

DUPAGE COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended November 30, 2018

DUPAGE COUNTY

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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
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 discretely presented component units, each major fund, and the aggregate remaining fund information of DuPage County, Illinois as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise DuPage County's basic financial statements, and have issued our report thereon dated May 22, 2019. Our report includes a reference to other auditors who audited the financial statements of the DuPage Airport Authority, a discretely presented component unit, as described in our report on DuPage County's financial statements. The financial statements of the DuPage Airport Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DuPage 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*.

DuPage County's Response to Findings

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

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
May 22, 2019

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 THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited DuPage County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the DuPage County's major federal programs for the year ended November 30, 2018. DuPage County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

DuPage County's basic financial statements include the operations of the DuPage County Health Department, which received \$11,559,653 in federal awards which is not included in DuPage County's schedule of expenditures of federal awards during the year ended November 30, 2018. Our audit, described below, did not include the operations of the DuPage County Health Department because a separate audit was performed in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditors' Responsibility

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

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

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 DuPage County's compliance.

Opinion on Each Major Federal Program

In our opinion, DuPage 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, 2018.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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

Purpose of this Report

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of DuPage County, Illinois as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise DuPage County's basic financial statements. We issued our report thereon dated May 22, 2019, 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 DuPage Airport Authority, a discretely presented component unit, as described in our report on DuPage County's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
July 17, 2019

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grant Number	Program or Award Amount	2018 Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development					
Direct Programs:					
Community Development Block Grants/Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants:					
Community Development Block Grants	14.218	B-13-UC-17-0002	\$ 3,492,993	\$ 29,100	\$ 29,100
Community Development Block Grants	14.218	B-15-UC-17-0002	3,565,584	191,562	12,000
Community Development Block Grants	14.218	B-16-UC-17-0002	3,525,457	836,813	609,779
Community Development Block Grants	14.218	B-17-UC-17-0002	3,589,224	2,625,454	1,887,287
Community Development Block Grants	14.218	B-18-UC-17-0002	3,953,783	362,610	241,176
Neighborhood Stabilization Program	14.218	B-08-UN-17-0002	5,176,438	124,934	-
Total Community Development Block Grants/Entitlement Grants				4,170,473	2,779,342
Total Community Development Block Grants/Entitlement Grants Cluster				4,170,473	2,779,342
Home Investment Partnership Program:					
Home Investment Partnership Program	14.239	M-14-DC-17-0214	1,312,014	704,347	195,130
Home Investment Partnership Program	14.239	M-15-DC-17-0214	1,226,726	179,256	133,237
Home Investment Partnership Program	14.239	M-16-DC-17-0214	1,275,958	8,528	-
Home Investment Partnership Program	14.239	M-17-DC-17-0214	1,280,596	10,276	-
Total Home Investment Partnership Program				902,407	328,367
Community Development Block Grant - Disaster Recovery Grants Pub. L. No. 113-2 Cluster:					
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR):					
Hurricane Sandy Community Development Block Grant					
Disaster Recover Grants:	14.269	B-13-US-17-0002	31,526,000	6,318,640	-
Total Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)				6,318,640	-
Total Community Development Block Grant - Disaster Recovery Grants Pub. L.No. 113-2 Cluster				6,318,640	-
Continuum of Care (CoC) Program Grants:					
Continuum of Care Program - Planning	14.267	IL0631L5T141600	128,502	84,432	-
Continuum of Care Program - Planning	14.267	IL0677L5T141600	128,502	30,368	-
2016 Continuum of Care Program - HMIS	14.267	IL0306L5T141509	154,556	123,701	-
2017 Continuum of Care Program - HMIS	14.267	IL0306L5T141710	154,556	38,636	-
Total Continuum of Care (CoC) Program Grants:				277,137	-
Emergency Solutions Grant Program:					
Emergency Solutions Grant	14.231	E-16-UC-17-0002	288,711	47,050	9,414
Emergency Solutions Grant	14.231	E-17-UC-17-0002	285,654	242,642	153,176
Emergency Solutions Grant	14.231	E-18-UC-17-0002	290,385	37,564	26,210
Total Emergency Solutions Grant Program				327,256	188,800
Passed through the Illinois Department of Human Services					
Emergency Solutions Grant Program:					
Emergency Solutions Grant	14.231	FCSWH03761	40,187	13,770	-
Emergency Solutions Grant	14.231	FCSXH03761	55,352	16,422	-
Total Emergency Solutions Grant Program				30,192	-
Total Emergency Solutions Grant Programs				357,448	188,800
Passed through the DuPage Housing Authority					
Housing Voucher Cluster:					
Section 8 Housing Choice Vouchers:					
Family Self-Sufficiency Program	14.871	Program Year 2017	102,702	5,579	-
Family Self-Sufficiency Program	14.871	Program Year 2018	108,407	103,539	-
Total Section 8 Housing Choice Vouchers				109,118	-
Total Housing Voucher Cluster				109,118	-
Total U.S. Department of Housing and Urban Development				12,135,223	3,296,509

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grant Number	Program or Award Amount	2018 Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice					
Direct Programs:					
State Criminal Alien Assistance Program:					
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0388	\$ 198,904	\$ 204,583	\$ -
Total State Criminal Alien Assistance Program				<u>204,583</u>	<u>-</u>
DNA Backlog Reduction Program:					
Forensic DNA Backlog Reduction Program	16.741	2016-DN-BX-0038	180,000	71,773	-
Forensic DNA Backlog Reduction Program	16.741	2017-DN-BX-0045	238,972	113,382	-
Total DNA Backlog Reduction Program				<u>185,155</u>	<u>-</u>
Passed through the Illinois Department of Human Services:					
Juvenile Justice and Delinquency Prevention Allocation to States:					
Juvenile Justice Youth Service Program Grant	16.540	FCSXR04985	65,000	12,797	-
Juvenile Accountability Block Grants Program Grant	16.540	FCSWR03529	70,000	43,223	-
Total Juvenile Justice and Delinquency Prevention Allocation to States				<u>56,020</u>	<u>-</u>
Passed through the Illinois Criminal Justice Information Authority:					
Edward Byrne Memorial Justice Assistance Grant Program:					
Multi-Jurisdictional Drug Prosecution	16.738	415721	132,122	109,763	-
Multi-Jurisdictional Drug Prosecution	16.738	416721	66,061	22,572	-
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>132,335</u>	<u>-</u>
Crime Victim Assistance:					
Crime Victim Assistance Program	16.575	216002	72,934	43,098	-
Crime Victim Assistance Program	16.575	216003	72,934	30,064	-
Total Crime Victim Assistance				<u>73,162</u>	<u>-</u>
Paul Coverdell Forensic Sciences Improvement Grant Program:					
National Forensic Science Improvement Grant	16.742	717503	28,449	26,780	-
Total Paul Coverdell Forensic Sciences Improvement Grant Program				<u>26,780</u>	<u>-</u>
Total U.S. Department of Justice				<u>678,035</u>	<u>-</u>
U.S. Department of Labor					
Passed through the Illinois Department of Commerce and Economic Opportunity:					
Employment Service Cluster:					
Employment Service/Wagner-Peyser Funded Activities:					
Disability Employment Initiative 2013	17.207	14-111001	330,500	91,376	3,715
Total Employment Service/Wagner-Peyser Funded Activities				<u>91,376</u>	<u>3,715</u>
Total Employment Service Cluster				<u>91,376</u>	<u>3,715</u>
Trade Adjustment Assistance:					
Trade Adjustment Assistance Program	17.245	16-661006	1,123,972	688,104	-
Trade Adjustment Assistance Program	17.245	17-661006	271,320	49,419	-
Total Trade Adjustment Assistance				<u>737,523</u>	<u>-</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grant Number	Program or Award Amount	2018 Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Labor (continued)					
Passed through the Illinois Department of Commerce and Economic Opportunity (continued):					
WIA Cluster:					
WIOA Adult Program:					
Title 1A	17.258	17-681006	\$ 1,570,541	\$ 1,353,302	\$ 18,276
Title 1A	17.258	18-681006	1,376,148	208,999	-
Total WIOA Adult Program				<u>1,562,301</u>	<u>18,276</u>
WIOA Youth Activities:					
Title 1Y	17.259	17-681006	1,708,325	1,110,141	267,776
Title 1Y	17.259	18-681006	1,491,165	215,357	162,143
Total WIOA Youth Activities				<u>1,325,498</u>	<u>429,919</u>
WIOA Dislocated Worker Formula Grants:					
WIOA Rapid Response Layoffs and Closings	17.278	17-651006	583,442	471,765	-
Title 1D	17.278	16-681006	2,331,712	8,775	-
Title 1D	17.278	17-681006	2,178,910	1,772,402	24,809
Title 1D	17.278	18-681006	2,057,528	146,076	-
Total WIOA Dislocated Worker Formula Grants				<u>2,399,018</u>	<u>24,809</u>
Total WIA Cluster				<u>5,286,817</u>	<u>473,004</u>
Total U.S. Department of Labor				<u>6,115,716</u>	<u>476,719</u>
U. S. Department of Transportation					
Passed through the Regional Transportation Authority					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities Program:					
Transportation to Work Grant	20.513	S5310-2017-02	510,862	293,504	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities Program				<u>293,504</u>	<u>-</u>
Total Transit Services Programs Cluster				<u>293,504</u>	<u>-</u>
Passed through the Illinois Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction:					
Gary Avenue Trail Right of Way					
Right of Way	20.205	R-91-014-16	469,840	119,200	-
Warrenville Road over West Branch of the DuPage River - Bridge Replacement					
Phase III Construction Engineering	20.205	C-91-162-14	385,016	1,757	-
Warrenville Road over East Branch of the DuPage River					
Phase I Preliminary Engineering	20.205	P-91-175-15	152,753	2,262	-
55th Street from Dunham Road to Clarendon Hills Road					
Phase II Design Engineering	20.205	D-91-197-15	366,000	18,474	-
Preliminary Engineering	20.205	R-91-007-15	745,000	476,042	-
Total Highway Planning and Construction				<u>617,735</u>	<u>-</u>
Total Highway Planning and Construction Cluster				<u>617,735</u>	<u>-</u>
Total U. S. Department of Transportation				<u>911,239</u>	<u>-</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grant Number	Program or Award Amount	2018 Federal Expenditures	Passed Through to Subrecipients
U.S Election Assistance Comission					
Passed through the Illinois State Board of Elections					
Help America Vote Act Requirements Payment:					
Help America Vote Act Requirements Payment	90.401	N/A	\$ 205,563	\$ 205,563	\$ -
Total Help America Vote Act Requirements Payment				<u>205,563</u>	<u>-</u>
Total U.S. Election Assistance Commission				<u>205,563</u>	<u>-</u>
U.S. Department of Energy					
Passed through the Illinois Department of Commerce and Economic Opportunity:					
Weatherization Assistance for Low-income Persons:					
Illinois Home Weatherization Assistance Program	81.042	17-401028	228,287	142,270	-
Illinois Home Weatherization Assistance Program	81.042	17-402028	349,912	74,864	-
Total Weatherization Assistance for Low-Income Persons				<u>217,134</u>	<u>-</u>
Total U.S. Department of Energy				<u>217,134</u>	<u>-</u>
U.S. Department of Health and Human Services					
Passed through the Northeastern Illinois Area Agency on Aging:					
Special Programs for the Aging, Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation:					
Case Coordination Unit - Title VII	93.041	17-703	6,403	837	-
Case Coordination Unit - Title VII	93.041	18-703	5,766	5,766	-
Total Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation				<u>6,603</u>	<u>-</u>
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals:					
Case Coordination Unit - Title VII	93.042	18-703	32,670	32,670	-
Total Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals				<u>32,670</u>	<u>-</u>
Aging Cluster:					
Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers:					
Case Coordination Unit - Title IIIB	93.044	18-703	496,779	492,310	-
Case Coordination Unit - Title IIIB	93.044	19-703	481,282	18,320	-
Total Special Programs for the Aging Title II, Part B Grants for Supportive Services and Senior Centers				<u>510,630</u>	<u>-</u>
Total Aging Cluster				<u>510,630</u>	<u>-</u>

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grant Number	Program or Award Amount	2018 Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)					
Passed through the Northeastern Illinois Area Agency on Aging (continued):					
National Family Caregiver Support, Title III, Part E:					
Case Coordination Unit - Title III E	93.052	18-703	\$ 209,935	\$ 194,636	\$ -
Case Coordination Unit - Title III E	93.052	19-703	209,030	9,264	-
Total National Family Caregiver Support, Title III, Part E				203,900	-
Medicare Enrollment Assistance Program:					
Case Coordination Unit - MIPPA	93.071	18-703	19,231	19,231	-
Medicare Enrollment Assistance Program				19,231	-
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models:					
Case Coordination Unit - MMAI Assistance	93.626	18-703	12,421	9,912	-
Total Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models				9,912	-
Passed through the Illinois Department of Healthcare and Family Services:					
Child Support Enforcement:					
Child Support Enforcement - Expedited Child Support	93.563	2018-55-009-K	28,380	17,061	-
Title IV-D - Child Support Enforcement Program	93.563	2017-55-013-K2B	402,600	232,094	-
Title IV-D - Child Support Enforcement Program	93.563	2017-55-013-K3B	402,600	171,675	-
Total Child Support Enforcement				420,830	-
Grants to States for Access and Visitation Programs:					
Child Support Enforcement - Access and Visitation	93.597	2018-55-024-KB	90,000	48,732	-
Child Support Enforcement - Access and Visitation	93.597	2018-55-024-K2B	90,000	42,462	-
Total Grants to States for Access and Visitation Programs				91,194	-
Passed through the Illinois Department of Commerce and Economic Opportunity:					
Low-Income Home Energy Assistance:					
Low Income Home Energy Assistance Program	93.568	17-224028	1,398,103	1,301,702	-
Low Income Home Energy Assistance Program	93.568	18-224028	2,760,955	674,468	-
Illinois Home Weatherization Assistance Program	93.568	17-221028	762,212	545,602	-
Illinois Home Weatherization Assistance Program	93.568	18-221028	762,212	58,786	-
Total Low-Income Home Energy Assistance				2,580,558	-
Community Services Block Grant:					
Community Services Block Grant	93.569	17-231028	1,041,242	103,806	37,183
Community Services Block Grant	93.569	18-231028	1,272,262	1,028,817	393,761
Total Community Services Block Grant				1,132,623	430,944

DuPage County, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grant Number	Program or Award Amount	2018 Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)					
Passed through the Illinois Department of Human Services:					
Social Services Block Grant:					
Donated Funds Initiative	93.667	FCSWJ00210	\$ 67,740	\$ 39,222	\$ -
Donated Funds Initiative	93.667	FCSXJ00210	77,339	32,807	-
Total Social Services Block Grant				<u>72,029</u>	<u>-</u>
Passed through the Illinois Department of Children and Family Services:					
Social Services Block Grant:					
Children's Advocacy Program	93.667	1351299018	7,701	4,476	-
Children's Advocacy Program	93.667	1351299019	7,701	3,266	-
Total Social Services Block Grant				<u>7,742</u>	<u>-</u>
Total Social Services Block Grant				<u>79,771</u>	<u>-</u>
Passed through the Administrative Office of the Illinois Courts:					
State Court Improvement Program:					
State Court Improvement Program Grant	93.586	CIP-G-1705	10,000	8,609	-
State Court Improvement Program				<u>8,609</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>5,096,531</u>	<u>430,944</u>
U.S. Department of Homeland Security					
Passed through Illinois Emergency Management Agency:					
Flood Mitigation Assistance Grant:					
2015 Flood Mitigation Assistance Grant	97.029	EMC-2016-FM-E003	631,139	180,000	-
Total Flood Mitigation Assistance Grant				<u>180,000</u>	<u>-</u>
Emergency Management Performance Grants:					
Federal Emergency Management Performance Grant	97.042	17EMADUPA	467,116	467,116	-
Federal Emergency Management Performance Grant	97.042	18EMADUPA	162,837	162,837	-
Total Emergency Management Performance Grants				<u>629,953</u>	<u>-</u>
Passed through Village of Hinsdale:					
Hazard Mitigation Grant:					
Graue Mill Grant	97.039	FEMA-DR-1935-IL	2,576,475	1,035,752	-
Total Hazard Mitigation Grant				<u>1,035,752</u>	<u>-</u>
Total Hazard Mitigation Grant				<u>1,035,752</u>	<u>-</u>
Total U. S. Department of Homeland Security				<u>1,845,705</u>	<u>-</u>
Total Federal Awards				<u>\$ 27,205,146</u>	<u>\$ 4,204,172</u>

DUPAGE COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of DuPage County, Illinois under programs of the federal government for the year ended November 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of DuPage County, Illinois, it is not intended to and does not present the financial position, changes in net position or cash flows of DuPage County, Illinois.

The reporting entity for DuPage County is based upon criteria established by the Governmental Accounting Standards Board. DuPage County is the primary government according to GASB criteria, while the DuPage County Airport Authority (Airport Authority) is a discretely presented component unit and the DuPage County Health Department (Health Department) is a blended component unit. The Airport Authority is not required to be audited according to the Uniform Guidance. Federal awards received directly by the Health Department are not included in this report since the amounts are reported in a separate report.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, 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.

NOTE 3 – INDIRECT COST RATE

DuPage County has not elected to use the 10% de minimis indirect cost rate.

DUPAGE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

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

Internal control over financial reporting:

- > Material weakness (es) identified? yes no
- > Significant deficiency (ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

FEDERAL AWARDS

Internal control over major programs:

- > Material weakness (es) identified? yes no
- > Significant deficiency (ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance? yes no

Auditee qualified as low-risk auditee? yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	Home Investment Partnership Program
14.269	Community Development Block Grant – Disaster Recovery Grants Pub. L. No. 113-2 Cluster
17.258, 17.259, 17.278	WIA Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 816,154

DUPAGE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

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

Finding 2018-001: County Board - Finance – Non-Treasurer Held Bank Accounts

Criteria: A properly and effectively designed system of internal control should encompass all operational activity of the County. This includes decentralized transactional activity and bank accounts maintained by the various departments and offices of the County other than the County Treasurer.

Condition: We noted that several departments and offices utilize bank accounts that are not reported in the County's general ledger software throughout the year. The Finance Department provided the appropriate entries and audit entries were not necessary. These "off-book" accounts consisted of governmental fund accounts and agency accounts in which the County held fiduciary responsibility for monies required to be distributed to other entities.

Cause: While some departments and offices maintain their own systems of internal controls, the maintenance of accounts outside the County's internal control procedures ensures that the accounts and related activity do not go through the County's centralized review and approval procedures. Specifically, the County's multi-office monthly review of bank reconciliations, and review and approval process over disbursements.

Effect: By operating outside the auspices of the County's primary system of internal controls, there is a risk that the County's financial statements would exclude transactional activity and existing bank account balances without the knowledge of management or the County Board. Additionally, errors or fraud could occur in these accounts without being discovered that would have otherwise been identified within the primary control procedures.

Recommendations for Corrective Action: We recommend that all bank accounts opened in the name of the County or department/office of the County be maintained and operated through the County's general ledger software. Transactions related to these accounts should also be recorded in the general ledger on a timely basis. If it is not feasible for transactional activity to be processed through the County's primary control procedures, each department and office maintaining "off-book" accounts should document and implement internal control procedures to ensure that bank reconciliations are prepared on a monthly basis and reviewed by someone other than the preparer and disbursements from the accounts be reviewed and approved before the transaction takes place.

Management's Response: As previously stated, management agrees with Baker Tilly's recommendation, and will continue to strongly encourage all offices that have separate cash accounts to bring those accounts "on-line", when appropriate, by processing transactions through the County's general ledger system on a timely basis, and to be subjected to the County's internal control procedures. Management understands that due to the nature of some of these accounts, some accounts will not be brought "on-line". Until such appropriate accounts are brought "on-line", management will strongly encourage all offices having such accounts to adhere to internal control procedures that include the following requirements: preparation of monthly bank reconciliations; review by a second party of monthly bank reconciliations and disbursements, and review by the Finance Department of quarterly reconciliations and transaction reports. Although we recognize that elected officials are not required to comply with these requirements, we encourage them to do so, to achieve the highest standard in internal control. The Finance Department will continue to work with the County Treasurer to advocate for the above changes.

DUPAGE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

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

Finding 2018-001: County Board - Finance – Non-Treasurer Held Bank Accounts (cont.)

Management’s Response (cont.): Additionally, in preparation for implementation of GASB No. 84, “Fiduciary Activities”, which is effective FY 2020, the Finance Department, in FY2019, will be assessing whether the activities in the Non-Treasurer held bank accounts need to be reported as fiduciary activities. Depending on the result of these assessments, some of these accounts may need to be maintained on the County’s general ledger.

Finding 2018-002: County Board – Care Center – Patient Billing

Criteria: The Care Center receives delayed information regarding when patients are admitted into Medicare and could receive information after the County’s financial statements have been issued. As such, it is necessary for the Care Center to prepare retroactive billings once information regarding Medicare patients is received.

Condition: The Care Center is behind in preparing the retroactive billings to detect misstatements in a timely manner.

Cause: Due to the lack of employees trained, the completion of retroactive billings and review of patient accounts is not timely.

Effect: Receivable balances by payor sources are not representative of the actual amounts due from payor.

Recommendations for Corrective Action: We recommend a more timely performance of the retroactive billings to ensure receivable balances by payor are properly stated.

DUPAGE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

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

Finding 2018-002: County Board – Care Center – Patient Billing (cont.)

Management's Response:

Prior Process for Retroactive Billing

A majority of DPCC's patient population is either funded through the State's Medicaid program or has applied for acceptance into the program. The State has been grossly delinquent in approving residents for Medicaid (even after they are eligible thru the Spend down process), during which time the resident remains as private pay status for billing purposes. Once notification of Medicaid approval is received, the private pay charges put into the billing software during the pending period, must be analyzed and re-established under the Medicaid payor source at the appropriate rates. Medicaid rates are adjusted quarterly and sometimes monthly and take into account such things as patient income and income offsets. The analysis and reclassification of billing requires a thorough understanding of the Medicaid process and is time consuming especially when approval can take up to a year. As a result, DPCC financial department reevaluated the current method of analysis and reclassification and put in new processes to reduce the number and complexity of retroactive billings moving forward.

New Process for Retroactive Billing effective 12/01/2018

Upon completion of financial screening and application for Medicaid benefits, the resident will be classified as Medicaid in DPCC billing software resulting in

- Medicaid revenue to be booked at the Medicaid rate versus Private Pay rate.
- Increased frequency of Medicaid receivable review also allows the Care Center's receivable classification to reflect the ultimate payor source and decreases the number of accounts that require review/analysis of retroactive classification changes.
- DPCC Financial services staff has reviewed and analyzed approximately 25%-30% of the existing Retroactive Medicaid Billings and made the appropriate adjustments.

New Changes-State of Illinois Medicaid Eligibility Program

During FY 2018, the State of Illinois established a provisional eligibility program for all residents applying for Medicaid benefits.

- The intent of the Provisional Eligibility program is to pay facilities the Medicaid rate for residents who are in the Medicaid review process. At this time, we have not yet received payment under this program.
- A quicker change in the classification of the resident payor source, allows us to bill in a timely manner and reduces the number and complexity of accounts needing retroactive analysis.

DUPAGE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted.



**DUPAGE
COUNTY**

FINANCE

630-407-6100

www.dupageco.org/finance

DUPAGE COUNTY, ILLINOIS

CORRECTIVE ACTION PLAN
For the Year Ended November 30, 2018

Finding 2018-001: County Board - Finance –Non-Treasurer Held Bank Accounts

As previously stated, management agrees with Baker Tilly's recommendation, and will continue to strongly encourage all offices that have separate cash accounts to bring those accounts "on-line", when appropriate, by processing transactions through the County's general ledger system on a timely basis, and to be subjected to the County's internal control procedures.

Management understands that due to the nature of some of these accounts, some accounts will not be brought "on-line". Until such appropriate accounts are brought "on-line", management will strongly encourage all offices having such accounts to adhere to internal control procedures that include the following requirements: preparation of monthly bank reconciliations; review by a second party of monthly bank reconciliations and disbursements, and review by the Finance Department of quarterly reconciliations and transaction reports. Although we recognize that elected officials are not required to comply with these requirements, we encourage them to do so, to achieve the highest standard in internal control. The Finance Department will continue to work with the County Treasurer to advocate for the above changes.

Additionally, in preparation for implementation of GASB No. 84, "Fiduciary Activities", which is effective FY 2020, the Finance Department, In FY 2019, will be assessing whether the activities in the Non-Treasurer held bank accounts need to be reported as fiduciary activities. Depending on the result of these assessments, some of these accounts may need to be maintained on the County's general ledger.

Official Responsible for Ensuring the Corrective Action Plan: Paul Rafac, Chief Financial Officer

Planned Completion Date for the Corrective Action Plan: 11/30/2019



**DUPAGE
COUNTY**

DUPAGE COUNTY, ILLINOIS

CORRECTIVE ACTION PLAN
For the Year Ended November 30, 2018

Finding 2018-002: County Board - Finance – Patient Billing

A majority of DPCC's patient population is either funded through the State's Medicaid program or has applied for acceptance into the program. The State has been grossly delinquent in approving residents for Medicaid (even after they are eligible thru the Spend down process), during which time the resident remains as private pay status for billing purposes. Once notification of Medicaid approval is received, the private pay charges put into the billing software during the pending period, must be analyzed and re-established under the Medicaid payor source at the appropriate rates. Medicaid rates are adjusted quarterly and sometimes monthly and take into account such things as patient income and income offsets. The analysis and reclassification of billing requires a thorough understanding of the Medicaid process and is time consuming especially when approval can take up to a year. As a result, DPCC financial department reevaluated the current method of analysis and reclassification and put in new processes to reduce the number and complexity of retroactive billings moving forward.

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- DPCC Financial services staff has reviewed and analyzed approximately 25%-30% of the existing Retroactive Medicaid Billings and made the appropriate adjustments.
-

New Changes-State of Illinois Medicaid Eligibility Program

During FY 2018, the State of Illinois established a provisional eligibility program for all residents applying for Medicaid benefits.

- The intent of the Provisional Eligibility program is to pay facilities the Medicaid rate for residents who are in the Medicaid review process. At this time, we have not yet received payment under this program.
- A quicker change in the classification of the resident payor source, allows us to bill in a timely manner and reduces the number and complexity of accounts needing retroactive analysis.

Official Responsible for Ensuring the Corrective Action Plan: Janelle Chadwick,
Administrator of DuPage Care Center

Planned Completion Date for the Corrective Action Plan: 11/30/2019

DUPAGE COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended November 30, 2018

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2017-001	<p>In the prior year, audit procedures revealed that the Convalescent Center Fund was improperly presenting long-term liabilities on the modified accrual fund financial statements. Audit adjustments were made to remove the long-term liabilities from the fund financial statements and a material weakness in external financial reporting was reported. During our audit procedures in the current year, it was determined that long-term liabilities were properly removed from the modified accrual financial statements, but unavailable revenue and unearned revenue were improperly reported. Audit adjustments were made to correct the unavailable revenue balance and remove the unearned revenue no longer applicable from the fund financial statements. These adjustments indicate a material weakness in the financial reporting system.</p>	<p>In the current year, audit procedures did not result in any material adjustments to the Care Center's financial statements due to additional review controls implemented by the Care Center, County Finance Department, and County Auditor.</p>
2017-002	<p>We noted that several departments and offices utilize bank accounts that are not reported in the County's general ledger software throughout the year. The Finance Department provided the appropriate entries and audit entries were not necessary. These "off-book" accounts consisted of governmental fund accounts and agency accounts in which the County held fiduciary responsibility for monies required to be distributed to other entities.</p>	<p>Management will continue to strongly encourage all offices that have separate cash accounts to bring those accounts "on-line", when appropriate, by processing transactions through the County's general ledger system on a timely basis and to be subject to the County's internal control procedures.</p>
2017-003	<p>The Care Center is behind in preparing the retroactive billings to detect misstatements in a timely manner.</p>	<p>The Care Center has reevaluated the current method of analysis and reclassification and put in new processes to reduce the number and complexity of retroactive billings moving forward in FY2019.</p>