake 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, 2014.

Report on Internal Control Over Compliance

Management of Lake 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 Lake County's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lake 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, Illinois as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise Lake County's basic financial statements. We issued our report thereon dated May 15, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the Lake County Forest Preserve District, as described in our report on Lake County's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baker Tilly Vuchow Krause LLP

Chicago, Illinois
May 27, 2015

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Agriculture				
Food Donation	10.550	SBE	34-049-12P-00A7	\$ 3,709
Child Nutrition Cluster				
School Breakfast Program	10.553	SBE	34-049-012P	26,116
National School Lunch Program	10.555	SBE	34-049-012P	47,909
Summer Food Service Program for Children	10.559	DPH	063	1,950
Total Child Nutrition Cluster				<u>75,975</u>
Special Supplemental Nutrition Program				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557 *	DHS	FCSTQ00915	782,968
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557 *	DHS	FCSSQ00915	1,366,906
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557 *	DHS	FCSTQ01153	31,153
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557 *	DHS	FCSSQ01153	51,639
Special Supplemental Nutrition Program for Women, Infants and Children - noncash	10.557 *	DHS		6,568,103
Total Special Supplemental Nutrition Program				<u>8,800,769</u>
WIC Farmers' Market Nutrition Program (FMNP)	10.572	DHS	FCSSQ01242	<u>1,000</u>
Total U.S. Department of Agriculture				<u>8,881,453</u>
U.S. Department of Housing and Urban Development				
CDBG Entitlement Grants				
Community Development Block Grants/Entitlement Grants	14.218 *		B-11-UC-17-0003	6,450
Community Development Block Grants/Entitlement Grants	14.218 *		B11-UC-17-0003	3,918
Community Development Block Grants/Entitlement Grants	14.218 *		B12-UC-17-0003	441,031
Community Development Block Grants/Entitlement Grants	14.218 *		B13-UC-17-0003	832,163
Community Development Block Grants/Entitlement Grants	14.218 *		B14-UC-17-0003	683,500
Community Development Block Grants/Entitlement Grants	14.218 *		B-08-UN-17-0004	1,047,783
Community Development Block Grants/Entitlement Grants	14.218 *		B-11-UN-17-0004	865,477
Total CDBG Entitlement Grants				<u>3,880,322</u>
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231		E11-UC-17-0003	54,017
Emergency Solutions Grant Program	14.231		E12-UC-17-0003	81,197
Emergency Solutions Grant Program	14.231		E13-UC-17-0003	124,360
Emergency Solutions Grant Program	14.231		E14-UC-17-0003	52,869
Total Emergency Solutions Grant Program				<u>312,443</u>

* Indicates major program

See accompanying notes to schedule of expenditures of federal awards.

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Housing and Urban Development (cont.)				
Supportive Housing Program				
Supportive Housing Program	14.235		IL0033L5T021205	\$ 108,202
Supportive Housing Program	14.235		IL0033L5T021306	28,449
Supportive Housing Program	14.235		IL0032L5T021205	18,479
Supportive Housing Program	14.235		IL0021L5T021205	40,566
Supportive Housing Program	14.235		IL0025L5T021205	47,554
Supportive Housing Program	14.235		IL0027L5T021205	27,214
Supportive Housing Program	14.235		IL0027L5T021306	70,495
Supportive Housing Program	14.235		IL0035L5T021205	31,075
Supportive Housing Program	14.235		IL0035L5T021306	12,046
Supportive Housing Program	14.235		IL0036L5T021205	184,940
Supportive Housing Program	14.235		IL0020L5T021204	79,954
Supportive Housing Program	14.235		IL0035L5T021306	31,976
Total Supportive Housing Program				<u>680,950</u>
Office of Community Planning and Development				
Shelter Plus Care	14.238		IL0031L5T021306	122,283
Shelter Plus Care	14.238		IL0031L5T021205	126,660
Shelter Plus Care	14.238		IL0537L5T021200	3,007
Shelter Plus Care	14.238		IL0439L5T021304	32,287
Shelter Plus Care	14.238		IL0439L5T021203	11,716
Total Office of Community Planning and Development				<u>295,953</u>
Home Investment Partnerships Program				
Home Investment Partnerships Program	14.239		M08-DC-17-0205	22,239
Home Investment Partnerships Program	14.239		M09-DC-17-0205	40,124
Home Investment Partnerships Program	14.239		M11-DC-17-0205	254,769
Home Investment Partnerships Program	14.239		M12-DC-17-0205	279,233
Home Investment Partnerships Program	14.239		M13-DC-17-0205	291,373
Home Investment Partnerships Program	14.239		M14-DC-17-0205	98,027
Total Home Investment Partnerships Program				<u>985,765</u>
Total U.S. Department of Housing and Urban Development				<u>6,155,433</u>

* Indicates major program

See accompanying notes to schedule of expenditures of federal awards.

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Justice				
Juvenile Accountability Block Grants				
Juvenile Accountability Block Grants	16.523	CJIA	FCSSR03434	\$ 54,000
Juvenile Accountability Block Grants	16.523	CJIA	FCSTR03434	34,946
Juvenile Accountability Block Grants	16.523	DHS	FCSSR03292	6,764
Juvenile Accountability Block Grants	16.523	DHS	FCSTR03292	12,756
Juvenile Accountability Block Grants	16.523	DHS	FCSSR03269	15,894
Juvenile Accountability Block Grants	16.523	DHS	FCSTR03269	7,063
Total Juvenile Accountability Block Grants				131,423
Supervised Visitation, Safe Havens for Children	16.527		2008-CW-AX-K012	161,441
Juvenile Justice and Delinquency Prevention				
Juvenile Justice and Delinquency Prevention	16.540	ICOY	11AQ00108	8,633
Juvenile Justice and Delinquency Prevention	16.540	DHS	FCSSR03502	40,000
Juvenile Justice and Delinquency Prevention	16.540	DHS	FCSTR03502	23,773
Total Juvenile Justice and Delinquency Prevention Grants				72,406
Crime Victim Assistance				
Crime Victim Assistance	16.575	CJIA	213315	45,313
Crime Victim Assistance	16.575	CJIA	214315	9,063
Crime Victim Assistance	16.575	CJIA	213059	29,671
Crime Victim Assistance	16.575	CJIA	212259	5,934
Crime Victim Assistance	16.575	CJIA	213836	52,176
Crime Victim Assistance	16.575	CJIA	214836	9,652
Crime Victim Assistance	16.575	CJIA	213077	51,897
Crime Victim Assistance	16.575	CJIA	214077	9,230
Total Crime Victim Assistance				212,936
Crime Victim Assistance/Discretionary Grants	16.582	NAVAA	14-110	4,997
Drug Court Discretionary Grant Program	16.585		2012-DC-BX-0007	75,194
State Criminal Alien Assistance Program	16.606		2014-AP-BX0285	126,036
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities	16.735		2010-RP-BX-K001	74,872

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Justice (cont.)				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Wauk	2011-DJ-BX-3246	\$ 5,235
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Wauk	2013-DJ-BX-0311	5,277
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJIA	409223	138,455
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJIA	412023	25,208
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJIA	410853	41,143
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJIA	412853	7,465
Edward Byrne Memorial Justice Assistance Grant Program	16.738	LCC	14-082135	8,180
Total Edward Byrne Memorial Justice Assistance Grant (JAG) Program				230,963
Total U.S. Department of Justice				1,090,268
U.S. Department of Labor				
Employment Service/Wagner-Peyser Funded Activities	17.207	DCEO	13-111001	23,077
Trade Adjustment Assistance				
Trade Adjustment Assistance	17.245	DCEO	12-661101	893,690
Trade Adjustment Assistance	17.245	DCEO	13-661001	266,106
Total Trade Adjustment Assistance				1,159,796
WIA Cluster				
WIA Adult Program	17.258	* DCEO	12-681001	69,520
WIA Adult Program	17.258	* DCEO	13-681001	1,086,716
WIA Adult Program	17.258	* DCEO	14-681001	418,710
WIA Youth Activities	17.259	* DCEO	12-681001	197,421
WIA Youth Activities	17.259	* DCEO	13-681001	549,875
WIA Youth Activities	17.259	* DCEO	14-681001	491,318
WIA Youth Activities	17.259	* DCEO	12-632001	650
WIA Dislocated Worker Formula Grants	17.278	* DCEO	12-681001	403,461
WIA Dislocated Worker Formula Grants	17.278	* DCEO	13-681001	750,233
WIA Dislocated Worker Formula Grants	17.278	* DCEO	14-681001	578,849
WIA Dislocated Worker Formula Grants	17.278	* DCEO	12-651001	22,109
WIA Dislocated Worker Formula Grants	17.278	* DCEO	11-653001	28,699
WIA Dislocated Worker Formula Grants	17.278	* DCEO	12-653001	133,279
WIA Dislocated Worker Formula Grants	17.278	* DCEO	13-653001	6,903
WIA Dislocated Worker Formula Grants	17.278	* DCEO	14-653001	912
Total WIA Cluster				4,738,655

* Indicates major program

See accompanying notes to schedule of expenditures of federal awards.

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Labor (cont.)				
Workforce Investment Act (WIA) National Emergency Grants	17.277	DCEO	13-671001	\$ 246,264
Workforce Innovation Fund	17.283	DCEO	ATIM-01	<u>239,367</u>
Total U.S. Department of Labor				<u>6,407,159</u>
U.S. Department of Transportation				
Highway Planning & Construction				
Highway Planning & Construction	20.205	DOT	02-00076-13-CH III	793
Highway Planning & Construction	20.205	DOT	05-00121-07-WR III	16,634
Highway Planning & Construction	20.205	DOT	05-00193-04-BR III	145
Highway Planning & Construction	20.205	DOT	06-00153-07-CH III	7,576
Highway Planning & Construction	20.205	DOT	07-00086-08-CH III	64,273
Highway Planning & Construction	20.205	DOT	09-00171-13-BT III	71
Highway Planning & Construction	20.205	DOT	10-00193-07-BR III	3,074
Highway Planning & Construction	20.205	DOT	07-00086-08-CH II (2)	52,394
Highway Planning & Construction	20.205	DOT	02-00051-08-WR III	97,453
Highway Planning & Construction	20.205	DOT	03-00033-12-CH III	198,937
Highway Planning & Construction	20.205	DOT	09-00135-11-BT II	36,041
Highway Planning & Construction	20.205	DOT	03-00033-12-CH III	253,413
Highway Planning & Construction	20.205	DOT	05-00121-07-WR III	190,029
Highway Planning & Construction	20.205	DOT	07-00086-08-CH III	51,637
Highway Planning & Construction	20.205	DOT	08-00073-08-CH I	113,738
Highway Planning & Construction	20.205	DOT	08-00259-00-TL III	917
Highway Planning & Construction	20.205	DOT	08-00279-00-TL III	460
Highway Planning & Construction	20.205	DOT	09-00174-05-CH II	335,173
Highway Planning & Construction	20.205	DOT	09-00999-07-TL III	2,443
Highway Planning & Construction	20.205	DOT	11-00088-19-TL	435,239
Highway Planning & Construction	20.205	DOT	09-00280-01-ES	28,877
Highway Planning & Construction	20.205	DOT	09-00280-01-ES (JARC)	<u>45,382</u>
Total Highway Planning & Construction				<u>1,934,699</u>

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Transportation (cont.)				
Metropolitan Transportation Planning				
Metropolitan Transportation Planning	20.505		06-00924-00-TL III	\$ 37
Metropolitan Transportation Planning	20.505		07-00086-08-CH II (2)	22,005
Total Metropolitan Transportation Planning				<u>22,042</u>
Transit Services Programs Cluster				
Job Access And Reverse Commute Program	20.516	RTA	Planning Liaison	79,367
New Freedom Program	20.521	RTA	Planning Liaison	80,111
Total Transit Services Program Cluster				<u>159,478</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I				
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	DOT	AP-14-0249	42,664
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	DOT	AP-14-0470	6,236
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	DOT	AP-15-0126	8,285
Total Alcohol Impaired Driving Countermeasures Incentive Grants I				<u>57,185</u>
Total U.S. Department of Transportation				<u>2,173,404</u>
U.S. Environmental Protection Agency				
Performance Partnership Grants				
Performance Partnership Grants	66.605	DPH	63	8,288
Performance Partnership Grants	66.605	DPH	063 45382047B	16,738
Total Performance Partnership Grants				<u>25,026</u>
Nonpoint Source Implementation Grants	66.460	EPA	3191302	36,784
Great Lakes Program				
Great Lakes Program	66.469	EMA	GL-00E00854-0	575,007
Great Lakes Program	66.469	EMA	GL-00E00833-2	55,942
Total Great Lakes Program				<u>630,949</u>
Beach Monitoring and Notification Program Implementation Grants	66.472	DPH	063 45380188B	26,994
Total U.S. Environmental Protection Agency				<u>719,753</u>
U.S. Department of Education				
Special Education-Grants for Infants and Families	84.181	DHS	FCSRO00895	383,300
Total U.S. Department of Education				<u>383,300</u>

* Indicates major program

See accompanying notes to schedule of expenditures of federal awards.

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Health and Human Services				
Medical Reserve Corps Small Grant Program	93.008	NACCHO	MRC 14 - 0083	\$ 2,381
HPP and PHEP Aligned Cooperative Agreements				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	DPH	063 47180047B	316,010
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	DPH	063 47180108B	72,104
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	DPH	063 57180047C	54,450
Total HPP and PHEP Aligned Cooperative Agreements				<u>442,564</u>
Affordable Care Act (ACA) Personal Responsibility Education Program				
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	DHS	FCSTP01837	56,135
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	DHS	FCSSP01837	80,357
Total Affordable Care Act (ACA) Personal Responsibility Education Program				<u>136,492</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DPH	063 35180062A	3,957
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	DPH	063 45180036B	6,824
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs				<u>10,781</u>
Family Planning Services	93.217	DPH	063 46080070B	331,021
Bureau of Primary Health Care				
Consolidated Health Centers Program (Community Health Centers, Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care)				
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care)	93.224	* HHO	H80CS00111	40,919
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care)	93.224	*	6 H80CS00119-12-10	674,092
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care)	93.224	*	6 H80CS00119-13-15	2,719,120
Total Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care)				<u>3,434,131</u>

* Indicates major program

See accompanying notes to schedule of expenditures of federal awards.

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Health and Human Services (cont.)				
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		5U79SM060954-03	\$ 56,933
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		5U79SM060954-02	318,418
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		1U79SM060954-01	15,985
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		5H79SM060118-05	47,728
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		5H79SM060118-04	405,826
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance				844,890
Immunization Cooperative Agreements				
Immunization Cooperative Agreements	93.268	DPH	063 55180037C	838
Immunization Cooperative Agreements	93.268	DPH	063 35180038A	16,296
Immunization Cooperative Agreements	93.268	DPH	063 45180024B	22,728
Immunization Cooperative Agreements - noncash	93.268	DPH	1330	2,050,546
Total Immunization Cooperative Agreements				2,090,408
The Office of Public Health and Science				
Drug-Free Communities Support Program Grants				
Drug-Free Communities Support Program Grants	93.276		5H79SP018788-03	11,325
Drug-Free Communities Support Program Grants	93.276		5H79SP018788-02	101,752
Drug-Free Communities Support Program Grants	93.276		1H79SP018788-01	6,864
Total Drug-Free Communities Support Program Grants				119,941
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	DPH	063 46180015B	113,627
Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	93.501		6 C12CS25609-01-07	448,155
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations financed in part by Prevention and Public Health Funds (PPHF)				
	93.524	NACCHO	2013 - 121219	25,600
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges Program				
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges (Footnote)	93.525	DPH	063 50180044C	231,892
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges (Footnote)	93.525	DPH	063 40180041B	543,973
Total State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges				775,865
Child Support Enforcement				
Child Support Enforcement	93.563	HFS	2014-55-007-KB	15,588
Child Support Enforcement	93.563	HFS	2014-55-013-K1D	284,175
Child Support Enforcement	93.563	HFS	2014-55-013-K2D	192,758
Child Support Enforcement	93.563	HFS	2012-55-024-K4D	21,070
Child Support Enforcement	93.563	HFS	2015-55-024-K5D	15,199
Total Child Support Enforcement				528,790

* Indicates major program

See accompanying notes to schedule of expenditures of federal awards.

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Health and Human Services (cont.)				
Child Care and Development Block Grant				
Child Care and Development Block Grant	93.575	DHS	FCSTI01761	\$ 42,171
Child Care and Development Block Grant	93.575	DHS	FCSSI01761	38,439
Total Child Care and Development Block Grant				<u>80,610</u>
Social Services Block Grant				
Social Services Block Grant	93.667	DPH	063 46080164B	47,641
Social Services Block Grant	93.667	DPH	063 46080070B	110,405
Social Services Block Grant	93.667	DPH	063 56380088C	15,879
Total Social Services Block Grant				<u>173,925</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	DPH	063 56180015C	<u>75,755</u>
Medical Assistance Program	93.778	HFS		<u>881,192</u>
HIV Emergency Relief Project Grants				
HIV Emergency Relief Project Grants	93.914	CDPH	29991	59,971
HIV Emergency Relief Project Grants	93.914	CDPH	23775	198,719
Total HIV Emergency Relief Projects Grants				<u>258,690</u>
Aids Foundation of Chicago				
HIV Care Formula Grants	93.917	AFC		53,869
HIV Care Formula Grants	93.917	AFC		15,077
Total Aids Foundation of Chicago				<u>68,946</u>
HIV Prevention Activities Health Department Based Program				
HIV Prevention Activities Health Department Based	93.940	PHA	14-142-02	144,881
HIV Prevention Activities Health Department Based	93.940	DPH	063	8,500
Total HIV Prevention Activities Health Department Based Program				<u>153,381</u>
Community Mental Health Services				
Block Grants for Community Mental Health Services	93.958	DHS	45CTB00775	46,656
Block Grants for Community Mental Health Services	93.958	DHS	45CTB00776	43,596
Block Grants for Community Mental Health Services	93.958	DHS	45CTB00778	84,379
Block Grants for Community Mental Health Services	93.958	DHS	45CSB00778	160,630
Total Community Mental Health Services				<u>335,261</u>

LAKE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended November 30, 2014

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Grant Number	Expenditures
U.S. Department of Health and Human Services (cont.)				
Substance Abuse Treatment Program				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	FCSTP01424	\$ 117,253
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	FCSSP01424	179,837
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CTC00180	83,652
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CSC00180	160,377
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CSC00183	551,477
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CTC00177	47,889
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CSC00177	82,241
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CTC00184	5,209
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	43CSC00184	9,405
Total Substance Abuse Treatment Program				<u>1,237,340</u>
Maternal and Child Health Services Block Grant to the States	93.994	DHS	063 46080070B	<u>18,428</u>
Total U.S. Department of Health and Human Services				<u>12,588,174</u>
U.S. Department of Homeland Security				
Hazard Mitigation Grant				
Hazard Mitigation Grant	97.039	EMA	HMGP-DR-1850-IL	404,452
Hazard Mitigation Grant	97.039	EMA	HMGP DR-IL-1771	260,632
Hazard Mitigation Grant	97.039	EMA	FEMA-DR-1935-IL	300
Total Hazard Mitigation Grant				<u>665,384</u>
Emergency Management Performance Grants	97.042	EMA	14EMALAKE	<u>159,643</u>
Total U.S. Department of Homeland Security				<u>825,027</u>
TOTAL FEDERAL AWARDS				<u><u>\$ 39,223,971</u></u>

LAKE COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Lake County, Illinois under programs of the federal government for the year ended November 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Lake County, it is not intended to and does not present the financial position, changes in net position or cash flows of Lake County.

The reporting entity for the county is based upon criteria established by the Governmental Accounting Standards Board. Lake County is the primary government according to GASB criteria, while the Lake County Forest Preserve District (“District”) is a component unit. Federal awards received directly by the District are not included in this report since the District has been audited by other auditors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

LAKE COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2014

NOTE 3 – PASS-THROUGH AGENCIES

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

SBE	State Board of Education
DPH	Illinois Department of Public Health
DHS	Illinois Department of Human Services
CJIA	Illinois Criminal Justice Information Authority
ICOY	Illinois Collaboration on Youth
NAVAA	National Association of VOCA Assistance Administrators
Wauk	City of Waukegan
LCC	Liquor Control Commission
DCEO	Illinois Department of Commerce and Economic Opportunity
DOT	Illinois Department of Transportation
RTA	Regional Transportation Authority
EPA	Illinois Environmental Protection Agency
EMA	Illinois Emergency Management Agency
NACCHO	National Association of County and City Health Officials
HHO	Heartland Health Outreach
HFS	Illinois Department of Healthcare and Family Services
CDPH	Chicago Department of Public Health
AFC	Aids Foundation of Chicago
PHA	Illinois Public Health Association

NOTE 4 – NONCASH PAYMENTS

Lake County receives vaccines at no charge from the Illinois Department of Public Health through federally assisted programs – Immunization Grants (CFDA No. 93.268). The value of vaccines received during the year ended November 30, 2014 was \$2,050,546.

Lake County receives non-cash assistance from the Illinois Department of Human Services under the Special Supplemental Food Program for Women, Infants and Children (CFDA No. 10.557), in the form of food instruments, which are distributed to qualifying WIC participants. Total distributions during the year ended November 30, 2014 were \$6,568,103.

Lake County does not receive any non-cash insurance benefits, or receive any loans or guarantees relating to federal awards.

LAKE COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2014

NOTE 5 – SUBRECIPIENT EXPENDITURES

Payments during 2014 to subrecipients were as follows:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Expenditures</u>
	U.S. Department of Housing and Urban Development	
14.218	Community Development Block Grants/Entitlement Grants	
	Affordable Housing Corporation	\$ 664,432
	City of Waukegan	310,491
	City of North Chicago	155,910
	Affordable Housing Corporation	273,596
	City of Waukegan	76,538
	Lake County Residential	330,679
	Total Community Development Block Grants/Entitlement Grants	1,811,646
14.239	HOME Investment Partnership Program	
	Affordable Housing Corporation	128,136
	Youthbuild Lake County	81,412
	City of North Chicago	193,294
	Community Partners	140,986
	Habitat for Humanity Lake County	146,262
	Northpointe Resources, Inc.	6,348
	Lake County Residential	95,852
	Total HOME Investment Partnership Program	792,290
	U.S. Department of Labor	
17.259	WIA Youth Activities	
	North Chicago District 187	60,628
	Computer Systems Institute	85,063
	First Institute	70,589
	Regional Superintendent of Schools	1,769
	Waukegan High School	154,586
	Zion Benton Township High School	100,802
	YouthBuild Lake County	70,804
	Total WIA Youth Activities	544,241
	U. S. Department of Justice	
16.527	Crime Victim Assistance	
	A Safe Place	159,515
	U. S. Department of Health and Human Services	
93.243	Substance Abuse and Mental Health Services of Regional and National Significance	
	Transitional Living Services	67,573
93.525	State Planning and Establishment of Grants for the Affordable Care Act (ACA)'s Exchange	
	Alliance for Human Services / A Safe Place	24,400
	Total Disbursed to Sub-Recipients	\$ 3,399,665

LAKE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2014

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unmodified

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: Unmodified

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

 yes X no

Auditee qualified as low-risk auditee?

 yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.218	Community Development Block Grants/Entitlement Grants WIA Cluster:
17.258	Workforce Investment Act – Adult Program
17.259	Workforce Investment Act – Youth Activities
17.278	Workforce Investment Act – Dislocated Workers
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care of the Homeless, and Public Housing Primary Care)

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

\$ 1,176,719

LAKE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2014

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

FINDING 2014-001 – CAPITAL ASSET REPORTING

Criteria: Statements on Auditing Standards AU sec. 325, *Communicating Internal Control Related Matters Identified During an Audit*, requires auditors to communicate significant deficiencies or material weaknesses in the county's structure of internal control.

Condition/Cause/Effect: The County's year-end financial statements include capital assets owned by the County. These assets comprise some of the largest line items on the County's statement of net position. They represent an accumulation of historical purchases, construction, and improvements of County property. Due to the cumulative nature of this account balance, accurate and reliable record keeping is imperative to substantiating the capital asset amounts in the County's financial statements.

In previous years, we had recommended the County consider usage of a capital asset software system. In 2014, the County converted its capital asset records from spreadsheets to a capital asset reporting system. During the conversion process, a number of errors were identified and corrected; however, they were not material to the financial statements. It is expected that the new reporting system will help eliminate these types of errors going forward.

Recommendation: With the conversion to the software system completed, we further recommend that the County begin to assess the existence of the assets currently reported in the system to ensure that disposals and useful lives are properly considered. It may be beneficial to obtain assistance from the County departments to help with this process.

Management's Response:

After years of manually tracking the County's assets in an Excel spreadsheet, the implementation of the Fixed Assets module of the County's financial system was completed in FY14. Unfortunately, the conversion of assets from the manual spreadsheet to the system exposed some previously unidentified errors. Now that the assets have been converted and all new assets are tracked automatically, the system will ensure consistent, accurate additions and application of depreciation. The County does not expect that the errors found during the conversion during FY14 will be repeated as they were a direct result of the one-time conversion of assets.

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS

None noted.