

COUNTY OF LASALLE, ILLINOIS

A-133 INDEPENDENT AUDITOR'S REPORT

November 30, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members
of the County Board
County of LaSalle
Ottawa, Illinois

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of LaSalle, Illinois (LaSalle County) as of and for the year ended November 30, 2012, and have issued our report thereon dated May 8, 2013, which contained an unqualified opinion on those financial statements.

Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise LaSalle County basic financial statements. The accompanying schedule of expenditures of federal awards, related notes, and other related information is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Mendota, Illinois
May 8, 2013

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

To the Chairman and Members
of the County Board
County of LaSalle
Ottawa, Illinois

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 of LaSalle, Illinois, (LaSalle County), as of and for the year ended November 30, 2012, which collectively comprise LaSalle County's basic financial statements and have issued our report thereon dated May 8, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting, identified as items 2012-II-01. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LaSalle 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*.

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

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is fluid and cursive, with "Wipfli" on the top line and "LLP" on the bottom line.

Mendota, Illinois
May 8, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Chairman and Members
of the County Board
County of LaSalle
Ottawa, Illinois

Compliance

We have audited LaSalle County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the County of LaSalle, Illinois (LaSalle County)'s major federal programs for the year ended November 30, 2012. LaSalle County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of LaSalle County's management. Our responsibility is to express an opinion on LaSalle County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LaSalle County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of LaSalle County's compliance with those requirements.

In our opinion, LaSalle County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2012. The results of our auditing procedures also disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133

Internal Control Over Compliance

Management of LaSalle County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered LaSalle County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LaSalle County's internal control over compliance.

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

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

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

The purpose of this report is solely to describe the scope of our testing of compliance with the specific program compliance requirements referred to above that are applicable to each of LaSalle County's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on LaSalle County's compliance but not to provide an opinion on the effectiveness of LaSalle County's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering LaSalle County's compliance with the specific program compliance requirements applicable to its major programs and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.



Mendota, Illinois
May 8, 2013

COUNTY OF LASALLE, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended November 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Agriculture			
Illinois State Board of Education:			
Child Nutrition Cluster:			
Food Donation Program (non cash)	10.555	35050024P00A1	\$ 640
Food Donation Program (non cash)	10.555	35050024P00A1	818
Total CFDA No. 10.555			1,458
School Breakfast Program	10.553	12-35050024P00	8,318
School Breakfast Program	10.553	13-35050024P00	849
Total CFDA No. 10.553			9,167
National School Lunch Program	10.555	12-35050024P00	12,949
National School Lunch Program	10.555	13-35050024P00	1,310
Total CFDA No. 10.555			14,259
Total child nutrition cluster			24,244
Illinois Department of Human Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children			
WIC Administration	10.557	11GQ01215	209,879
WIC Administration	10.557	FCSRE00918	146,000
WIC Vouchers (non-cash)	10.557	366006612-SFY12	835,066
WIC Vouchers (non-cash)	10.557	366006612-SFY13	257,014
Total CFDA No. 10.557			1,447,959 (M)
Total Department of Agriculture			\$ 1,472,843
Department of Justice			
Direct grant - no pass-through			
Supervised Visitation, Safe Havens for Children	16.527	2010-CW-AX-K015	\$ 178,996
Illinois Criminal Justice Information Authority			
Crime Victims Assistance-			
Law Enforcement & Prosecutor Based Victim Assist #209040	16.575	2445SG120965	\$22,097
Law Enforcement & Prosecutor Based Victim Assist #209040	16.575	3445SG130965	13,257
Total CFDA No. 16.575			35,354
Direct grant - no pass through			
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0862	10,104
Illinois Department of Human Services			
ARRA Redeploy Illinois	16.803	2011GQ02092	27,724
ARRA Redeploy Illinois	16.803	3FCSRE01260	48,587
Total CFDA No. 16.803			76,311
Total Department of Justice			\$ 300,765
Department of Transportation			
Illinois Emergency Management Agency			
Interagency Hazardous Materials Public Sector Training and Planning-			
Hazardous Materials Emergency Preparedness Training & Planning	20.703	211HMEPLASA	\$ 2,459
Total Department of Transportation			\$ 2,459

See Notes to Schedule of Federal Awards.

COUNTY OF LASALLE, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
For the Year Ended November 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Environmental Protection Agency			
Illinois Department of Public Health			
Performance Partnership Grants:			
Potable Water Supply	66.605	(not provided)	\$ 609
Expense Implement Federal Award	66.432	(not provided)	5,575
Total Environmental Protection Agency			\$ 6,184
Department of Health & Human Services			
Illinois Department of Public Health			
Public Health Emergency Preparedness Grant:			
Public Health Emergency Response	93.069	271880048	\$90,005
Expense Implement Federal Award	93.268	634825012900	311
Centers for Disease Control and Prevention			
Breast & Cervical Cancer	93.283	26180017	28,268
Breast & Cervical Cancer	93.283	36180017A	20,881
Total CFDA No. 93.283			49,149
Illinois Department of Healthcare and Family Services			
Child Support Enforcement	93.563	2011-55-007-K2AU	15,319
Child Support Enforcement	93.563	2011-55-007-K2AU	4,100
Total CFDA No. 93.563			19,419
Illinois Department of Human Services			
Social Service Block Grant:			
Family Case Management / Downstate	93.667	11GQ00300	4,067
Family Case Management / Downstate	93.667	FCSRE0142	6,100
Total CFDA No. 93.667			10,167
Illinois Department of Healthcare and Family Services			
Medical Assistance Program	93.778	366006612002FY12	52,106
Medical Assistance Program	93.778	366006612002FY13	548
Total CFDA No. 93.778			52,654
Illinois Department of Human Services			
Maternal and Child Health Services Block Grant			
Oral Health Program	93.994	03480156	2,429
Oral Health Program	93.994	03480156	407
Total CFDA No. 93.994			2,836
Total Department of Health & Human Services			\$ 224,541

COUNTY OF LASALLE, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
For the Year Ended November 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Homeland Security			
Illinois Emergency Management Agency Interoperable Emergency Communications Grant	97.001	09IECGPLA2	\$ 10,774
Emergency Management Performance Grant	97.042	12EMALASAL	68,282
Citizen Corps Program	97.067	(not provided)	5,000
Total Department of Homeland Security			\$ 84,056
Total federal grant expenditures			\$ 2,090,848

(M) - Audited as a major federal program.

See Notes to Schedule of Federal Awards

COUNTY OF LASALLE, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2012

(A) Basis of Accounting:

The accompanying schedule of expenditures federal awards includes the federal grant expenditures of LaSalle County, Illinois under programs of the federal government for the year ended November 30, 2012. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of LaSalle County, Illinois, it is not intended to and does not present the financial position, changes in net assets or cash flows of LaSalle County, Illinois.

(B) 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

(C) Subrecipient Payments:

None

(D) Noncash Assistance:

As reported on the Schedule of Expenditures of Federal Awards, LaSalle County dispensed noncash assistance in the form of food commodities, WIC food instruments, and immunizations. During the year ended November 30, 2012, the County received and used/expended the following non-cash assistance. These values are included in the determination of Federal awards expended.

Non-cash assistance type:	CFDA	Value
Food commodities	10.555	\$ 1,458
WIC vouchers (food instruments)	10.557	1,092,080
		\$1,093,538

(E) Other Federal Award Information:

LaSalle County did not receive or administer any insurance, loans or loan guarantees during the fiscal year ended November 30, 2012.

COUNTY OF LASALLE, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended November 30, 2012

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unqualified		
<u>Internal control over financial reporting:</u>			
Material weakness(es) identified?	Yes	<input checked="" type="checkbox"/> X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input checked="" type="checkbox"/> X	Yes	None reported
Noncompliance material to financial statements noted?	Yes	<input checked="" type="checkbox"/> X	None reported

Federal Awards

Type of auditor’s report issued on compliance for programs:	Unqualified		
<u>Internal control over major programs:</u>			
Material weakness(es) identified?	Yes	<input checked="" type="checkbox"/> X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input checked="" type="checkbox"/> X	Yes	None reported
Noncompliance material to financial statements noted?	Yes	<input checked="" type="checkbox"/> X	None reported
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes	<input checked="" type="checkbox"/> X	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557.....	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> X Yes <input type="checkbox"/> No

COUNTY OF LASALLE, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
For the year ended November 30, 2012

Section II – Financial Statement Findings

Finding 2012-II-01

Condition - There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel.

Effects - Many of the accounting functions are performed by the same individuals.

Cause - The County has a limited number of staff to allow for adequate segregation of duties.

Recommendation - It does not appear to be economically feasible to hire additional personnel to help segregate the accounting functions. However, the Board's close supervision and review of accounting information appears to be the most economical and appropriate manner to help prevent and detect errors and irregularities in the County's accounting and financial reporting.

Management response - The County's management and County Board's close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the county's accounting and financial reporting.

Section III – Federal Award Findings and Questioned Costs

None

COUNTY OF LASALLE, ILLINOIS

CORRECTIVE ACTION PLAN

For the year ended November 30, 2012

Finding 2012-II-01

Condition - There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel.

Plan - The County Board of LaSalle County, Illinois is aware that this condition exists and will closely supervise and review all accounting information and results on a regular basis.

Anticipated Date of Completion - None. The County lacks sufficient resources to completely address this finding. As mentioned in the plan above, Management and the County Board will continue to supervise and review all information to reduce the likelihood of errors.

Contact Person - County Auditor

COUNTY OF LASALLE, ILLINOIS
SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended November 30, 2012

Section IV – Prior Year Findings

For the year-end November 30, 2011

Finding 2011-II-01

There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel.

Finding 2011-III-01

The LaSalle County Health Department has a lack of segregation of duties relating to the internal control over its reporting requirement for the current year major programs. The same individual prepares, signs, and submits the quarterly reports, without any review and sign-off by another individual. This finding was corrected as of November 30, 2012.