

Sangamon County, Illinois

Single Audit Report
(As Reissued)
Year Ended November 30, 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***

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

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 Sangamon County, Illinois (County) as of and for the year ended November 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 19, 2013. 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be 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 control 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 2012-01 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 questions costs as Finding 2012-02 and Finding 2012-03 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*.

We noted certain other matters that we reported to management of Sangamon County, Illinois in a separate letter dated June 19, 2013.

Sangamon County, Illinois' response to the finding identified in our audit is described in the accompanying schedule of findings and questions costs. We did not audit Sangamon County, Illinois' response and, accordingly, we express no opinion on it.

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

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 name and date.

Springfield, Illinois
June 19, 2013



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

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

Compliance

We have audited the compliance of the Sangamon County, Illinois (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's 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 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

Our report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133 replaces a previously issued report. As described in the accompanying schedule of findings and questioned costs (Finding 2012-01), the County does not have adequate controls in place to reconcile their schedule of expenditures of federal awards to their general ledger. As a result of this material weakness in internal control over compliance, the County discovered, subsequent to the date of the previously issued report, additional Federal awards expended that resulted in another major program that was required to be tested. The previously issued schedule of expenditures of federal awards reported \$4,301,239 in federal expenditures from the U.S. Department of Health and Human Services. The revised schedule of expenditures of federal awards reported \$4,881,921 in federal expenditures from the U.S. Department of Health and Human Services as a result of an additional \$580,682 in federal expenditures being reported under CFDA 93.778, Medical Assistance Program. We performed additional auditing procedures as a result of this program now being identified as a major program. The additional auditing procedures were completed on December 29, 2014 which resulted in the dual-dating of our audit report.

In our opinion, Sangamon County, Illinois complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of the County 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 the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the 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 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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 2012-01 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 questions costs as Finding 2012-02 and Finding 2012-03 to be significant deficiencies.

Sangamon County, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and questions costs. We did not audit Sangamon County, Illinois' responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the County as of and for the year ended November 30, 2012, and have issued our report thereon dated June 19, 2013, which contained an unqualified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. 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 basic 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 taken as a whole.

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

McGladrey LLP

Springfield, Illinois

June 19, 2013, except for Note 5 to the Schedule of Expenditures of Federal Awards, and the addition of CFDA 93.778, Medical Assistance Program, to the Identified Major Program section of the Schedule of Findings and Questioned Costs, as to which the date is December 29, 2014.

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2012

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	\$ 9,963	\$ -
National School Lunch Program:				
National School Lunch Program	51-084-011P-00	10.555	15,384	-
National School Lunch Program - Noncash Expenditures	51-084-011P-00	10.555	3,333	-
Total National School Lunch Program			<u>18,717</u>	<u>-</u>
Total Child Nutrition Cluster			<u>28,680</u>	<u>-</u>
Total Passed-Through Illinois State Board of Education			<u>28,680</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	11GQ01242	10.557	443,566	-
Special Supplemental Nutrition Program for Women, Infants and Children	FCSRE01090	10.557	335,867	-
WIC Breastfeeding Peer Consulting	011GQ01628	10.557	36,217	-
WIC Breastfeeding Peer Consulting	FCSRE01196	10.557	8,458	-
Special Supplemental Nutrition Program for Women, Infants and Children - Noncash Expenditures	11GL448000	10.557	<u>2,074,147</u>	<u>-</u>
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>2,898,255</u>	<u>-</u>
WIC Farmers' Market Nutrition Program - Noncash Expenditures	FCSRE01270	10.572	<u>1,000</u>	<u>-</u>
Total Passed-Through Illinois Department of Human Services			<u>2,899,255</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,927,935</u>	<u>-</u>
U.S. Department of Education				
Passed-Through Illinois Department of Public Health:				
Early Intervention Child and Family Connections	011GQ01347	84.181	38,379	-
Early Intervention Child and Family Connections	FCSO00927	84.181A	<u>269,529</u>	<u>-</u>
Total Passed-Through Illinois Department of Public Health			<u>307,908</u>	<u>-</u>
Total U.S. Department of Education			<u>307,908</u>	<u>-</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2012

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	\$ 197,647	\$ -
State Criminal Alien Assistance Program:				
State Criminal Alien Assistance Program	2011-AP-BX-0184	16.606	6,972	-
State Criminal Alien Assistance Program	2012-AP-BX-0184	16.606	2,918	-
Total State Criminal Alien Assistance Program			<u>9,890</u>	-
Drug Court Grant	2010-DC-BX-0069	16.585	95,171	-
Total Direct Programs			<u>302,708</u>	-
Passed-Through National Children's Alliance:				
Missing Children's Assistance	SPRI-IL-SA11	16.543	833	-
Missing Children's Assistance	SPRI-IL-SA12	16.543	9,167	-
Total Passed-Through National Children's Alliance			<u>10,000</u>	-
Passed-Through Illinois State's Attorney Appellate Prosecutor:				
Local Drug Prosecution Support Unit / Edward Byrne Memorial Justice Assistance	409025	16.738	23,333	-
Total Passed-Through Illinois State's Attorney Appellate Prosecutor			<u>23,333</u>	-
Passed-Through Illinois Criminal Justice Information Authority:				
Crime Victims Assistance:				
Child Advocacy Center Services	211202	16.575	5,042	-
Child Advocacy Center Services	212202	16.575	25,210	-
Child Advocacy Center Services	211097	16.575	8,754	-
Child Advocacy Center Services	212097	16.575	43,770	-
Total Crime Victims Assistance			<u>82,776</u>	-
Central Illinois Enforcement Group:				
Edward Byrne Memorial Justice Assistance Grant Program	409001	16.738	138,569	106,455
Edward Byrne Memorial Justice Assistance Grant Program	411001	16.738	35,847	30,001
Total Central Illinois Enforcement Group			<u>174,416</u>	<u>136,456</u>
Adult Redeploy Illinois Planning Grant	809051.23	16.803	4,000	-
Total Passed-Through Illinois Criminal Justice Information Authority			<u>261,192</u>	<u>136,456</u>
Passed-Through the City of Springfield:				
Edward Byrne Memorial Justice Assistance Grant Program	2011-DJ-BX-2234	16.738	62,121	-
Total Passed-Through the City of Springfield			<u>62,121</u>	-
Total U.S. Department of Justice			<u>659,354</u>	<u>136,456</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2012

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	09-672020	17.258	\$ 8,377	\$ -
WIA Adult Program	10-681020	17.258	15,683	-
WIA Adult Program	11-681020	17.258	495,169	-
WIA Adult Program	12-681020	17.258	127,375	-
Total WIA Adult Program			<u>646,604</u>	<u>-</u>
WIA Youth Activities:				
WIA Youth Activities	09-672020	17.259	9,030	-
WIA Youth Activities	10-681020	17.259	89,125	74,298
WIA Youth Activities	11-681020	17.259	539,590	281,977
WIA Youth Activities	12-681020	17.259	137,496	81,778
Total WIA Youth Activities			<u>775,241</u>	<u>438,053</u>
WIA Dislocated Workers				
WIA Dislocated Workers	09-672020	17.260	12,237	-
WIA Dislocated Workers:				
WIA Trade Case Management Grants	10-653020	17.278	21,575	-
WIA Dislocated Workers	10-681020	17.278	9,648	-
WIA Trade Case Management Grants	11-653020	17.278	69,122	-
WIA Dislocated Workers	11-654120	17.278	67,507	-
WIA Dislocated Workers	11-681020	17.278	342,726	-
WIA Dislocated Workers	12-681020	17.278	175,626	-
Total WIA Dislocated Workers			<u>686,204</u>	<u>-</u>
Total Workforce Investment Act Cluster			<u>2,120,286</u>	<u>438,053</u>
ARRA - Program for Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors				
	10-691007	17.275	<u>276,827</u>	<u>188,504</u>
Trade Adjustment Assistance:				
Trade Adjustment Assistance	10-662020	17.245	137,352	-
Trade Adjustment Assistance	10-661020	17.245	5,305	-
Trade Adjustment Assistance	11-661020	17.245	16,980	-
Total Trade Adjustment Assistance			<u>159,637</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>2,556,750</u>	<u>626,557</u>
Total U.S. Department of Labor			<u>2,556,750</u>	<u>626,557</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2012

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Transportation				
Passed-Through Illinois Department of Transportation:				
Highway Safety Cluster:				
Sustained Traffic Enforcement Program	OP-13.314	20.600	\$ 1,763	\$ -
Highway Safety Project - Local Alcohol Program	AL9 0084 090	20.601	79,178	-
Total Highway Safety Cluster			80,941	-
Technical Studies Grant:				
Technical Studies Grant	FY13	20.505	29,698	-
Technical Studies Grant	FY12	20.505	49,948	-
Total Technical Studies Grant			79,646	-
Highway Planning and Research Program:				
Highway Planning and Research Program	FY13	20.205	98,755	-
Highway Planning and Research Program	FY12	20.205	211,295	-
Total Highway Planning and Research Program			310,050	-
Total Passed-Through Illinois Department of Transportation			470,637	-
Passed-Through Illinois Emergency Management Agency:				
Hazardous Materials Emergency Preparedness Grant	FY12	20.703	32,750	-
Total Passed-Through Illinois Emergency Management Agency			32,750	-
Total U.S. Department of Transportation			503,387	-
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	10-403038	81.042	3,772	-
Weatherization Assistance for Low-Income Persons	10-404038	81.042	2,669	-
Total Weatherization Assistance for Low-Income Persons			6,441	-
ARRA - Weatherization Assistance for Low-Income Persons	ARRA - 09-491038	81.042	78,187	-
Energy Efficiency & Conservation Block Grant	09-451001	81.128	125,151	125,151
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			209,779	125,151
Total U.S. Department of Energy			209,779	125,151

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2012

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				
Passed-Through Illinois Department of Commerce and Economic Opportunity:				
Community Services Block Grant: *				
Community Services Block Grant	11-231018	93.569	\$ 101,586	\$ -
Community Services Block Grant	12-231018	93.569	337,859	-
Total Community Services Block Grant			<u>439,445</u>	<u>-</u>
Low Income Energy Assistance Program: *				
Home Weatherization Assistance Program	11-221038	93.568	364,386	-
Low Income Energy Assistance Program	11-224038	93.568	1,052,913	-
Home Weatherization Assistance Program	12-221038	93.568	186,410	-
Low Income Energy Assistance Program	12-224038	93.568	1,333,541	-
Total Low Income Energy Assistance Program			<u>2,937,250</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>3,376,695</u>	<u>-</u>
Passed-Through Illinois Department of Public Health:				
Dental Sealant Grant:				
Dental Sealant Grant	23480138	93.994	4,273	-
Dental Sealant Grant	33480137A	93.994	763	-
Total Dental Sealant Grant			<u>5,036</u>	<u>-</u>
Public Health Preparedness:				
Public Health Preparedness	27181076	93.069	123,278	-
Public Health Preparedness	37180076A	93.069	60,534	-
Total Public Health Preparedness			<u>183,812</u>	<u>-</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance Program:				
Diabetes Program	23287011	93.283	35,645	-
Diabetes Program	33287011A	93.283	9,623	-
Wisewoman Grant	36180043A	93.283	9,723	-
Breast and Cervical Cancer Program	26180028	93.283	39,411	-
Breast and Cervical Cancer Program	36180028A	93.283	1,541	-
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance Program			<u>95,943</u>	<u>-</u>
Programs for Prevention of AIDS/HIV:				
Programs for Prevention of AIDS/HIV	15780137	93.940	8,802	-
Programs for Prevention of AIDS/HIV	25780047	93.940	7,332	-
Total Programs for Prevention of AIDS/HIV			<u>16,134</u>	<u>-</u>
Total Passed-Through Illinois Department of Public Health			<u>300,925</u>	<u>-</u>

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
Year Ended November 30, 2012

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 Healthcare and Family Services:				
Child Support Enforcement:				
Child Support Enforcement - Title IV-D	7/1/11 - 6/30/12	93.563	\$ 102,141	\$ -
Child Support Enforcement - Title IV-D	7/1/12 - 6/30/13	93.563	66,298	-
Child Support Enforcement - Title IV-D	7/1/11 - 6/30/12	93.563	7,888	-
Child Support Enforcement - Title IV-D	7/1/12 - 6/30/13	93.563	27,987	-
Total Child Support Enforcement			<u>204,314</u>	-
Medicaid:				
Medicaid - Administrative Claims *	7/1/11 - 6/30/12	93.778	172,701	-
Medicaid - MCH Services Claims *	1/1/12 - 12/31/12	93.778	54,600	-
Total Medicaid			<u>227,301</u>	-
Total Passed-Through Illinois Department of Healthcare and Family Services			<u>431,615</u>	-
Passed-Through Illinois Department of Human Services:				
Medical Assistance Providers - Early Intervention Child and Family Connections *	011GQ01347	93.778	150,134	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program:				
Affordable Care Act - Teen Pregnancy Prevention	011GQ00448	93.505	12,964	-
Affordable Care Act - Healthy Families	011GQ01578	93.505	108,308	-
Affordable Care Act - Healthy Families	FCSRE00712	93.505	35,222	-
Total Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			<u>156,494</u>	-
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services - Early Intervention	011GQ01347	93.994	37,061	-
Maternal and Child Health Services - Teen Pregnancy Prevention	011GQ00448	93.994	285	-
Maternal and Child Health Services - Teen Pregnancy Prevention	FCSRE00764	93.994	26,162	-
Subtotal CFDA 93.994			<u>63,508</u>	-
Maternal and Child Health Services - Family Case Management	11GQ01156	93.667	15,534	-
Maternal and Child Health Services - Family Case Management *	11GQ01156	93.778	353,381	-
Total Maternal and Child Health Services Block Grant to the States			<u>432,423</u>	-
Social Services Block Grant:				
Social Services Block Grant	FCSRE01601	93.667	18,661	-
Social Services Block Grant - Early Intervention	011GQ01347	93.667	14,974	-
Total Social Services Block Grant			<u>33,635</u>	-
Total Passed-Through Illinois Department of Human Services			<u>772,686</u>	-
Total U.S. Department of Health and Human Services			<u>4,881,921</u>	-

* Denotes Major Program

(Continued)

Sangamon County, Illinois

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended November 30, 2012

Federal Grantor Program Title Pass-Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Homeland Security				
Passed-Through Illinois Emergency Management Agency: Emergency Management Performance Grant	12EMASANGA	97.042	\$ 64,458	\$ -
Total Passed-Through Illinois Emergency Management Agency			<u>64,458</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>64,458</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 12,111,492</u>	<u>\$ 888,164</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 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 balances outstanding at November 30, 2012:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Services Block Grant Loan Program	93.569	<u>\$ 146,033</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 and 10.557, as noted in the accompanying schedule of expenditures of federal awards.

In addition, during the year ended November 30, 2012, Sangamon County did not receive federal insurance coverage or federal loan guarantees.

Note 5. Reissued Schedule of Expenditures of Federal Awards

In preparation of the previously-issued schedule of expenditures of federal awards, the County underreported the federal expenditures for CFDA 93.778, Medical Assistance Program, as follows:

<u>Name of Federal Program or Cluster</u>	<u>Originally Reported</u>	<u>Revised</u>
Medical Assistance Program	\$ 150,134	\$ 730,816

As a result, the schedule of expenditures of federal awards has been revised and the above program was added to the scope of our major program audit.

Sangamon County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 6. Summary of CFDA Totals

CFDA Number	Expenditures
10.553, 10.555 Child Nutrition Cluster	\$ 28,680
10.557	2,898,255
10.572	1,000
16.543	10,000
16.575	82,776
16.585	95,171
16.606	9,890
16.710	197,647
16.738, 16.803 JAG Program Cluster	263,870
17.245	159,637
17.258, 17.259, 17.260, 17.278 WIA Cluster	2,120,286
17.275	276,827
20.205	310,050
20.505	79,646
20.600, 20.601 Highway Safety Cluster	80,941
20.703	32,750
81.042	84,628
81.128	125,151
84.181	307,908
93.069	183,812
93.283	95,943
93.505	156,494
93.563	204,314
93.568	2,937,250
93.569	439,445
93.667	49,169
93.778	730,816
93.940	16,134
93.994	68,544
97.042	64,458
	<u>\$ 12,111,492</u>

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs
Year Ended November 30, 2012**

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued: Unqualified

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: Unqualified

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, 17.260, 17.278	Workforce Investment Act Cluster
93.568	Home Weatherization Assistance Program and Low-Income Home Energy Assistance
93.569	Community Services Block Grant
93.778	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$363,345

Auditee qualified as a low-risk auditee Yes X No

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2012**

Part II - Financial Statement Findings

A. Internal Control Findings

Finding 2012-01: 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: The County Auditor's Office has begun working with the staffs of all County departments that participate in federal assistance programs to ensure that they are aware of federal requirements for recording and reporting expenditures on federal programs and to assist departments in establishing procedures to reconcile their federal expenses reported for inclusion in the County's annual Schedule of Expenditures of Federal Awards (SEFA) with information recorded in the County's general ledger. Departments expending federal assistance will establish procedures for reconciling their reported federal expenditures to the County's general ledger during the current fiscal year.

Finding 2012-02: 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.

Sangamon County, Illinois

**Schedule of Findings and Questioned Costs (Continued)
Year Ended November 30, 2012**

Part II - Financial Statement Findings (Continued)

A. Internal Control Findings (Continued)

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

Views of responsible officials and planned corrective actions: During the current County fiscal year, the Auditor's Office will work with all departments that may have any accounts receivable to ensure that the departments have procedures in place to properly record and report receivable amounts at the end of each fiscal year.

Finding 2012-03: 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 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: The County Administrator, with the assistance of the Auditor's Office and Human Resource Director, has initiated a review of the County's payroll function to identify cost-effective options to mitigate the control risks resulting from the lack of segregation of the County's payroll duties. As noted in the finding, staffing limitations make it difficult to fully segregate the responsibilities of the payroll function. Based on the initial work of the review team, during FY 2013 the County will transfer responsibility for the preparation of payroll checks to another office and staff assigned backup duties for the payroll function will periodically process the County's biweekly payrolls. In addition, the Auditor's Office will perform periodic, unannounced audits of payroll activities. The review team is researching additional controls which will be implemented during the current year.

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. 2012-01, 2012-02, and 2012-03.

B. Compliance Findings

None identified.

Sangamon County, Illinois

Summary Schedule of Prior Audit Findings Year Ended November 30, 2012

Finding 2011-01: ARRA 16.738 Edward Byrne Memorial Justice Assistance Grant Program

Condition: Expenditures incurred by a sub-recipient were not adequately reviewed and approved nor was detailed supporting documentation verified before such expenditures were reported by the sub-recipient to the grantor for reimbursement.

Status of Corrective Action: The County has taken the following steps to correct the finding:

- Replaced the individual who had access to all of the accounts and had signature authority.
- Signature authority has been given to one person within the CIEG group for accounts not handled by Sangamon County.
- All requisitions processed by Sangamon County are entered into the New World system and project accounting is used. Review and approval is done by County Sheriff's staff and Auditor's office.
- Sangamon County and CIEG is in the process of moving all checking accounts held by the Group into the Sangamon County accounting system. Procedures are in a draft stage at this time.
- Quarterly and annual reconciliation of grant activities done between the County and CIEG.
- Agreement is being drafted with the State Police regarding what responsibilities Sangamon County will have and what responsibilities CIEG will have.