

McLean County, Illinois

Compliance Report
December 31, 2012

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**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 County Board of
McLean County, Illinois
Bloomington, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* Issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McLean County, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise McLean County, Illinois basic financial statements, and have issued our report thereon dated May 22, 2013. 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, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered McLean County, Illinois' 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, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of McLean County, Illinois' 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether McLean County, Illinois' 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We noted certain matters that we reported to management of McLean County, Illinois in a separate letter dated May 22, 2013.

A handwritten signature in cursive script that reads "McGladrey LLP".

Davenport, Iowa
May 22, 2013



**Independent Auditor's Report on Compliance For
Each Major Federal Program; Report on Internal
Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

To the County Board of
McLean County, Illinois
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 Circular A-133 Compliance Supplement* that could have a direct and material effect on each of McLean County, Illinois' major federal programs for the year ended December 31, 2012. McLean County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of McLean County, Illinois' 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 OMB Circular A-133, *Audits of States, Local Government, 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 McLean County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of McLean County, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, McLean County, Illinois 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 December 31, 2012.

Report on Internal Control Over Compliance

Management of McLean County, Illinois 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, Illinois' 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 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 McLean County, Illinois' 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.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McLean County, Illinois as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise McLean County, Illinois' basic financial statements. We issued our report thereon dated May 22, 2013, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the discretely presented component unit, Public Building Commission of McLean County, Illinois, whose statements reflected no expenditures of federal awards for the year ended December 31, 2012. Those financial statements were audited by other independent auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the component unit, is based solely upon the report of the other independent auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Davenport, Iowa
May 22, 2013

McLean County, Illinois

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
(Passed through Illinois Department of Transportation):			
Section 5311 Operating Assistance Grant	20.509	IL-18-X027	\$ 502,343
Section 5311 Rolling Stock	20.509	CAP12-999-FED	195,998
Total 20.509			<u>698,341</u>
Job Access and Reverse Commute Grant	20.516	IL-37-X061 Contract #4059	20,906
Job Access and Reverse Commute Grant	20.516	CAP12-999-FED	97,999
Total 20.516			<u>118,905</u>
New Freedom Operating & Assistance Grant	20.521	IL-57-X017-00	10,117
New Freedom Operating & Assistance Grant	20.521	IL-57-X017-00	3,331
Total 20.521			<u>13,448</u>
2012 Holiday Mobilization Plus	20.600	MM-12-535	1,350
Total passed through Illinois Department of Transportation			<u>832,044</u>
(Passed through Illinois Emergency Management Agency):			
Hazardous Materials Emergency Preparedness (HEMP) Grant	20.703	McLean County (LEPC)	2,393
Total U.S. Department of Transportation			<u>834,437</u>
U.S. Department of Justice:			
Direct awards:			
Drug Court Discretionary Grant Program	16.585	2008-DD-BX-0424	98,427
Recovery Court Grant	16.812	2010-RW-BX-0070	275,270
Safe Havens for Children Grant	16.527	2010-CW-AX-K006	184,742
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	6,161
Total direct awards			<u>564,600</u>
(Passed through Illinois Criminal Justice Information Authority):			
Edward Byrne Memorial Justice Assistance:			
Multi Jurisdictional Narcotics Unit (Task Force 6)	16.738	409020	44,106
Multi Jurisdictional Narcotics Unit (Task Force 6)	16.738	411020	20,000
Multi Jurisdictional Narcotics Units Radio Maintenance Grant	16.738	408720	1,193
State's Attorney Appellate Prosecutor Salary Reimbursement	16.738	408720	23,333
Total 16.738			<u>88,632</u>
ARRA - Adult Redeploy Illinois	16.803	809051.02	80,689
Juvenile Mental Health Program (JABG)	16.523	2010-JB-FX-0075	4,700
Law Enforcement Prosecutor Based Victim Assistance	16.575	211036	17,957
Law Enforcement Prosecutor Based Victim Assistance	16.575	212036	20,667
Child Advocacy Center Services	16.575	211207	24,172
Child Advocacy Center Services	16.575	212207	12,085
Child Advocacy Child Abuse	16.575	211049	55,445
Child Advocacy Child Abuse	16.575	212049	27,724
Total 16.575			<u>158,050</u>

(Continued)

McLean County, Illinois

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Department of Justice (Continued):			
(Passed through Illinois Criminal Justice Information Authority) (Continued):			
Domestic Violence Multi-Disciplinary Team	16.588	610070	50,943
Domestic Violence Multi-Disciplinary Team	16.588	608070	22,658
Domestic Violence Multi-Disciplinary Team	16.588	609371	89,665
Domestic Violence Multi-Disciplinary Team	16.588	610371	34,168
Domestic Violence Multi-Disciplinary Team	16.588	609074	31,473
Domestic Violence Multi-Disciplinary Team	16.588	610074	9,284
Total 16.588			<u>238,191</u>
Total passed through Illinois Criminal Justice Information Authority			<u>570,262</u>
Total U.S. Department of Justice			<u>1,134,862</u>
U.S. Department of Agriculture:			
(Passed through Illinois Department of Human Services):			
Special Supplemental Nutrition Program for Women, Infants, and Children (Noncash)	10.557	N/A	1,269,789
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11GQ01227	215,011
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FCSRE01064	217,241
Total 10.557			<u>1,702,041</u>
WIC/Farmer's Market - Admin	10.572	N/A	1,000
Total passed through Illinois Department of Human Services			<u>1,703,041</u>
(Passed through Illinois State Board of Education):			
National School Lunch Program	10.555	2012-4210-00-17064-030P-00	8,784
National School Lunch Program	10.555	2013-4210-00-17064-030P-00	3,462
Commodities (Noncash)	10.555	ISBE Lanter Commodities	1,556
Total 10.555			<u>13,802</u>
School Breakfast Program	10.553	2012-4220-00-17064-030P-00	5,614
School Breakfast Program	10.553	2013-4220-00-17064-030P-00	2,161
Total 10.553			<u>7,775</u>
Total passed through Illinois State Board of Education			<u>21,577</u>
(Passed through Illinois Department of Public Health):			
Summer Food Facilities Inspections	10.559	35282031A	800
Total U.S. Department of Agriculture			<u>1,725,418</u>

(Continued)

McLean County, Illinois

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Direct awards:			
Substance Abuse and Mental Health Services Administration	93.243	1H79TI023631-01	<u>205,633</u>
(Passed through Illinois Department of Healthcare and Family Services):			
Child Support Enforcement - Title IV - D	93.563	2011-55-008-K2	10,890
Child Support Enforcement - Title IV - D	93.563	2011-55-008-K3	10,890
Child Support Enforcement - Title IV - D	93.563	2011-55-013-K2K	95,619
Child Support Enforcement - Title IV - D	93.563	2011-55-013-K3K	76,613
Child Support Enforcement - Title IV - D	93.563	2011-55-007-K2G	11,616
Child Support Enforcement - Title IV - D	93.563	2011-55-007-K3G	<u>12,217</u>
Total 93.563			<u>217,845</u>
Federal Financial Participation - Medicaid Match	93.778	Fund 0109	<u>233,333</u>
Total passed through Illinois Department of Healthcare and Family Services			<u>451,178</u>
(Passed through Illinois Supreme Court):			
State Court Improvements - Child Protection Data Courts Project	93.586	CIP Data-G-1102	14,141
State Court Improvements - Child Protection Data Courts Project	93.586	CIP Data-G-1202	<u>7,808</u>
Total 93.586			<u>21,949</u>
(Passed through Illinois Department of Public Health):			
Dental Sealant	93.994	23480130	1,712
Dental Sealant	93.994	33480129A	<u>2,826</u>
Total 93.994			<u>4,538</u>
Pandemic Influenza Outreach	93.268	N/A	<u>387,217</u>
Bioterrorism Training and Curriculum Development Program	93.069	27180061	71,638
Bioterrorism Training and Curriculum Development Program	93.069	37180061A	<u>41,461</u>
Total 93.069			<u>113,099</u>
Community Transformation Grant	93.531	N/A	<u>84,315</u>
Chronic Disease - Asthma Program Grant	93.283	23283006	2,492
Chronic Disease - Asthma Program Grant	93.283	33283006	<u>623</u>
Total 93.283			<u>3,115</u>
Total passed through Illinois Department of Public Health			<u>592,284</u>
(Passed through Champaign-Urbana County Public Health District):			
HIV Prevention Activities - Health Dept. Based	93.940	1175203	16,776
HIV/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	13-75-03	<u>14,339</u>
Total passed through Champaign-Urbana County Public Health District			<u>31,115</u>

(Continued)

McLean County, Illinois

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued):			
(Passed through Illinois Department of Human Services):			
Child Care Services	93.575	Q11GQ01550	27,649
Child Care Services	93.575	FCSRI01763	33,237
Total 93.575			<u>60,886</u>
 Title XX	 93.667	 FCSRE01576	 <u>10,100</u>
Total passed through Illinois Department of Human Services			<u>70,986</u>
 (Passed through National Association of County and City Health Officials):			
Medical Reserve Corp Grant	93.008	N/A	<u>9,348</u>
 (Passed through Illinois State Board of Elections):			
VAID III	93.617	N/A	<u>6,629</u>
Total U.S. Department of Health and Human Services			<u>1,389,122</u>
 Elections Assistance Commission			
(Passed through Illinois State Board of Elections),			
HAVA Grant Phase II	90.401	N/A	<u>22,581</u>
 U.S. Environmental Protection Agency			
(Passed through the Illinois Department of Public Health),			
Noncommunity Water Grant	66.605	N/A	<u>1,538</u>
 Department of Homeland Security			
(Passed through Illinois Emergency Management Agency):			
Emergency Management State and Local Assistance	97.042	11EMAMCLEA	<u>59,381</u>
 U.S. Department of Energy			
(Passed through Illinois Association of Regional Councils),			
ARRA - Health Building Retro-fit Light Fixtures	81.128	10-451001-009-004	<u>23,472</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,190,811</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

McLean County, Illinois

**Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of McLean County, Illinois and its discretely presented component unit, the Emergency Telephone Systems Board, and is presented on the modified accrual basis of accounting. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue and the revenue met the availability criteria. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement.

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Section 5311 Operating Assistance Grant	20.509	\$ 502,343
Section 5311 Rolling Stock	20.509	195,998
Job Access and Reverse Commute Grant	20.516	118,905
New Freedom Operating and Assistance Grant	20.521	13,448
Safe Havens for Children Grant	16.527	184,742
Multi Jurisdictional Narcotics Unit	16.738	44,106
Multi Jurisdictional Narcotics Units Radio Maintenance Grant	16.738	21,193
Domestic Violence Multi-Disciplinary Team	16.588	72,004

Note 4. Noncash Assistance

As reported on the schedule of expenditures of federal awards, McLean County, Illinois, distributed noncash assistance as follows:

Food coupons	\$ 1,269,789
Immunizations	387,217
Food commodities	1,556

The above amounts were included in the determination of federal awards expended for the year.

McLean County, Illinois

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2012**

Current Number	Comment	Status	Corrective Action Plan or Other Explanation
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None Reported

McLean County, Illinois

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2012**

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? 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 that are not considered to be material weaknesses? 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 510(a) of Circular A-133? Yes No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
20.509	Section 5311 Operating Assistance Grant (ShowBus pass-thru) and Section 5311 Rolling Stock (ShowBus pass-thru)
93.268	Pandemic Immunization Outreach

Dollar threshold used to distinguish between type A and type B programs: \$300,000

- Auditee qualified as low-risk auditee? Yes No

(Continued)

McLean County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012**

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

A. Internal Control

None reported

B. Instance of Noncompliance

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

None reported

B. Instances of Noncompliance

None reported

McLean County, Illinois

**Corrective Action Plan
Year Ended December 31, 2012**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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None reported