

Sangamon County, Illinois

Single Audit Report
Year Ended November 30, 2013

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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 Auditor's Report

The Honorable Chairman and
Members of the County Board
Sangamon County, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sangamon County, Illinois (County) as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 16, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2013-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding 2013-002 and Finding 2013-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questions costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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.

The image shows a handwritten signature in cursive script that reads "McGladrey LLP". The signature is written in black ink and is positioned above the typed address and date.

Springfield, Illinois
June 16, 2014



**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 OMB Circular A-133
(Includes Reporting on Schedule of Expenditures of Federal Awards)**

Independent Auditor's Report

The Honorable Chairman and
Members of the County Board
Sangamon County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Sangamon County, Illinois' (County) 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 the County's major federal programs for the year ended November 30, 2013. The County's 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 the County's 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 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 the 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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Sangamon 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 November 30, 2013.

Report on Internal Control Over Compliance

Management of the 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 County's 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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2013-001 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2013-002 and Finding 2013-003 to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 16, 2014, 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. 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 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

McGladrey LLP

Springfield, Illinois
June 16, 2014

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Agriculture				
Passed-Through Illinois State Board of Education:				
Child Nutrition Cluster:				
School Breakfast Program	51-084-011P-00	10.553	\$ 7,381	\$ -
National School Lunch Program	51-084-011P-00	10.555	11,293	-
National School Lunch Program - Noncash Expenditures	51-084-011P-00	10.555	680	-
Total Child Nutrition Cluster			<u>19,354</u>	<u>-</u>
Total Passed-Through Illinois State Board of Education			<u>19,354</u>	<u>-</u>
Passed-Through Illinois Department of Human Services:				
Special Supplemental Nutrition Program for Women, Infants and Children: *				
Special Supplemental Nutrition Program for Women, Infants and Children	FCSRE01090	10.557	317,563	-
Special Supplemental Nutrition Program for Women, Infants and Children	FCSSQ01090	10.557	345,210	-
WIC Breastfeeding Peer Consulting	FCSRE01196	10.557	18,947	-
WIC Breastfeeding Peer Consulting	FCSSQ01196	10.557	10,304	-
Special Supplemental Nutrition Program for Women, Infants and Children - Noncash Expenditures	N/A	10.557	<u>2,122,015</u>	<u>-</u>
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>2,814,039</u>	<u>-</u>
WIC Farmers' Market Nutrition Program - Noncash Expenditures	FCSSQ01270	10.572	<u>1,000</u>	<u>-</u>
Total Passed-Through Illinois Department of Human Services			<u>2,815,039</u>	<u>-</u>
Passed-Through Illinois Department of Public Health:				
Child Nutrition Cluster:				
Summer Food Inspection Grant	35280178A	10.559	<u>1,600</u>	<u>-</u>
Total Passed-Through Illinois Department of Public Health			<u>1,600</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,835,993</u>	<u>-</u>
U.S. Department of Education				
Passed-Through Illinois Department of Public Health:				
Early Intervention Child and Family Connections: *				
Early Intervention Child and Family Connections	FCSRO00927	84.181A	299,972	-
Early Intervention Child and Family Connections	FCSSO00927	84.181A	<u>207,635</u>	<u>-</u>
Total Early Intervention Child and Family Connections			<u>507,607</u>	<u>-</u>
Total Passed-Through Illinois Department of Public Health			<u>507,607</u>	<u>-</u>
Total U.S. Department of Education			<u>507,607</u>	<u>-</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Justice				
Direct Programs:				
Technology Program Grant	2010-CKWX0404	16.710	\$ 1,072	\$ -
State Criminal Alien Assistance Program	2013-H3420-IL-AP	16.606	3,124	-
Drug Court Grant	2010-DC-BX-0069	16.585	68,771	-
Justice and Mental Health Collaboration Program-Planning	2013-MO-BX-0009	16.745	4,734	-
Total Direct Programs			<u>77,701</u>	<u>-</u>
Passed-Through National Children's Alliance:				
Missing Children's Assistance	SPRI-IL-SA12	16.543	833	-
Missing Children's Assistance	SPRI-IL-SA13	16.543	8,250	-
Total Passed-Through National Children's Alliance			<u>9,083</u>	<u>-</u>
Passed-Through Illinois State's Attorney Appellate Prosecutor:				
JAG Program Cluster:				
Local Drug Prosecution Support Unit / Edward Byrne Memorial Justice Assistance	411025	16.803	23,333	-
Total Passed-Through Illinois State's Attorney Appellate Prosecutor			<u>23,333</u>	<u>-</u>
Passed-Through Illinois Criminal Justice Information Authority:				
Crime Victims Assistance:				
Child Advocacy Center Services	212202	16.575	22,192	-
Child Advocacy Center Services	213202	16.575	4,650	-
Child Advocacy Center Services	212097	16.575	41,855	-
Child Advocacy Center Services	213097	16.575	8,083	-
Total Crime Victims Assistance			<u>76,780</u>	<u>-</u>
Central Illinois Enforcement Group:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	411001	16.738	99,468	72,152
Edward Byrne Memorial Justice Assistance Grant Program	410001	16.738	174	174
Total Central Illinois Enforcement Group			<u>99,642</u>	<u>72,326</u>
Total Passed-Through Illinois Criminal Justice Information Authority			<u>176,422</u>	<u>72,326</u>
Passed-Through the City of Springfield:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	2012-DJ-BX-0104	16.738	25,828	-
Total Passed-Through the City of Springfield			<u>25,828</u>	<u>-</u>
Total U.S. Department of Justice			<u>312,367</u>	<u>72,326</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Labor				
Passed-Through Illinois Department of Commerce and Economic Opportunity:				
Workforce Investment Act Cluster: *				
WIA Adult Program:				
WIA Adult Program	10-672020	17.258	\$ 3,081	\$ -
WIA Adult Program	11-681020	17.258	6,481	-
WIA Adult Program	12-681020	17.258	409,925	-
WIA Adult Program	13-681020	17.258	115,761	-
Total WIA Adult Program			<u>535,248</u>	<u>-</u>
WIA Youth Activities:				
WIA Youth Activities	10-672020	17.259	3,326	-
WIA Youth Activities	11-681020	17.259	6,742	-
WIA Youth Activities	12-681020	17.259	424,107	194,199
WIA Youth Activities	13-681020	17.259	151,282	57,012
Total WIA Youth Activities			<u>585,457</u>	<u>251,211</u>
WIA Dislocated Workers:				
WIA Trade Case Management Grants	10-653020	17.278	6,930	-
WIA Trade Case Management Grants	11-653020	17.278	26,323	-
WIA Dislocated Worker Formula Grants	10-672020	17.278	4,173	-
WIA Dislocated Worker Formula Grants	11-681020	17.278	5,345	-
WIA Dislocated Worker Formula Grants	12-681020	17.278	344,823	-
WIA Dislocated Worker Formula Grants	13-681020	17.278	140,435	-
WIA Training for Dislocated Workers	11-654120	17.278	30,023	-
WIA RR - Innovative Projects	12-654020	17.278	36,896	12,351
Total WIA Dislocated Workers			<u>594,948</u>	<u>12,351</u>
Total Workforce Investment Act Cluster			<u>1,715,653</u>	<u>263,562</u>
State Energy Sector Partnership	10-691007	17.275	132,600	44,876
Trade Adjustment Assistance:				
Trade Adjustment Assistance	11-661020	17.245	73,380	-
Trade Adjustment Assistance	12-661020	17.245	13,155	-
Total Trade Adjustment Assistance			<u>86,535</u>	<u>-</u>
National Emergency Grant				
WIA National Emergency Grant - Flood	13-641020	17.277	39,201	-
Dislocated Worker Training	13-671020	17.277	36,774	-
Total National Emergency Grant			<u>75,975</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>2,010,763</u>	<u>308,438</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Labor (Continued)				
Passed-Through Macon County, Illinois: Workforce Innovation Fund	N/A	17.283	\$ 2,110	\$ -
Total Passed-Through Macon County, Illinois			<u>2,110</u>	<u>-</u>
Passed-Through Lincoln Land Community College: Workforce Investment Act Cluster: * WIA Dislocated Workers	N/A	17.278	2,930	-
Total Passed-Through Lincoln Land Community College			<u>2,930</u>	<u>-</u>
Total U.S. Department of Labor			<u>2,015,803</u>	<u>308,438</u>
U.S. Department of Transportation				
Passed-Through Illinois Department of Transportation: Highway Planning and Construction Cluster: FY 2014 Planning Program	SPR-PL-3000(51)	20.205	119,072	-
FY 2013 Planning Program	SPR-PL-3000(48)	20.205	174,008	-
Total Highway Planning and Construction Cluster			<u>293,080</u>	<u>-</u>
Technical Studies Grant: Technical Studies Grant	IL-80-0010	20.505	33,194	-
Technical Studies Grant	IL-80-0009	20.505	52,329	-
Total Technical Studies Grant			<u>85,523</u>	<u>-</u>
Non-Metro Area Transportation Program: Non-Metro Area Transportation Grant	IL-18-X030	20.509	11,151	11,151
Non-Metro Area Transportation Grant	IL-18-X029	20.509	21,127	21,127
Total Non-Metro Area Transportation Program			<u>32,278</u>	<u>32,278</u>
Sustained Traffic Enforcement Program	OP-13.0314	20.600	5,110	-
Total Passed-Through Illinois Department of Transportation			<u>415,991</u>	<u>32,278</u>
Passed-Through Illinois Emergency Management Agency: Hazardous Materials Emergency Preparedness Grant	FY13	20.703	10,528	-
Hazardous Materials Emergency Preparedness Grant	FY14	20.703	1,809	-
Total Passed-Through Illinois Emergency Management Agency			<u>12,337</u>	<u>-</u>
Total U.S. Department of Transportation			<u>428,328</u>	<u>32,278</u>
U.S. Environmental Protection Agency				
Passed-Through Illinois Environmental Protection Agency: Potable Water Supply Program	35382075A	66.432	763	-
Potable Water Supply Program	45382075A	66.432	242	-
Total Passed-Through Illinois Environmental Protection Agency			<u>1,005</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>1,005</u>	<u>-</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Energy				
Passed-Through Illinois Department of Commerce and Economic Opportunity:				
Weatherization Assistance for Low-Income Persons:				
Weatherization Assistance for Low-Income Persons	10-404038	81.042	\$ 205,978	\$ -
Weatherization Assistance for Low-Income Persons	14-404038	81.042	1,742	-
Total Weatherization Assistance for Low-Income Persons			<u>207,720</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>207,720</u>	<u>-</u>
Total U.S. Department of Energy			<u>207,720</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed-Through Illinois Department of Commerce and Economic Opportunity:				
Community Services Block Grant: *				
Community Services Block Grant	12-231018	93.569	60,521	-
Community Services Block Grant	13-231018	93.569	334,434	-
Total Community Services Block Grant			<u>394,955</u>	<u>-</u>
Low Income Energy Assistance Program: *				
Home Weatherization Assistance Program	12-221038	93.568	243,170	-
Home Weatherization Assistance Program	13-221038	93.568	47,935	-
Low Income Energy Assistance Program	12-224038	93.568	800,765	-
Low Income Energy Assistance Program	13-224038	93.568	1,395,149	-
Low Income Energy Assistance Program	14-224038	93.568	36,972	-
Total Low Income Energy Assistance Program			<u>2,523,991</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>2,918,946</u>	<u>-</u>
Passed-Through Illinois Department of Public Health:				
BMIT Grant - We Choose Health	42100002B	93.531	68,436	-
ACA Grant - In Person Counselor	IPL-14-149-003	93.525	102,891	-
Teen Pregnancy Prevention *	46080156B	93.994	16,046	-
Dental Sealant Grant: *				
Dental Sealant Grant	33480137A	93.994	2,237	-
Dental Sealant Grant	43480139B	93.994	934	-
Total Dental Sealant Grant			<u>3,171</u>	<u>-</u>
Public Health Preparedness:				
Public Health Preparedness	37180076A	93.069	77,530	-
Public Health Preparedness	47180076B	93.069	35,053	-
Total Public Health Preparedness			<u>112,583</u>	<u>-</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed-Through Illinois Department of Public Health (Continued):				
Centers for Disease Control and Prevention - Investigations and Technical Assistance Program:				
Diabetes Program	33287011A	93.283	\$ 19,185	\$ -
Wisewoman Grant	36180043A	93.283	6,321	-
Wisewoman Grant	46180040B	93.283	797	-
Breast and Cervical Cancer Program	36180028A	93.283	45,537	-
Breast and Cervical Cancer Program	46080027B	93.283	39,910	-
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance Program			111,750	-
Programs for Prevention of AIDS/HIV:				
Programs for Prevention of AIDS/HIV	25780047	93.940	79,557	-
Programs for Prevention of AIDS/HIV	45780011B	93.940	32,962	-
Total Programs for Prevention of AIDS/HIV			112,519	-
Total Passed-Through Illinois Department of Public Health				
			527,396	-
Passed-Through Illinois Department of Healthcare and Family Services:				
Child Support Enforcement:				
Child Support Enforcement - Title IV-D	2011-55-013-K3L	93.563	107,841	-
Child Support Enforcement - Title IV-D	2014-55-013-K1H	93.563	66,598	-
Child Support Enforcement - Title IV-D	2011-55-007-K3P	93.563	7,075	-
Child Support Enforcement - Title IV-D	2014-55-007-KQ	93.563	13,636	-
Total Child Support Enforcement			195,150	-
Medicaid - Administrative Claims	N/A	93.778	188,948	-
Total Passed-Through Illinois Department of Healthcare and Family Services				
			384,098	-
Passed-Through Illinois Department of Human Services:				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program:				
Affordable Care Act - Healthy Families	FCSRE00712	93.505	109,272	-
Affordable Care Act - Healthy Families	FCSSS00712	93.505	84,737	-
Total Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			194,009	-
Maternal and Child Health Services Block Grant to the States: *				
Maternal and Child Health Services - Family Case Management	FCSRE01601	93.994	349,492	-
Maternal and Child Health Services - Family Case Management	FCSSU03121	93.994	242,988	-
Maternal and Child Health Services - Teen Pregnancy Prevention	FCSRE00764	93.994	23,147	-
Total Maternal and Child Health Services Block Grant to the States			615,627	-
Social Services Block Grant:				
Social Services Block Grant	FCSRE01601	93.667	14,313	-
Social Services Block Grant	FCSSU03121	93.667	10,080	-
Total Social Services Block Grant			24,393	-
Total Passed-Through Illinois Department of Human Services				
			834,029	-

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2013

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed-Through National Association of County and City Health Officials: Medical Reserve Corp Program	MRC13-0079	93.008	\$ 4,000	\$ -
Total Passed-Through National Association of County and City Health Officials			<u>4,000</u>	<u>-</u>
Passed-Through Illinois State Board of Elections: Medical Reserve Corp Program	VAID IV	93.617	3,448	-
Total Passed-Through Illinois State Board of Elections			<u>3,448</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>4,671,917</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed-Through Illinois Emergency Management Agency: Emergency Management Performance Grant	13EMASANGA	97.042	59,592	-
Total Passed-Through Illinois Emergency Management Agency			<u>59,592</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>59,592</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 11,040,332</u>	<u>\$ 413,042</u>

* Denotes Major Program

See Notes to Schedule of Expenditures of Federal Awards

Sangamon County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The schedule of expenditures of federal awards (Schedule) presents the activity of federal programs of Sangamon County, Illinois (County). The County financial reporting entity, as defined in Note 1 to the basic financial statements, consists of the activities of the County and its discretely presented component units. The Springfield-Sangamon County Regional Planning Commission, the Emergency Telephone System Board, and the Land of Lincoln Workforce Alliance are discretely presented component units in the County. All federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule.

Note 2. Basis of Accounting

The schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for the discretely presented component units, which are described in Note 1 to the basic financial statements.

Note 3. Loans Outstanding

Sangamon County, Illinois had the following loan balance outstanding at November 30, 2013:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Services Block Grant Loan Program	93.569	<u>\$ 118,078</u>

Note 4. Nonmonetary Assistance

Nonmonetary assistance is reported in the Schedule at the fair market value of the nonmonetary assistance received and disbursed. The County received nonmonetary assistance under CFDA numbers 10.555, 10.557, and 10.572, as noted in the accompanying schedule of expenditures of federal awards.

In addition, during the year ended November 30, 2013, Sangamon County did not receive federal insurance coverage or federal loan guarantees.

Sangamon County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 5. Summary of CFDA Totals

CFDA Number	Expenditures
10.553, 10.555, 10.559 Child Nutrition Cluster	\$ 20,954
10.557	2,814,039
10.572	1,000
16.543	9,083
16.575	76,780
16.585	68,771
16.606	3,124
16.710	1,072
16.745	4,734
16.738, 16.803 JAG Program Cluster	148,803
17.245	86,535
17.258, 17.259, 17.278 WIA Cluster	1,718,583
17.275	132,600
17.277	75,975
17.283	2,110
20.205	293,080
20.505	85,523
20.509	32,278
20.600	5,110
20.703	12,337
66.432	1,005
81.042	207,720
84.181	507,607
93.008	4,000
93.069	112,583
93.283	111,750
93.505	194,009
93.525	102,891
93.531	68,436
93.563	195,150
93.568	2,523,991
93.569	394,955
93.617	3,448
93.667	24,393
93.778	188,948
93.940	112,519
93.994	634,844
97.042	59,592
	<u>\$ 11,040,332</u>

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs
Year Ended November 30, 2013**

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? X 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? X Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
17.258, 17.259, 17.278	Workforce Investment Act Cluster
84.181	Special Education - Grants for Infants and Families
93.568	Home Weatherization Assistance Program and Low-Income Home Energy Assistance
93.569	Community Services Block Grant
93.994	Maternal and Child Health Services Block Grants to the States

Dollar threshold used to distinguish between type A and type B programs: \$331,210

Auditee qualified as a low-risk auditee Yes X No

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2013**

Part II - Financial Statement Findings

A. Internal Control Findings

Finding 2013-001: Inadequate Controls over Reconciliation of the SEFA

Criteria or specific requirement: An entity is required to have controls in place to accurately report their schedule of expenditures of federal awards.

Condition and context: The County does not have adequate controls in place to reconcile their schedule of expenditures of federal awards to their general ledger.

Effect: Amounts expended for programs on the schedule of expenditures of federal awards could be misstated or omitted.

Cause: The various departments at the County each have their own tracking systems for expenditures of federal awards that are not tied to or reconciled to the County's general ledger.

Recommendation: We recommend that the County implement controls to reconcile their general ledger with their schedule of expenditures of federal awards for every department at fiscal year end.

Views of responsible officials and planned corrective actions: During the past year, the County Auditor's Office met with the staff of all County departments that participate in federal assistance programs to remind them of the federal requirements for recording and reporting federal program expenditures and to assist departments in establishing procedures to reconcile their federal program expenses that are reported for inclusion in the County's annual SEFA with information recorded in the County's general ledger. The Auditor's Office also updated the instructions for the preparation of departmental grant information for the FY 2013 SEFA to include a written reminder that federal grant regulations require departments to be able to reconcile their reported federal program expenditures to the County's accounting records. While the County believes that significant progress has been made in strengthening its controls for recording and reporting federal program expenditures, we concur that additional controls are needed in some areas to fully resolve the auditors' finding. Where appropriate, the Auditor's Office has already begun working with departments to ensure that they are properly using the County's project/grant accounting system to record and report their expenditures on federal programs. These efforts will continue throughout the year. In addition, as part of the process for preparing the County-wide SEFA for FY 2014, all departments participating in federal programs will be required to prepare documentation reconciling their reported federal program expenses to information recorded in the County's general ledger. Departments will be required to include this documentation with the federal program expense data submitted to the Auditor's Office for the County's SEFA for FY 2014.

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2013**

Part II - Financial Statement Findings (Continued)

A. Internal Control Findings (Continued)

Finding 2013-002: Inadequate Controls over Recording of Accounts Receivable

Criteria or specific requirement: If an entity reports on an accrual basis, they are required to have controls in place to capture and record all material accruals in their financial statements, including accounts receivable.

Condition and context: The County does not have adequate controls in place to ensure that all accounts receivable are recorded in their financial statements.

Effect: Audit adjustments were required to record additional receivables at fiscal year-end.

Cause: Staff for some departments at the County do not have an adequate understanding of accruals to identify and report receivables to the County office responsible for preparing the financial statements.

Recommendation: We recommend that the County implement controls to verify that material receivables are recorded for all applicable departments and provide training for staff as necessary.

Views of responsible officials and planned corrective actions: During the past year the Auditor's Office worked with all departments that have accounts receivable to train them about accrual accounting and remind them of the requirements for recording accounts receivable. The Auditor's Office will continue working with the appropriate departments on this issue in the coming year. In addition, the Auditor's Office has identified revenue accounts that potentially have accounts receivable at the end of the fiscal year and will monitor these accounts for any accrual entries.

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2013**

Part II - Financial Statement Findings (Continued)

A. Internal Control Findings (Continued)

Finding 2013-003: Inadequate Segregation of Duties for the Payroll Function

Criteria or specific requirement: An entity is required to have segregation of duties in place for financial activities.

Condition and context: One staff person at the County performs, or has access to, all aspects of the payroll function.

Effect: The risk of fraud and/or error exists within the payroll function.

Cause: The County has limited resources to hire additional staff.

Recommendation: We recommend that the County implement review controls over the payroll function to mitigate the risk resulting from the lack of segregation of duties.

Views of responsible officials and planned corrective actions: In an effort to segregate the duties of the payroll function, over the course of the last year the Human Resource Office transferred responsibility for the printing of payroll checks to the Treasurer's Office and worked with the Treasurer's Office to establish back-up procedures for payroll activities. Previously, the Treasurer's Office established a process for reconciling positive pay reports received from the County's bank to payroll registers.

As an additional control for the County's payroll activities, in July 2014, the Director of Human Resources will implement a process for reviewing on a quarterly basis the salary information contained in earning history reports produced by the County's payroll system. As part of this process, the Director will review the earning reports to identify all instances where changes have occurred in an employee's gross pay. The Director then will trace a random sample of such changes to the appropriate support documentation to ensure that the changes were properly authorized. After completing each quarterly review, the Director will initial and date the earning reports and prepare other appropriate work papers to document his review. Such documentation will be retained for the review of outside auditors.

B. Compliance Findings

None identified.

Part III – Findings and Questioned Costs for Federal Awards

A. Internal Control Findings

See Part II – Financial Statement Findings No. 2013-001, 2013-002, and 2013-003.

B. Compliance Findings

None identified.

Sangamon County, Illinois

**Summary Schedule of Prior Audit Findings
Year Ended November 30, 2013**

Finding 2012-01: Inadequate Controls over Reconciliation of the SEFA

Condition: The County does not have adequate controls in place to reconcile their schedule of expenditures of federal awards to their general ledger.

Status of Corrective Action: See Finding 2013-001 for the current status of this condition.

Finding 2012-02: Inadequate Controls over Recording of Accounts Receivable

Condition: The County does not have adequate controls in place to ensure that all accounts receivable are recorded in their financial statements.

Status of Corrective Action: See Finding 2013-002 for the current status of this condition.

Finding 2012-03: Inadequate Segregation of Duties for the Payroll Function

Condition: One staff person at the County performs all aspects of the payroll function.

Status of Corrective Action: See Finding 2013-003 for the current status of this condition.