

**MCLEAN COUNTY, ILLINOIS**

REPORT ON FEDERAL AWARDS

For the Year Ended December 31, 2016

# MCLEAN COUNTY, ILLINOIS

## TABLE OF CONTENTS For the Year Ended December 31, 2016

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	<u>Page(s)</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3 – 5
Schedule of Expenditures of Federal Awards	6 – 7
Notes to Schedule of Expenditures of Federal Awards	8 – 9
Schedule of Findings and Questioned Costs	10 – 11

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 County Board of  
McLean County  
Bloomington, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McLean County, Illinois as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise McLean County's basic financial statements, and have issued our report thereon dated May 19, 2017. Our report includes a reference to other auditors who audited the financial statements of the Public Building Commission of McLean County, Illinois, as described in our report on McLean 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. The financial statements of the Public Building Commission of McLean County, Illinois 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 McLean 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 McLean County's internal control. Accordingly, we do not express an opinion on the effectiveness of McLean County's internal control.

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

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

To the County Board of  
McLean County, Illinois

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether McLean 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*.

### **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 19, 2017

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 County Board of  
McLean County  
Bloomington, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited McLean County, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on McLean County's major federal program for the year ended December 31, 2016. McLean County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for McLean County's major federal program 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 McLean 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 the major federal program. However, our audit does not provide a legal determination of McLean County's compliance.

To the County Board of  
McLean County, Illinois

### ***Opinion on Each Major Federal Program***

In our opinion, McLean County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

### **Report on Internal Control Over Compliance**

Management of McLean 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 McLean County's internal control over compliance with the types of requirements that could have a direct and material effect on its 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 McLean County's internal control over compliance.

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

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

### **Purpose of this Report**

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

To the County Board of  
McLean County, Illinois

### **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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McLean County, Illinois as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the McLean County's basic financial statements. We issued our report thereon dated May 19, 2017, 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 Public Building Commission of McLean County, Illinois, as described in our report on McLean 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  
May 19, 2017

**MCLEAN COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grantor's Identifying Number	Federal Expenditures	Payments to Subrecipients
<b>U.S. Department of Agriculture</b>					
<i>Child Nutrition Cluster</i>					
School Breakfast Program	10.553	ISBE	2017-4220-00-17064-030P-00	\$ 1,720	\$ -
School Breakfast Program	10.553	ISBE	2016-4220-00-17064-030P-00	7,343	-
<i>Total 10.553</i>				<u>9,063</u>	<u>-</u>
National School Lunch Program	10.555	ISBE	2017-4210-00-17064-030P-00	2,851	-
National School Lunch Program	10.555	ISBE	2016-4210-00-17064-030P-00	11,650	-
National School Lunch Program (Noncash); ISBE Lanter Commodities	10.555	ISBE	ISBE Lanter Commodities	1,633	-
<i>Total 10.555</i>				<u>16,134</u>	<u>-</u>
Summer Food Service Program for Children; Summer Food Facilities Inspections	10.559	DPH	55280031C	1,100	-
<i>Total Child Nutrition Cluster</i>				<u>26,297</u>	<u>-</u>
Special Supplemental Nutrition Program for Women, Infants, and Children (Noncash)	10.557	DHS	N/A	983,802	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	FCSUQ1064	238,546	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	FCSVQ1064	217,466	-
<i>Total 10.557</i>				<u>1,439,814</u>	<u>-</u>
WIC/Farmer's Market Nutrition Program; Admin	10.572	DHS	WIC/Farmer's Market - Admin	1,000	-
Total U.S. Department of Agriculture				<u>1,467,111</u>	<u>-</u>
<b>U.S. Department of Justice</b>					
Crime Victim Assistance; Law Enforcement Prosecutor Based Victim Assistance	16.575	CJA	215236	21,930	-
Crime Victim Assistance; Law Enforcement Prosecutor Based Victim Assistance	16.575	CJA	215036	20,435	-
Crime Victim Assistance; Child Advocacy Center Services	16.575	CJA	215307	9,106	-
Crime Victim Assistance; Child Advocacy Center Services	16.575	CJA	215207	22,750	-
Crime Victim Assistance; Child Advocacy Child Abuse	16.575	CJA	251249	34,947	-
Crime Victim Assistance; Child Advocacy Child Abuse	16.575	CJA	215049	55,446	-
<i>Total 16.575</i>				<u>164,614</u>	<u>-</u>
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	N/A	6,024	-
Edward Byrne Memorial Justice Assistance Grant Program: Multi Jurisdictional Narcotics Unit (Task Force 6)	16.738	CJA	411320	51,285	51,285
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	N/A	4-BLOO-IL-SA16	9,000	-
Total U.S. Department of Justice				<u>230,923</u>	<u>51,285</u>
<b>U.S. Department of Transportation</b>					
Formula Grants for Rural Areas; Section 5311 Operating Assistance Grant; ShowBus pass-thru	20.509	DOT	IL-18-X031 #4551	143,566	143,566
Formula Grants for Rural Areas; Section 5311 Operating Assistance Grant; ShowBus pass-thru	20.509	DOT	IL-18-X029 #4627	312,749	312,749
<i>Total 20.509</i>				<u>456,315</u>	<u>456,315</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	DOT	IL-80-0001 Contract # 262	7,745	7,745
Interagency Hazardous Materials Public Sector Training and Planning Grants; Hazardous Materials Emergency Prep	20.703	EMA	McLean County (LEPC)	6,606	-
Total U.S. Department of Transportation				<u>470,666</u>	<u>464,060</u>



**MCLEAN COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2016

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grantor's Identifying Number	Federal Expenditures	Payments to Subrecipients
<b>U.S. Environmental Protection Agency</b>					
Performance Partnership Grant; Non-Community Water Grant	66.605	DPH	N/A	\$ 1,475	\$ -
Total U.S. Environmental Protection Agency				<u>1,475</u>	<u>-</u>
<b>U.S. Election Assistance Commission</b>					
Helping America Vote Act Requirements Payments	90.401	SBE	N/A	5,274	-
Total U.S. Election Assistance Commission				<u>5,274</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>					
Medical Reserve Corp Small Grant Program	93.008	NACCHO	MRC 13-0321	10,829	-
Public Health Emergency Preparedness; Bioterrorism Training and Curriculum Development Program	93.069	DPH	67180061D	61,581	-
Public Health Emergency Preparedness; Bioterrorism Training and Curriculum Development Program	93.069	DPH	77180061E	50,288	-
Total 93.069				<u>111,869</u>	<u>-</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance; Administration (SAMHSA)	93.243	N/A	5H79TI023631-03	247,576	-
Immunization Cooperative Agreements; Commodities	93.268	DPH	Non-cash	582,802	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance; Chronic Disease - Asthma Program Grant	93.283	DPH	63283008D	4,102	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance; Chronic Disease - Asthma Program Grant	93.283	DPH	73283007E	1,524	-
Total 92.283				<u>5,626</u>	<u>-</u>
Child Support Enforcement - Title IV - D; States Attorney	93.563	DHFS	2014-55-013-K3E	87,800	-
Child Support Enforcement - Title IV - D; States Attorney	93.563	DHFS	2014-55-013-K2E	76,423	-
Child Support Enforcement - Title IV - D; Circuit Court	93.563	DHFS	2015-55-007-KK	6,043	-
Child Support Enforcement - Title IV - D; Circuit Court	93.563	DHFS	2015-55-007-KK	6,098	-
Total 93.563				<u>176,364</u>	<u>-</u>
Child Care and Development Block Grant; Child Care Services	93.575	DHS	FCSSI01763	27,699	-
State Court Improvements Program - Child Protection Data Courts Project	93.586	ISC	CIP Data-G-1502	1,498	-
Medical Assistance Program (Federal Financial Participation)	93.778	DHFS	Fund 0109	268,756	-
Total Medicaid Cluster				<u>268,756</u>	<u>-</u>
HIV Prevention Activities - Health Dept. Based	93.940	CUPHD	16-75-03	47,285	-
Maternal and Child Health Services Block Grant to States	93.994	DHFS	FCSSU03046	168,802	-
Maternal and Child Health Services Block Grant to States	93.994	DHFS	FCSVU03046	221,327	-
Maternal and Child Health Services Block Grant to States; Dental Sealant	93.994	DPH	63480128D	6,023	-
Maternal and Child Health Services Block Grant to States; Dental Sealant	93.994	DPH	73489023E	4,344	-
Total 93.994				<u>400,496</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>1,880,800</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>					
Emergency Management Performance Grants; State and Local Assistance	97.042	EMA	16EMAMCLEA	38,822	-
Total U.S. Department of Homeland Security				<u>38,822</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 4,095,071</u>	<u>\$ 515,345</u>

# MCLEAN COUNTY, ILLINOIS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS As of and for the Year Ended December 31, 2016

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### **NOTE 1 – BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of McLean County, Illinois and its discretely presented component unit, the Emergency Telephone Systems Board, under programs of the federal government for the year ended December 31, 2016. 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 McLean County it is not intended to and does not present the financial position, changes in net position or cash flows of McLean County, Illinois.

The reporting entity for McLean County is based upon criteria established by the Governmental Accounting Standards Board. McLean County is the primary government according to GASB criteria, while the Public Building Commission of McLean County (Public Building Commission) is a component unit. Federal awards, if any, received directly by the Public Building Commission are not included in this report since the Public Building Commission has been audited by other auditors and those amounts are reported in a separate report.

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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### **NOTE 3 – INDIRECT COST RATE**

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Although eligible for, McLean County has not elected to use the 10% de minimis indirect cost rate.

## MCLEAN COUNTY, ILLINOIS

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS As of and for the Year Ended December 31, 2016

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#### **NOTE 4 – PASSED THROUGH AGENCY**

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Below is the key for the Passed through Agency acronyms that are presented on the schedule.

DHS	=	Illinois Department of Human Services
ISBE	=	Illinois State Board of Education
DPH	=	Illinois Department of Public Health
CJA	=	Illinois Criminal Justice Assistance Grant Program
DOT	=	Illinois Department of Transportation
EMA	=	Illinois Emergency Management Agency
DHFS	=	Illinois Department of Healthcare and Family Services
ISC	=	Illinois Supreme Court
CUPHD	=	Champaign-Urbana Public Health District
SBE	=	Illinois State Board of Elections
NACCHO	=	National Association of County and City Health Officials
N/A	=	Not applicable, Direct Award

# MCLEAN COUNTY, ILLINOIS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2016

### SECTION I – SUMMARY OF AUDITORS' RESULTS

#### *FINANCIAL STATEMENTS*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified?      \_\_\_\_\_ yes        X   no
- > Significant deficiencies identified?      \_\_\_\_\_ yes        X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes        X   no

#### *FEDERAL AWARDS*

Internal control over federal award programs:

- > Material weakness(es) identified?      \_\_\_\_\_ yes        X   no
- > Significant deficiencies identified?      \_\_\_\_\_ yes        X   none reported

Type of auditor's report issued on compliance of federal award programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?

\_\_\_\_\_ yes        X   no

Auditee qualified as low-risk auditee?

  X   yes      \_\_\_\_\_ no

Identification of major federal program:

CFDA Number

10.557

Name of Federal Program

Special Supplemental Nutrition for Women, Infants and Children

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

\$ 750,000

# MCLEAN COUNTY, ILLINOIS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2016

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

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No financial statements findings required to be reported.

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### **SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS**

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None noted.