

# McLean County, Illinois

Compliance Report  
December 31, 2011

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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 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, 2011, which collectively comprise McLean County Illinois' basic financial statements and have issued our report thereon dated May 24, 2012. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of the discretely presented component unit, the Public Building Commission of McLean County, Illinois as described in our report on McLean County, Illinois' financial statements. Those financial statements were not audited in accordance with *Government Auditing Standards*, and therefore, this report does not extend to the Public Building Commission of McLean County, Illinois.

**Internal Control Over Financial Reporting**

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether McLean County, Illinois' 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*.

We noted certain matters that we reported to management of McLean County, Illinois in a separate letter dated May 24, 2012.

This report is intended solely for the information and use of management, the County Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey LLP*

Davenport, Iowa  
May 24, 2012



**Independent Auditor's Report on Compliance With Requirements  
That Could Have a Direct and Material Effect on Each Major  
Program and Internal Control Over Compliance in  
Accordance With OMB Circular A-133**

To the County Board of  
McLean County, Illinois  
Bloomington, Illinois

**Compliance**

We have audited the compliance of McLean County, Illinois with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. 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*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of McLean County, Illinois' management. Our responsibility is to express an opinion on McLean County, Illinois' 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 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. Our audit does not provide a legal determination on McLean County, Illinois' compliance with those requirements.

In our opinion, McLean County, Illinois complied, in all material respects, with the 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, 2011.

**Internal Control Over Compliance**

Management of McLean County, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered McLean County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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 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.

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

#### **Schedule of Expenditures of Federal Awards**

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, 2011, and have issued our report thereon dated May 24, 2012, which contained an unqualified 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, 2011. 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 performed for the purpose of forming our opinions on the financial statements that collectively comprise McLean County, Illinois' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the County Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey LLP*

Davenport, Iowa  
May 24, 2012

**McLean County, Illinois**

**Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2011**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Transportation:</b>			
(Passed through Illinois Department of Transportation):			
Section 5311 Operating Assistance Grant	20.509	IL-18-X026	\$ 242,224
Section 5311 Operating Assistance Grant	20.509	IL-18-X027	259,440
Job Access and Reverse Commute Grant	20.516	IL-37-X061-00	7,473
New Freedom Operating & Assistance Grant	20.521	IL-57-X017-00 Contract #4073	972
2011 Holiday Mobilization Plus	20.600	AL1-0057-634	3,240
			<u>513,349</u>
(Passed through Illinois Emergency Management Agency):			
Hazardous Materials Emergency Preparedness (HEMP) Grant	20.703	N/A	<u>7,847</u>
<b>Total U.S. Department of Transportation</b>			<u>521,196</u>
<b>U.S. Department of Justice:</b>			
Direct awards:			
Drug Court Discretionary Grant Program	16.585	2008-DD-BX-0424	101,919
Recovery Court Grant	16.812	2010-RW-BX-0070	128,628
Safe Havens for Children Grant	16.527	2010-CW-AX-K006	56,672
			<u>287,219</u>
(Passed through Illinois Criminal Justice Information Authority):			
Edward Byrne Memorial Justice Assistance:			
Multi Jurisdictional Narcotics Unit (Task Force 6)	16.738	409020	20,000
Multi Jurisdictional Narcotics Units Radio Maintenance Grant	16.738	407720	1,271
Multi Jurisdictional Narcotics Units Radio Maintenance Grant	16.738	408720	1,193
ARRA - Expanding Multi Jurisdictional Narcotics Unit (Task Force 6)	16.803	809120	43,490
ARRA - Substance Abuse Management & Recovery	16.803	809050	268,268
ARRA - Adult Redeploy Illinois	16.803	809051.02	6,590
Law Enforcement Prosecutor Based Victim Assistance	16.575	210036	20,689
Law Enforcement Prosecutor Based Victim Assistance	16.575	211036	20,533
Child Advocacy Center Services	16.575	210207	24,173
Child Advocacy Center Services	16.575	211207	12,085
Child Advocacy Child Abuse	16.575	210049	43,960
Child Advocacy Child Abuse	16.575	211049	27,724
Domestic Violence Multi-Disciplinary Team	16.588	609070	54,653
Domestic Violence Multi-Disciplinary Team	16.588	610070	23,241
Domestic Violence Multi-Disciplinary Team	16.588	607371	86,583
Domestic Violence Multi-Disciplinary Team	16.588	609371	41,662
Domestic Violence Multi-Disciplinary Team	16.588	608074	37,435
Domestic Violence Multi-Disciplinary Team	16.588	609074	13,507
State Criminal Alien Assistance Program	16.606	N/A	9,443
			<u>756,500</u>
<b>Total U.S. Department of Justice</b>			<u>1,043,719</u>

(Continued)

McLean County, Illinois

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended December 31, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture:</b>			
(Passed through Illinois Department of Human Services):			
Special Supplemental Nutrition Program for Women, Infants and Children (Noncash)	10.557	N/A	1,479,935
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	M11GM343900	220,180
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	11GQ01227	217,289
WIC/Farmer's Market - Admin	10.572	N/A	1,000
			<u>1,918,404</u>
(Passed through Illinois State Board of Education):			
National School Lunch Program	10.555	2011-4210-00-17064-030P-00	4,524
National School Lunch Program	10.555	2012-4210-00-17064-030P-00	6,353
School Breakfast Program	10.553	2011-4220-00-17-064-030P-00	2,848
School Breakfast Program	10.553	2012-4220-00-17064-030P-00	4,003
Commodities (Noncash)	10.555	N/A	1,638
			<u>19,366</u>
(Passed through Illinois Department of Public Health):			
Summer Food Facilities Inspections	10.559	15280130	650
<b>Total U.S. Department of Agriculture</b>			<u>1,938,420</u>
<b>U.S. Department of Health and Human Services:</b>			
Direct awards:			
Substance Abuse and Mental Health Services Administration	93.243	1H79TI023631-01	1,708
(Passed through Illinois Department of Healthcare and Family Services):			
Child Support Enforcement - Title IV - D	93.563	2011-55-008-K	10,870
Child Support Enforcement - Title IV - D	93.563	2011-55-008-K2	10,890
Child Support Enforcement - Title IV - D	93.563	2011-55-013-K1K	105,125
Child Support Enforcement - Title IV - D	93.563	2011-55-013-K2K	79,228
Child Support Enforcement - Title IV - D	93.563	2011-55-007-KG	11,500
Child Support Enforcement - Title IV - D	93.563	2011-55-007-K2G	12,217
Federal Financial Participation - Medicaid Match	93.778	N/A	227,046
			<u>456,876</u>
(Passed through Illinois Supreme Court):			
State Court Improvements - Child Protection Data Courts Project	93.586	CIP Data-G-0901	11,699
State Court Improvements - Child Protection Data Courts Project	93.586	CIP Data-G-1102	5,432
			<u>17,131</u>
(Passed through Illinois Department of Public Health):			
Dental Sealant	93.994	13480166	3,345
Dental Sealant	93.994	23480130	303
Immunization Grants - Commodities (Noncash)	93.268	N/A	581,808
Pandemic Influenza Outreach	93.069	17180044	46,022
Bioterrorism Training and Curriculum Development Program	93.069	7181055	126,301
Bioterrorism Training and Curriculum Development Program	93.069	27180061	36,721
Emergency Response - H1N1	93.069	17180021	107,284
Chronic Disease - Asthma Program Grant	93.283	13283005	3,002
Chronic Disease - Asthma Program Grant	93.283	23283006	758
			<u>905,544</u>
(Passed through Champaign-Urbana County Public Health District):			
HIV Prevention Activities - Health Dept. Based	93.940	1175203	33,551

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**McLean County, Illinois**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2011**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
(Passed through Department of Human Services):			
Child Care Services	93.575	M11GM343420	28,246
Child Care Services	93.575	Q11GQ01550	32,351
Title XX	93.667	M11GM343300	10,100
			<u>70,697</u>
(Passed through National Association of County and City Health Officials):			
Medical Reserve Corp Grant	93.008	N/A	<u>2,717</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>1,488,224</u>
<b>Elections Assistance Commission,</b>			
(Passed through Illinois State Board of Elections),			
HAVA Grant Phase II	90.401	N/A	<u>86,732</u>
<b>U.S. Environmental Protection Agency,</b>			
(Passed through the Illinois Department of Public Health),			
Noncommunity Water Grant	66.605	N/A	<u>1,388</u>
<b>Department of Homeland Security</b>			
(Passed through Illinois Emergency Management Agency):			
Emergency Management State & Local Assistance	97.042	11EMAMCLEA	50,072
Emergency Management State & Local Assistance	97.042	11EMAMCLEA	17,932
Emergency Management Performance Grant	97.042	10EMNBMCLE	48,977
Disaster Grants - Public Assistance	97.036	N/A	58,074
Interoperable Emergency Communications Grant	97.067	08IECGPMCL	15,375
			<u>190,430</u>
(Passed through Illinois Law Enforcement Alarm System):			
Emergency Operations Center Computers	97.067	11ILEASEOC	37,661
Trailer (non-cash)	97.067	N/A	103,885
			<u>141,546</u>
<b>Total Department of Homeland Security</b>			<u>331,976</u>
<b>U.S. Department of Labor</b>			
Direct awards:			
ARRA - Cobra Premium Assistance	17.151	N/A	<u>3,229</u>
<b>U.S. Department of Energy</b>			
(Passed through Illinois Association of Regional Councils),			
ARRA - Health Building Retro-fit Light Fixtures	81.128	10-451001-009-001	36,511
ARRA - Law and Justice Center and Juvenile Detention Center Retro-Fit Light Fixtur	81.128	10-451001-009-001	68,297
			<u>104,808</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 5,519,692</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, 2011

**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	\$ 242,224
Section 5311 Operating Assistance Grant	20.509	259,440
Job Access and Reverse Commute Grant	20.516	7,473
New Freedom Operating and Assistance Grant	20.521	972
Safe Havens for Children Grant	16.527	56,672
Multi Jurisdictional Narcotics Unit	16.738	20,000
Multi Jurisdictional Narcotics Units Radio Maintenance Grant	16.738	1,271
Multi Jurisdictional Narcotics Units Radio Maintenance Grant	16.738	1,193
ARRA - Expanding Multi Jurisdictional Narcotics Unit (Task Force 6)	16.803	43,490
ARRA - Substance Abuse Management & Recovery	16.803	268,268
Domestic Violence Multi-Disciplinary Team	16.588	72,426

**Note 4. Noncash Assistance**

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

Food coupons	\$ 1,479,935
Immunizations	581,808
Trailer	103,885
Food commodities	1,638

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, 2011**

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Current Number	Comment	Status	Corrective Action Plan or Other Explanation
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**Findings Related to Federal Awards**

**Instances of Noncompliance:**

10-III-A	The County did not perform subrecipient monitoring on a grant that was passed through the County	Corrected	
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**McLean County, Illinois**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2011**

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**I. Summary of the Independent Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

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: Unqualified

- 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
16.738	Multi Jurisdictional Narcotics Units
16.803	ARRA - Expanding Multi Jurisdictional Narcotics Unit (Task Force 6)
16.803	ARRA - Substance Abuse Management & Recovery
16.803	ARRA - Adult Redeploy Illinois
81.128	ARRA - Health Building Retro-fit Light Fixtures
81.128	ARRA - Law and Justice Center and Juvenile Detention Center Retro-Fit Light Fixtures

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, 2011

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- 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, 2011

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