

MCLEAN COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended December 31, 2018

MCLEAN COUNTY, ILLINOIS

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

INDEPENDENT AUDITORS' REPORT

To the Members of the County Board
McLean County
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, 2018, 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 23, 2019. 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 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 the 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 the McLean County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Members of the County Board
McLean County

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 23, 2019

REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
EXPENDITURES REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for the Major Federal Program

We have audited McLean County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the McLean County's major federal program for the year ended December 31, 2018. McLean County's major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the 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 the 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 the McLean County's compliance.

Opinion on the Major Federal Program

In our opinion, the 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, 2018.

Report on Internal Control Over Compliance

Management of the 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 the McLean County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 Members of the County Board
McLean County

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, 2018, and the related notes to the financial statements, which collectively comprise McLean County's basic financial statements. We issued our report thereon dated May 23, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the 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 23, 2019

MCLEAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2018

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grantor's Identifying Number	Federal Expenditures	Payments to Subrecipients
U.S. Department of Agriculture					
<i>Child Nutrition Cluster</i>					
School Breakfast Program	10.553	ISBE	2018-4220-00-17064-030P-00	\$ 4,448	\$ -
School Breakfast Program	10.553	ISBE	2019-4220-00-17064-030P-00	1,552	-
<i>Total 10.553</i>				<u>6,000</u>	<u>-</u>
National School Lunch Program	10.555	ISBE	2018-4210-00-17064-030P-00	7,012	-
National School Lunch Program	10.555	ISBE	2019-4210-00-17064-030P-00	2,543	-
National School Lunch Program (Noncash); ISBE Lanter Commodities	10.555	ISBE	ISBE Lanter Commodities	2,131	-
<i>Total 10.555</i>				<u>11,686</u>	<u>-</u>
Summer Food Service Program for Children; Summer Food Facilities Inspections	10.559	DPH	85280163F	600	-
<i>Total Child Nutrition Cluster</i>				<u>18,286</u>	<u>-</u>
Special Supplemental Nutrition Program for Women, Infants, and Children (Noncash)	10.557	DHS	N/A	777,009	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	FCSWQ1064	228,423	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	FCSXQ1064	199,461	-
<i>Total 10.557</i>				<u>1,204,893</u>	<u>-</u>
WIC/Farmer's Market Nutrition Program; Admin	10.572	DHS	WIC/Farmer's Market - Admin	1,000	-
<i>Total U.S. Department of Agriculture</i>				<u>1,224,179</u>	<u>-</u>
U.S. Department of Justice					
Crime Victim Assistance; Law Enforcement Prosecutor Based Victim Assistance	16.575	CJA	215236	25,512	-
Crime Victim Assistance; Law Enforcement Prosecutor Based Victim Assistance	16.575	CJA	216447	25,867	-
Crime Victim Assistance; Child Advocacy Center Services	16.575	CAC	216002	222,562	-
Crime Victim Assistance; Child Advocacy Child Abuse	16.575	CJA	216472	170,510	-
<i>Total 16.575</i>				<u>444,451</u>	<u>-</u>
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	N/A	1,793	-
<i>Total U.S. Department of Justice</i>				<u>446,244</u>	<u>-</u>
U.S. Department of Transportation					
<i>Highway Planning and Construction Cluster</i>					
Highway Planning and Construction - Highway ITEP Funds	20.205	DOT	17 0001 05 BT	54,112	-
Highway Planning and Construction - SPR - Vision Zero	20.205	DOT	19-1439-10086	1,188	-
Highway Planning and Construction - FHWA-PL/Section 5305 (d)	20.205	DOT	17 751 05501	227,635	-
Highway Planning and Construction - FHWA-PL/Section 5305 (d)	20.205	DOT	19 1009 7373	126,264	-
<i>Total 20.205 - Highway Planning and Construction Cluster</i>				<u>409,199</u>	<u>-</u>
Formula Grants for Rural Areas; Section 5311 Operating Assistance Grant; ShowBus pass-thru	20.509	DOT	IL-18-X031 #4813 #OP-18-48-FED	171,229	171,229
Formula Grants for Rural Areas; Section 5311 Operating Assistance Grant; HSTP Grant	20.509	DOT	4894 (IL-18-X029 & IL-18-X030)	25,149	-
<i>Total 20.509</i>				<u>196,378</u>	<u>171,229</u>
<i>Total U.S. Department of Transportation</i>				<u>605,577</u>	<u>171,229</u>

MCLEAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2018

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grantor's Identifying Number	Federal Expenditures	Payments to Subrecipients
U.S. Environmental Protection Agency					
Performance Partnership Grant; Non-Community Water Grant	66.605	DPH	N/A	\$ 1,525	\$ -
Total U.S. Environmental Protection Agency				<u>1,525</u>	<u>-</u>
U.S. Department of Health and Human Services					
Medical Reserve Corps Small Grant Program	93.008	NACCHO	MRC 13-0321	2,355	-
Public Health Emergency Preparedness; Bioterrorism Training and Curriculum Development Program	93.069	DPH	87180061F	62,570	-
Public Health Emergency Preparedness; Bioterrorism Training and Curriculum Development Program	93.069	DPH	97180061G	42,779	-
Total 93.069				<u>105,349</u>	<u>-</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance; Administration (SAMHSA)	93.243	N/A	5H79TI023631-03	216,517	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance; Administration (SAMHSA.VET)	93.243	N/A	1H79TI081039-01	53,678	-
Total 93.243				<u>270,195</u>	<u>-</u>
Immunization Cooperative Agreements; Commodities	93.268	DPH	Non-cash	438,723	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance; Chronic Disease - Asthma Program Grant	93.283	DPH	97180061G	4,266	-
Child Support Enforcement - Title IV - D; States Attorney	93.563	DHFS	2017-55-013-K	72,708	-
Child Support Enforcement - Title IV - D; States Attorney	93.563	DHFS	2017-55-013-K	93,358	-
Child Support Enforcement - Title IV - D; Circuit Court	93.563	DHFS	2018-55-007-KM	3,617	-
Child Support Enforcement - Title IV - D; Circuit Court	93.563	DHFS	2018-55-007-KM	4,006	-
Total 93.563				<u>173,689</u>	<u>-</u>
Social Services Block Grant - High Risk Infant Follow-up	93.667	DHFS	FCSXU05107	4,398	-
Medical Assistance Program (Federal Financial Participation)	93.778	DHFS	Fund 0109	125,451	-
Total Medicaid Cluster				<u>125,451</u>	<u>-</u>
HIV Prevention Activities - Health Dept. Based	93.940	CUPHD	17-75-03	33,201	-
Maternal and Child Health Services Block Grant to States	93.994	DHFS	FCSUU03046	99,563	-
Maternal and Child Health Services Block Grant to States; Dental Sealant	93.994	DPH	73489023E	5,918	-
Maternal and Child Health Services Block Grant to States; Dental Sealant	93.994	DPH	83489022F	4,718	-
Total 93.994				<u>110,199</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>1,267,826</u>	<u>-</u>
U.S. Department of Housing & Urban Development					
<i>CDBG - Entitlement Grants Cluster</i>					
Community Development Block Grants/Entitlement Grants	14.218	TON	Normal CDBG	11,585	-
Community Development Block Grants/Entitlement Grants	14.218	COB	Bloomington CDBG	20,739	-
Total U.S. Department of Homeland Security and CDBG - Entitlement Grants Cluster				<u>32,324</u>	<u>-</u>
U.S. Department of Homeland Security					
Emergency Management Performance Grants; State and Local Assistance	97.042	EMA	18EMAMCLEA	34,542	-
Emergency Management Performance Grants; State and Local Assistance	97.042	EMA	19EMAMCLEA	24,366	-
Total U.S. Department of Homeland Security				<u>58,908</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 3,636,583</u>	<u>\$ 171,229</u>

MCLEAN COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS As of and for the Year Ended December 31, 2018

NOTE 1 – BASIS OF PRESENTATION

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, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE 3 – INDIRECT COST RATE

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, 2018

NOTE 4 – PASSED THROUGH AGENCY

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

CAC	=	Children's Advocacy Centers of Illinois
COB	=	City of Bloomington, Illinois
CJA	=	Illinois Criminal Justice Assistance Grant Program
CUPHD	=	Champaign-Urbana Public Health District
DHFS	=	Illinois Department of Healthcare and Family Services
DHS	=	Illinois Department of Human Services
DOT	=	Illinois Department of Transportation
DPH	=	Illinois Department of Public Health
EMA	=	Illinois Emergency Management Agency
ISBE	=	Illinois State Board of Education
NACCHO	=	National Association of County and City Health Officials
N/A	=	Not applicable, Direct Award
TON	=	Town of Normal, Illinois

NOTE 5 – STATE CONTRACT

For fiscal year ending December 31, 2018, the County received \$1,210,174 in funding on a state let contract under the surface transportation program – rural, CFDA 20.205. The value of this contract was contributed to the County in the form of infrastructure. The County did not incur the expenditures and the amount is not reflected on the schedule.

MCLEAN COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

FEDERAL AWARDS

Internal control over major programs:

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

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

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

Auditee qualified as low-risk auditee? X yes _____ no

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program 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, 2018

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

No financial statements findings required to be reported.

MCLEAN COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No federal awards findings or questioned costs required to be reported.

MCLEAN COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended December 31, 2018

SECTION IV – SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS

FINDING NO.	2017-001
CFDA No.	11.014
Federal Agency	U.S. Department of Commerce
Pass-through Agency	Illinois Emergency Management Agency
Award Number	16RELOMCLE

Condition: There is no documented review or approval of the County's performance reports by an employee who is not the preparer.

Status: The County did not receive this grant in FY2018. All reports were filed during FY2017 & the grant was closed out. The County has noted to implement review & approval procedures for any future federal grant reports received by the County's Sheriff's Department.