

DuPage County, Illinois

Single Audit Report

November 30, 2014

DuPage County, Illinois
November 30, 2014

Contents

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards.....	7
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Federal Expenditures of Federal Awards Required by OMB Circular A-133 - Independent Auditor’s Report.....	11
Schedule of Findings and Questioned Costs.....	14
Summary Schedule of Prior Audit Findings.....	31

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
November 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Expenditures
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants				
Direct Programs				
Community Development Block Grants	14.218	B-13-UC-17-0002	\$ 3,492,993	\$ 660,787
Community Development Block Grants	14.218	B-14-UC-17-0002	3,493,505	4,470,076
Continuum of Care Program	14.218	IL0308L5T141205	36,261	12,795
Continuum of Care Program	14.218	IL0533L5T141200	49,460	46,260
Homeless Management Information System Project	14.218	IL0306L5T141205	154,556	102,517
Homeless Management Information System Project	14.218	IL0306L5T141306	154,556	30,364
Neighborhood Stabilization Program	14.218	B-08-UN-17-0002	5,176,438	149,488
				<u>5,472,287</u>
Passed through the Illinois Housing Development Authority				
Neighborhood Stabilization Program	14.218	B-75019-LM	1,680,000	143,010
Total Community Development Block Grants/ Entitlement Grants				<u>5,615,297</u>
Emergency Solutions Grants				
Direct Programs				
Emergency Solutions Grant	14.231	E-13-UC-17-0002	217,960	29,594
Emergency Solutions Grant	14.231	E-14-UC-17-0002	255,126	187,890
				<u>217,484</u>
Passed through the Illinois Department of Commerce and Economic Opportunity				
Emergency Solutions Grant	14.231	12-272027	40,370	1,159
Emergency Solutions Grant	14.231	13-272027	27,051	27,051
				<u>28,210</u>
Passed through the Illinois Department of Human Services				
Emergency Solutions Grant	14.231	FCSTHO03761	33,033	3,627
Total Emergency Solutions Grants				<u>249,321</u>
Direct Programs				
Home Investment Partnership Program	14.239	M-13-DC-17-0214	1,239,250	351,519
Home Investment Partnership Program	14.239	M-14-DC-17-0214	1,312,014	1,006,233
				<u>1,357,752</u>
Direct Program				
CDBG Disaster Recovery Program	14.269	B-13-US-17-0002	7,000,000	6,633,470
Passed through the DuPage Housing Authority				
Section 8 Housing Choice Vouchers - Family Self-Sufficiency Program				
	14.871	Program Year 2014	78,864	72,426
Total Department of Housing and Urban Development				<u>13,928,266</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
November 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Expenditures
Department of Justice				
Direct Programs				
State Criminal Alien Assistance Program	16.606	N/A	N/A	\$ 194,838
Justice Assistance Program Cluster				
Direct Programs				
Edward Byrne Memorial Justice Assistance Grant Program FY 2010 Justice Assistance Grant Program	16.738	2010-DJ-BX-0039	14,351	8,688
Passed through the Illinois Criminal Justice Information Authority				
Edward Byrne Memorial Justice Assistance Grant Program				
Multi-Jurisdictional Drug Prosecution	16.738	409221	125,132	125,132
Multi-Jurisdictional Drug Prosecution	16.738	411021	125,132	21,102
Total Justice Assistance Program Cluster				<u>154,922</u>
Direct Programs				
Criminal and Juvenile Justice and Mental Health Collaboration Program - Mental Illness Court Alternative Program (MICAP) Expansion Project	16.745	2010-MO-BX-0009	198,904	21,193
Drug Court Discretionary Grant Program - Adult Drug Court Enhancement Project	16.585	2011-DC-BX-0130	199,691	29,263
Forensic DNA Backlog Reduction Program	16.741	2011-DN-BX-K517	349,561	63,081
Forensic DNA Backlog Reduction Program	16.741	2012-DN-BX-0116	300,326	143,122
Forensic DNA Backlog Reduction Program	16.741	2013-DN-BX-0025	296,770	14,024
				<u>220,227</u>
Juvenile Accountability Block Grant Programs				
Passed through the Illinois Department of Human Services				
Juvenile Accountability Block Grants Program -				
Juvenile Accountability Block Grants Program Grant	16.523	FCSSR03291	100,000	76,445
Juvenile Accountability Block Grants Program Grant	16.523	FCSTR03291	145,000	47,617
Juvenile Accountability Block Grants Program Grant	16.523	FCSTR03266	16,337	592
Total Juvenile Accountability Block Grant Programs				<u>124,654</u>
Passed through the Illinois Criminal Justice Information Authority				
Crime Victim Assistance Program	16.575	212060	58,347	11,689
Crime Victim Assistance Program	16.575	213060	58,347	58,347
				<u>70,036</u>
Passed through the Illinois Criminal Justice Information Authority				
National Forensic Science Improvement Grant	16.742	712503	18,000	14,072
National Forensic Science Improvement Grant	16.742	713503	32,311	24,397
				<u>38,469</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
November 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Expenditures
Passed through the Illinois Criminal Justice Information Authority				
OVW Arrest Grant - IFVCC Program	16.590	384018	\$ 2,880	\$ 2,880
Passed through the National Children's Alliance				
Missing Children's Assistance				
National Children's Alliance Program Support Grant	16.543	WHEA-IL-SA13	9,000	9,000
Total Department of Justice				<u>865,482</u>
Department of Labor				
Passed through the Illinois Department of Commerce and Economic Opportunity				
Trade Adjustment Assistance Program	17.245	12-661006	325,107	<u>244,659</u>
Workforce Investment Act Cluster -				
Title 1A	17.258	12-681006	949,421	88,475
Title 1A	17.258	13-681006	1,101,983	959,128
Title 1A	17.258	14-681006	1,215,772	<u>332,588</u>
				<u>1,380,191</u>
Title 1Y	17.259	12-681006	1,497,018	34,939
Title 1Y	17.259	13-681006	1,629,518	1,473,451
Title 1Y	17.259	14-681006	1,810,288	<u>137,055</u>
				<u>1,645,445</u>
10% Statewide Activities - Incentive	17.278	12-632006	49,594	49,594
Trade Adjustment Assistance Program	17.278	12-653006	34,314	34,314
Title 1D	17.278	12-681006	1,701,644	8,141
Title 1D	17.278	13-681006	1,964,462	1,698,893
Title 1D	17.278	14-681006	1,964,910	<u>459,721</u>
				<u>2,250,663</u>
Total Workforce Investment Act Cluster				<u>5,276,299</u>
National Emergency Grant - Dislocated Worker Training	17.277	13-671006	151,281	<u>95,250</u>
Workforce Innovation Fund -				
Accelerated Training for Illinois Manufacturing	17.283	12-113010	350,000	<u>270,656</u>
Total Department of Labor				<u>5,886,864</u>
U. S. Department of Transportation				
Passed through the Regional Transportation Authority:				
Job Access and Reverse Commute Grant	20.516	JARC-2010-11	832,661	<u>128,100</u>
Passed through the Illinois Department of Transportation				
Highway Planning and Construction Programs				
Central Signal System - North Region				
Preliminary Engineering	20.205	D-91-096-13	159,969	135,876
Schmale Road from Fullerton Ave to Bloomingdale Ct.				
Construction Engineering	20.205	C-91-085-13	30,061	14,944

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
November 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Expenditures
Fabyan Parkway at Illinois Route 38 Preliminary Engineering	20.205	D-91-145-13	\$ 553,225	\$ 193,634
75th Street from Adams Street to Plainfield Road Preliminary Engineering	20.205	D-91-561-12	382,240	4,038
Construction Engineering	20.205	C-91-538-13	655,775	651,401
Warrenville Road over West Branch of the DuPage River - Bridge Replacement Preliminary Engineering	20.205	P-91-502-12	201,960	4,996
Phase II Engineering	20.205	D-91-162-14	290,109	225,722
Total Highway Planning and Construction Programs				<u>1,230,611</u>
Total U. S. Department of Transportation				<u>1,358,711</u>
U.S. Environmental Protection Agency				
Direct Program				
Regional Wetland Program Development Grants				
DuPage County Wetland Survey and Mapping Project	66.461	CD-00E01166-0	118,369	38,305
Passed through the Illinois Environmental Protection Agency				
Nonpoint Source Implementation Grants -				
West Branch DuPage River Corridor Restoration Project	66.460	3191207	1,370,693	954,742
Total U. S. Environmental Protection Agency				<u>993,047</u>
Department of Energy				
Passed through the Illinois Department of Commerce and Economic Opportunity				
Illinois Home Weatherization Assistance Program	81.042	10-404928	13,000	13,000
Illinois Home Weatherization Assistance Program	81.042	13-401028	273,436	13,194
Total Department of Energy				<u>26,194</u>
US Election Assistance Commission				
Passed through the Illinois State Board of Elections				
Help America Vote Act Requirements Monies Phase III	90.401	127-036	1,045,337	463,463
Department of Health and Human Services				
Passed through the Northeastern Illinois Area Agency on Aging				
Case Coordination Unit - Title VII	93.041	14-703	5,909	4,616
Case Coordination Unit - Title VII	93.041	15-703	5,762	782
				<u>5,398</u>
Case Coordination Unit - Title VII	93.042	14-703	29,843	25,178
Case Coordination Unit - Title VII	93.042	15-703	30,634	9,082
				<u>34,260</u>
Case Coordination Unit - Title IIIB	93.044	14-703	376,286	265,106
Case Coordination Unit - Title IIIB	93.044	15-703	403,872	121,026
				<u>386,132</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
November 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Expenditures
Case Coordination Unit - Title III E	93.052	14-703	\$ 156,920	\$ 131,314
Case Coordination Unit - Title III E	93.052	15-703	166,905	16,056
				<u>147,370</u>
Case Coordination Unit - MIPPA	93.071	14-703	21,419	21,419
Case Coordination Unit - MIPPA	93.071	15-703	32,255	5,618
				<u>27,037</u>
Case Coordination Unit - MMAI Assistance	93.626	15-703	17,216	1,596
Case Coordination Unit - LT OMB HCO	93.634	OMBHOME201403	103,511	15,801
Total Case Coordination Unit				<u>617,594</u>
Passed through the Illinois Department of Healthcare and Family Services				
Child Support Enforcement - Title IV D	93.563	2014-55-013-K1A	402,600	254,820
Child Support Enforcement - Expedited Child Support	93.563	2014-55-009-K	28,380	8,890
Child Support Enforcement - Expedited Child Support	93.563	2015-55-009-K	28,380	17,490
Title IV-D - Child Support Enforcement Program	93.563	2014-55-013-K2A	402,600	165,599
				<u>446,799</u>
Child Support Enforcement - Access and Visitation	93.597	2012-55-024-K5B	90,000	63,029
Child Support Enforcement - Access and Visitation	93.597	2015-55-024-K1B	90,000	26,277
				<u>89,306</u>
Passed through the Illinois Department of Commerce and Economic Opportunity				
Low Income Home Energy Assistance Program	93.568	13-224028	2,874,703	955,215
Low Income Home Energy Assistance Program	93.568	14-224028	1,946,429	1,586,341
Illinois Home Weatherization Assistance Program	93.568	13-221028	615,905	590,952
Illinois Home Weatherization Assistance Program	93.568	14-221028	264,657	1,752
				<u>3,134,260</u>
Community Services Block Grant	93.569	13-231028	921,210	257,857
Community Services Block Grant	93.569	14-231028	968,189	618,137
				<u>875,994</u>
Social Services Block Grant				
Passed through the Illinois Department of Human Services				
Donated Funds Initiative	93.667	FCSSJ00210	67,740	38,278
Donated Funds Initiative	93.667	FCSTJ00210	67,740	28,801
				<u>67,079</u>
Passed through the Illinois Department of Children and Family Services				
Children's Advocacy Program	93.667	1351299014	64,180	35,792
Children's Advocacy Program	93.667	1351299015	7,500	3,379
				<u>39,171</u>
Total Social Services Block Grant				<u>106,250</u>
Passed through the Administrative Office of the Illinois Courts				
State Court Improvement Program Grant	93.586	CIPTRNG-G-1304	9,750	5,414
Total Department of Health and Human Services				<u>5,275,617</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
November 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Expenditures
Department of Homeland Security				
Direct Program				
Cooperating Technical Partners Initiative	97.045	EMC-2008-CA-7021	\$ 2,050,000	<u>\$ 40,270</u>
Passed through the Illinois Emergency Management Agency				
Hazard Mitigation Grant Program	97.039	FEMA-DR-1771-IL	754,418	<u>16,500</u>
Federal Emergency Management Performance Grant	97.042	14EMADUPA	164,870	137,881
Federal Emergency Management Performance Grant	97.042	15EMADUPA	165,000	<u>27,500</u>
				<u>165,381</u>
2011 Citizen Corps Program Grant	97.067	11DUPAGCCP	9,926	<u>9,926</u>
Total Department of Homeland Security				<u>232,077</u>
Total Federal Assistance				<u>\$ 29,029,721</u>

DuPage County
Notes to the Schedule of Expenditures of Federal Awards
November 30, 2014

Note 1: Basis of Presentation

This schedule includes the federal awards activity of DuPage County, Illinois, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Subrecipients

Of the federal expenditures presented in the schedule, DuPage County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Sub-recipients
Community Development Block Grant	14.218	\$ 2,525,602
Emergency Solutions Grant	14.231	87,358
Home Investment Partnership Program	14.239	253,936
Workforce Investment Act Cluster	17.258	914,931
	17.259, 17.278	
Community Services Block Grant	93.569	181,357

Note 3: Other

The County did not receive any non-cash Federal assistance during the 2014 fiscal year.

The County had no loans or loan guarantees involving Federal awards outstanding at November 30, 2014.

There were no Federal awards expended in the form of insurance in effect during the 2014 fiscal year.

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

Honorable Chairman and
Members of the County Board
DuPage 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of DuPage County, Illinois (County), as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon, dated October 2, 2015, which contained a paragraph emphasizing a matter regarding the financial statements and a reference to the reports of other auditors. The financial statements of the DuPage Airport Authority and the Water and Sewage System Fund, which are included in the County's financial statements, were not audited in accordance with *Government Auditing Standards*. Our report includes a reference to other auditors who audited the financial statements of the Health Department 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

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the County's 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, there can be no assurance that all material weaknesses or significant deficiencies have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, 2014-003 and 2014-006 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-004, 2014-005, 2014-007, 2014-008, and 2014-009 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

We also noted certain matters that we reported to the County's management in a separate letter dated October 2, 2015.

Honorable Chairman and
Members of the County Board
Page 10

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Oakbrook Terrace, Illinois
October 2, 2015

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Federal Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

Honorable Chairman and
Members of the County Board
DuPage County, Illinois

Report on Compliance for Each Major Federal Program

We have audited the compliance of DuPage County, Illinois (County) 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 its major federal programs for the year ended November 30, 2014. 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 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 the County's major federal programs based on our audit of the types of compliance requirements referred to above. The County's basic financial statements include the operations of the Health Department which received \$12,819,858 in federal awards which are not included in the schedule during the year ended November 30, 2014. Our audit, described below, did not include the operations of the Health Department because the Health department engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program

occurred. An audit includes examining, on a test basis, evidence about the 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, 2014.

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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. 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.

Honorable Chairman and
Members of the County Board
Page 13

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated October 2, 2015, which contained an unmodified opinion on those financial statements. Our report included a paragraph emphasizing a matter regarding the financial statements and a reference to the reports of other auditors. Our audit was performed 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 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Oakbrook Terrace, Illinois
October 2, 2015

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Summary of Auditor's Results

1. The opinions expressed in the independent auditor's report were:
 Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies)? Yes None reported
Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
Significant deficiency(ies)? Yes None reported
Material weakness(es)? Yes No

5. The opinions expressed in the independent auditor's report on compliance for major federal awards were:
 Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

7. The County's major programs were:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants - Entitlement Grants
14.269	Community Development Block Grant - Disaster Recovery Program
17.258, 17.259, 17.278	WIA Cluster
66.460	Nonpoint Source Implementation Grants - West Branch Dupage River Corridor Restoration Project
93.568	Low Income Home Energy Assistance Program
93.569	Community Services Block Grant

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$870,892.

9. The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133? Yes No

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
2014-001	<p>Accounting Software/Financial Reporting</p> <p>Criteria – Entities are required to account for all financial activity and have the ability to provide regular GAAP basis reporting.</p> <p>Condition – The Finance Department was unable to provide GAAP basis periodic financial reports to management or members of the County Board.</p> <p>Context – During fiscal year 2014, the County implemented a new enterprise resource planning (ERP) system.</p> <p>Effect – The Finance Department was unable to provide periodic financial reports to management or members of the Board.</p> <p>Cause – The limitations of the prior system and the on-going implementation of the new system resulted in the issue listed above.</p> <p>Recommendation – We recommend that the County continue to proceed with its implementation plan in order to meet its financial reporting needs.</p> <p>Management Response/Corrective Action – In 2010, the County hired a consultant to evaluate needs and assist in the design and selection of the Enterprise Resource Planning (ERP) software, which has a new financial accounting system as a priority. In November 2012, the County Board approved a contract for implementation of the Infor-Lawson ERP system. Since the beginning of 2013, County employees worked to implement the new software system and on April 25, 2014, the County began a staged rollout of the general ledger, accounts payable, cashbook (treasury), procurement, fixed assets and activity modules. Beginning with the first payroll of 2015, the human resources and payroll modules went live. With the completion of the 2015 audit, regular GAAP based financial reporting will begin.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-002	<p>Bank Reconciliations</p> <p>Criteria – As a part of a strong internal control structure, bank and investment statements should be reconciled to the general ledger on a monthly basis.</p> <p>Condition – Bank and investment statements were not reconciled to the general ledger (Lawson) on a timely and regular basis. In addition, several bank reconciliations provided had multiple reconciling items which were recorded due to previous errors.</p> <p>Context – The bank and investment statements were being reconciled to a separate module, but were not reconciled to the financial general ledger system.</p> <p>Effect – Bank and investment statements were not reconciled to the general ledger resulting in material audit adjustments.</p> <p>Cause – The implementation of the new general ledger software resulted in the issue listed above.</p> <p>Recommendation – We recommend that the County implement policies and procedures requiring bank statements to be reconciled to the general ledger monthly. Reconciliations should be documented and include an appropriate secondary review.</p> <p>Management Response/Corrective Action – The ERP system was implemented in phases, which resulted in detailed general ledger cash code, necessary to the reconciliation of the cashbook and general ledger modules, not being completed until three months after fiscal year end. The Treasurer’s Office and Finance Department developed a short-term process to reconcile the two modules on a monthly basis during the fieldwork. This process will be formalized and documented with the completion of the fiscal year 2014 and fully implemented before the fiscal year 2015 year end.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-003	<p>Convalescent Center – Segregation of Duties, Review of Billing Adjustments and Prior Period Adjustment</p> <p>Criteria – As a part of a strong internal control structure, duties over cash receipts should be segregated and controls should be in place over year-end billing.</p> <p>Condition – Duties over cash receipts are not segregated. The Convalescent Center does not properly account for pre-billing at year end and record the required adjusting entry.</p> <p>Context – The Convalescent Center bills room and board prior to the month of service. Each year, December room and board is billed in November and accounted for in the incorrect period. In addition, Medicare adjustments were retroactive and are not provided to the client on a timely basis. These billing adjustments occur subsequent to year end, but were for services provided during the fiscal year.</p> <p>Effect – Revenue was net overstated by approximately \$323,000 in fiscal year 2014. Billing issues also resulted in a prior period adjustment to correct revenue recognition in the amount of \$709,689.</p> <p>Cause – The software utilized does not account for the pre-billing at the end of the year and the Convalescent Center did not record the adjusting entry.</p> <p>Recommendation – To provide for proper control over cash receipts, we recommend that all mail be opened by someone outside the Accounting Department and that a list of receipts be prepared by the person opening the mail. Billing adjustments should be reviewed by an appropriate member of management and the Convalescent Center should implement policies and procedure to ensure that all year end billing adjustments are recorded.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-003	<p>Management Response/Corrective Action Plan – The Convalescent Center management has authorized additional hours to the process of analyzing patient accounts to ensure accurate balances are reflected in the detail resident account balance. Currently over one third of the reconciliations necessary have been performed. Due to limited staffing and the need to ensure that all payments for patient services are properly received, a Business Office representative, goes through the mail to glean out account payments, prior to the mail being sorted and distributed throughout the building. Mail addressed specifically to residents who are alert and oriented may not be opened prior to distribution to them without their consent. Payments received via the mail are in the form of a check. Due to the nature of a check, the chance of misappropriation is significantly limited. Deposits are made twice weekly with the Treasurer’s Office, corresponding reports are sent to the County’s Finance Department. Payments applied to patient accounts are compared to the Treasurer’s reports both on a weekly and monthly basis. The Financial Services Managers reconciles the monthly Treasurer’s report to the accounts receivable software on a monthly basis. Prior to deposit, payments received are kept in the Business Office safe and are in the form of checks. These payments are applied to the resident accounts, which show up on the resident statements.</p> <p>Any discrepancies between payments made and the account statements would be noted not only by the payer, but also by the Business Office through monthly collection meetings with the State’s Attorney’s Office.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-004	<p>Convalescent Center – Capital Asset Management</p> <p>Criteria – Performing a physical of inventory over capital assets is an important component of a control structure over capital assets. Convalescent Center capital assets are defined as those with an initial cost of more than \$500.</p> <p>Condition – The Convalescent Center has not performed a recent physical inventory of capital assets. The Convalescent Center’s capital asset detail includes several assets with costs of less than \$500.</p> <p>Context – A physical inventory of capital assets has not taken place in 25 years. The capital asset detail includes assets with costs of less than \$500, totaling approximately \$158,000.</p> <p>Effect – Not performing regular physical inventories of capital assets increases risk of misstating capital assets and also risk of misappropriation of capital assets. Capitalizing assets less than \$500 is not in compliance with the Convalescent Center’s capital asset policy.</p> <p>Cause – Processes and time frames for a complete physical inventory are currently being developed. Capital assets are included in the capital asset detail that have costs less than \$500.</p> <p>Recommendation – We recommend that the Convalescent Center should perform an annual physical inventory process. We also recommend that the Convalescent Center consider removing the capital assets that are capitalized with costs less than \$500 and use the threshold for going forward.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-004	<p>Management Response/Corrective Action – With the conversion to the recently implement ERP software, the Convalescent Center management is in the process of removing the assets, as recommended by the County’s internal auditing department from its capital book. Processes and time frames for a complete physical inventory are currently being developed. County policies and procedures exist regarding the disposal of assets and are followed in the disposal of any fixed assets by the Convalescent Center. The Convalescent Center Finance Manager is notified once a fixed asset has been taken out of service or disposed of and the item is taken off the capital book and a journal entry is made to reflect the change on the Convalescent Center’s trial balance.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-005	<p>County Clerk’s Office – Accounting Software</p> <p>Criteria – Adequate controls should be in place over the tracking and recording of tax sales redemptions.</p> <p>Condition – The County’s Clerk’s Office does not have accounting software to track tax sales redemptions.</p> <p>Context – Tax sale redemptions account for about 90% of the cash received by the County Clerk’s Office.</p> <p>Effect – The current system is manual and does not provide for timely monthly/annual financial reporting.</p> <p>Cause – The current system is manual.</p> <p>Recommendation – We recommend that consideration be given to implement an accounting software package that will reduce the risk of manual error and allow for automated financial information.</p> <p>Management Response/Corrective Action – Beginning in January 2015, the manual system previously used to track tax sale redemptions is no longer being used and an automated system was created in Excel. The County Clerk will continue to use the Excel program while the County is implementing a new ERP system. As the ERP project progresses, the County Clerk’s Office will explore the possibility of implementing part of the ERP system for tracking tax sale redemptions. If it is not feasible, then the County Clerk will ask the County Board for additional funding to purchase a stand-alone system.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-006	<p>Investments</p> <p>Criteria – Adequate controls should be in place over the tracking and recording of investments, including any required allocations of interest and recognition of accrued interest.</p> <p>Condition – The County did not record certain year end investment adjustments.</p> <p>Context – Audit adjustments were necessary to correct investments for the following: (1) investments were not recorded at market value as of fiscal year end, (2) adjustment was not recorded to allocate cost and interest among the funds, and (3) accrued interest was not recorded as of fiscal year end.</p> <p>Effect – Audit adjustments were necessary to correct investments.</p> <p>Cause – The implementation of the new ERP system created some limitations in recording the above mentioned areas.</p> <p>Recommendation – We recommend that the County implement policies and procedures to ensure that investments and year end accruals are appropriately allocated and adjusted.</p> <p>Management Response/Corrective Action – The implementation of detailed general ledger cash codes, completed in February of 2015, was a necessary first step before investment related adjustments could be manually recorded. The Treasurer’s Office, in conjunction with the Finance Department and the investment module software company, is developing a reasonable and automated methodology to allocate interest earnings across funds. The interface between the investment system and the ERP’s general ledger has been started and is expected to be completed by the end of fiscal year 2015. The investment system integration will allow the Treasurer’s Office to record the fair value of investments and accrued interest for the year-end financial statements.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-007	<p>Debt Requirements and Pledged Revenue</p> <p>Criteria – The County is required to record certain pledged revenue in compliance with debt agreements.</p> <p>Condition – Certain pledged revenues were not properly coded in the general ledger.</p> <p>Context – Various bond issues done by the County require specific pledged revenue requirements. One of the requirements on the County’s Drainage Bonds requires that a portion of the taxes received be transferred to fund debt service. Once funded, the remainder (which is residual savings from a previous refunding) goes to fund capital projects (Capital Projects Fund). Three months were identified as not having the correct coding in the general ledger, in accordance with pledged revenue requirements.</p> <p>Effect – Audit adjustments were needed to correct three months of coding in the general ledger.</p> <p>Cause – For three months, the County did not correctly record the pledged revenue in the general ledger.</p> <p>Recommendation – We recommend that the County implement policies and procedures for the review over pledged bond requirements. This review should be performed on a quarterly basis, at a minimum. The review should be formally documented. We also recommend that the County develop policies and procedures requiring the monthly review over state taxes, including the proper coding in the general ledger, in order to meet pledged revenue requirements.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-007	<p>Management Response/Corrective Action Plan – A spreadsheet had been developed at the time of bond issuance to allocate the proper amount of sales taxes (pledged revenue) to the proper debt service and capital project funds on a monthly basis. This spreadsheet is being used as a guide for the Treasurer to make the proper split. This procedure has been in use since 2001. As part of the learning process of the new ERP system, an error occurred in the allocation for three months as noted. The Finance Department identified the allocation and made an adjustment during the year; the proper amount of pledged revenue was available to the make the July 1, 2014 debt service payments for the related drainage bonds.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-008	<p>Manual Journal Entries</p> <p>Criteria – Adequate controls over manual journal entries are an important component of a strong internal control structure.</p> <p>Condition – The manual journal entry process is not consistent. The Finance Department did develop a journal entry form to use that includes identification of the purpose and areas for review and approval sign off. However, the use of the form was not always consistent. In addition, not all manual journal entries have a documented secondary review and approval.</p> <p>Context – The County utilizes manual journal entries to record certain transactions outside of the automated functions, which includes corrections and reclass entries. Manual entries can be created by both the Finance Department and the Treasurer’s Office.</p> <p>Effect – Not having a consistent and formal process increases risk of incorrect and/or unauthorized manual journal entries. In addition, in times of staff turnover, there is a risk that there may be difficulties identifying the purpose of the entry if there is not a formal process that clearly documents the purpose of the entry as well as the preparer and the approver.</p> <p>Cause – The methods of maintaining supporting documentation for manual journal entries was not consistent. The secondary reviewer did not always sign off as evidence of approval, either electronically or on the hardcopy support.</p> <p>Recommendation – We recommend that the County develop consistent policies and procedures over manual entries. The County should consider utilizing a hardcopy or electronic form/report that documents the purpose of the entry, the preparer, and the reviewer. Any other related documentation should be retained with the form/report.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-008	<p>Management Response/Corrective Action Plan – For manual journal entries, one consistent journal entry form is now being used by the Finance Department. In addition, a separate reviewer and approver are now required to initial the form. Supporting documentation on all journal entries has been and will continue to be stapled to the journal entry form and filed by month and year in the Finance Department. The Treasurer’s Office will adopt a consistent journal entry process to include electronic journal entry forms. Hard copies of journal entries will be filed chronologically with attached supporting documentation and approved initials. As necessary, entries will be saved electronically with additional back-up documentation (i.e., Lawson release or ledger reports in pdf. format).</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-009	<p>Capital Assets</p> <p>Criteria – Adequate controls should be implemented over capital asset management to ensure accurate tracking and reporting of capital assets.</p> <p>Condition – The County does not have a formal accounting policies or procedures manual for capital asset management. In addition, several issues were identified during the fiscal year 2014 testing over capital assets.</p> <p>Context – The County has a number of informal policies and procedures that are used in the recording of capital assets. However, these policies are not all formally documented. A good policy and procedures manual should aid in the training and transition of new employees, ensure that transactions are treated consistently, and insure that the treatment and the records produced are in accordance with generally accepted accounting principles and management’s intent. In addition, the following issues were identified during the 2014 audit testing over capital assets: (1) the capital asset detail initially provided tied in total but did not tie by asset class when comparing to beginning year balances; (2) the initial capital asset spreadsheet provided did not include decreases to construction in progress resulting in adjustment of \$1,953,586; (3) the County did not identify and record the capital contributions totaling \$1,072,684; (4) the initial spreadsheet provided included a negative \$329,194 in additions; (5) additional retainage was identified during the audit in the amount of \$124,327; (6) the County did not consistent follow the practice of applying a 10% salvage value for capital assets that historically has been used; and (7) vehicles that were disposed as part of the trade-in process were not recorded at the right cost amount.</p> <p>Effect – The issues identified above resulted in adjustments to the year end capital asset balances.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2014-009	<p>Cause – The main cause of the issues identified above related to the implementation of the new general ledger software.</p> <p>Recommendation – We recommend that the County develop a capital asset policies and procedures manual. The manual should include all custodial and accounting procedures necessary to ensure that the capital asset records are complete as of year end. This should include all procedures which require coordination with other departments. In addition, the manual should document the informal policies and procedures that the County uses in determining the treatment of capital asset and potential capital asset transactions. The County should also develop additional policies and procedures to prevent the identified issues as noted above. If the new system is going to be utilized for capital asset management, the beginning balance information should be thoroughly reviewed and reconciled by asset type and function with the previous system.</p> <p>Management Response/Corrective Action – The culmination of a new system and new personnel resulted in a protracted learning curve. Data migration issues and constraints on prior period asset entry restricted the value of the new system, resulting in reverting back to the old manual system and procedures. For the 2015 audit, the County will be cleaning up the asset logs and drafting new policies and procedures for adoption in 2016.</p>	None

DuPage County, Illinois
Schedule of Findings and Questioned Costs
Year Ended November 30, 2014

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
-----------------------------	----------------	-----------------------------

No reportable matters were identified.

DuPage County
Summary Schedule of Prior Audit Findings
Year Ended November 30, 2014

Reference Number	Finding	Questioned Costs
2013-007	Illinois Home Weatherization Assistance Program, CFDA #93.568 Eligibility – 13 files reviewed did not meet timeframe requirements. 1 file had discrepancies with the social security number.	No such instances were noted in fiscal year 2014. This finding has not been repeated.
2013-008	Community Services Block Grant, CFDA #93.569 Eligibility – Files reviewed for testing had inconsistent information. 1 was not signed by participant, 5 were missing social security number support, and 2 did not have complete income support in the file.	No such instances were noted in fiscal year 2014. This finding has not been repeated.
2013-009	Community Services Block Grant, CFDA #93.569 Community Development Block Grant, CFDA #14.218 Workforce Investment Act Cluster, CFDA #17.258, 17.259, 17.278 Meacham Grove Reservoir and Kress Creek Watershed Diversion Projects, CFDA #10.902 Subrecipient Monitoring – The County did not appropriately obtain subrecipient reports and review of possible issues. Monitoring reports pertaining to sub-awards were not all available for review. 1 subrecipient agreement did not have the correct CFDA number.	No such instances were noted in fiscal year 2014. This finding has not been repeated.
2013-010	Meacham Grove Reservoir and Kress Creek Watershed Diversion Projects, CFDA #10.902 Procurement – 1 vendor agreement did not include appropriate documentation relating to the source of the funding.	No such instances were noted in fiscal year 2014. This finding has not been repeated.
2013-011	Meacham Grove Reservoir and Kress Creek Watershed Diversion Projects, CFDA #10.902 Davis Bacon – Payroll statements obtained did not include the signed certified statement from the contractor.	No such instances were noted in fiscal year 2014. This finding has not been repeated.