

Single Audit Section

COUNTY OF CHAMPAIGN, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
U.S. DEPT. OF HEALTH & HUMAN SERVICES		
93.069 Public Health Emergency Preparedness		\$74,533
County Public Health Board	IL Dept of Public Health Grant # 27180009 (8/11-6/13)	\$0
County Public Health Board	IL Dept. of Public Health Grant #37180009A (8/12-6/13)	\$49,830
	(to subrecipients--	\$49,830
County Public Health Board	IL Dept. of Public Health Grant #47180009B (7/13-6/14)	\$24,703
	(to subrecipients--	\$24,703
93.104 Community Mental Health Services for Children with Serious Emotional Disturbances		\$1,447,947
Mental Health Board--Access Initiative Fund	IL Dept. of Human Services Grant #45CRB00099 (10/12-9/13)	\$1,340,181
	(to subrecipients --	\$1,175,100
Mental Health Board--Access Initiative Fund	IL Dept. of Human Services Grant #45CSB00099 (10/13 - 9/14)	\$107,766
	(to subrecipients --	\$67,675
93.518 Affordable Care Act - Medicare Improvements for Patients and Providers		\$2,500
Regional Planning Commission	IL Dept. of Insurance Senior Services (1/1/13-9/30/13)	\$833
Regional Planning Commission	IL Dept of Insurance Senior Services (1/1/13-9/30/13)	\$1,667
93.556 Promoting Safe and Stable Families		\$51,241
Regional Planning Commission	IL Dept. of Children & Family Services Grant #178742-6012 (7/11-6/12)	\$8,318
Regional Planning Commission	IL Dept. of Children & Family Services Grant #178742-6013 (7/12-6/13)	\$42,923
93.563 Child Support Enforcement Title IV-D		\$249,080
State's Attorney	IL Dept. of Healthcare & Family Services Grant #2011-55-013-K3A (7/12-6/13)	\$125,783
Circuit Clerk	IL Dept. of Healthcare & Family Services Grant #2011-55-007-K3AE (7/12-6/13)	\$21,730
Sheriff	IL Dept. of Healthcare & Family Services (7/12-6/13)	\$6,708

COUNTY OF CHAMPAIGN, ILLINOIS
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 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
U.S. DEPT. OF HEALTH & HUMAN SERVICES (continued)		
93.563 Child Support Enforcement Title IV-D (continued)		
State's Attorney	IL Dept. of Healthcare & Family Services Grant #2014-55-013-K1K (7/13-6/14)	\$75,870
Circuit Clerk	IL Dept. of Healthcare & Family Services Grant #2011-55-007-K4AE (7/13-6/14)	\$15,348
Sheriff	IL Dept. of Healthcare & Family Services (7/13-6/14)	\$3,641
93.568 Low Income Home Energy Assistance Program		\$3,063,594
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity LIHEAP Grant #12-224042 (07/11-6/13)	\$689,834
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Weatherization Grant #12-221042 (7/13-6/14)	\$263,495
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Weatherization Grant #13-221042 (11/10-6/14)	\$226,478
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity LIHEAP Grant #13-224042 (11/12-6/14)	\$1,883,787
93.569 Community Services Block Grant		\$628,237
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Grant #12-231038 (1/12-3/13)	\$78,862
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Grant #13-231038 (1/13-3/14)	\$549,375
93.575 Child Care and Development Block Grant		\$90,008
Regional Planning Comm.--Head Start Fund	IL Dept. of Human Services 7/1/12-6/30/13	\$90,008
93.600 Head Start Programs		\$4,644,485
Regional Planning Comm.--Head Start Fund	U.S. Dept. of Health & Human Services Grant #05/CH/6105/19 (3/12-2/13)	\$516,028
Regional Planning Comm-- Head Start Fund	U.S. Dept of Health & Human Services Grant # 05/CH/6105/19 (3/12-2/13)	\$745,990

COUNTY OF CHAMPAIGN, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. DEPT. OF HEALTH & HUMAN SERVICES (continued)
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93.600 Head Start Programs (continued)	
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Regional Planning Comm.--Head Start Fund	U.S. Dept. of Health & Human Services Grant #05/CH/6105/20 (3/13-2/14)	\$1,196,338
Regional Planning Comm.--Head Start Fund	U.S. Dept. of Health & Human Services Grant #05/CH/6105/20 (3/13-2/14)	\$2,186,129

93.825 IDPH Afford Care Act -IACA Program	\$13,852
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Regional Planning Commission	IL Dept. of Public Health 07/13-06/14	\$13,852
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U.S. DEPT. OF ENERGY

81.042 Weatherization Assistance for Low Income Persons	\$92,549
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Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Grant #10-404042 (7/12-6/13)	\$91,657
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Grant #14-401042 (7/13-6/14)	\$892

U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT
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14.218 Community Development Block Grant / Entitlement Grant	\$58,232
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Regional Planning Commission	Village of Rantoul Court Diversion 7/1/11-6/30/12	\$2,717
	Court Diversion 7/1/12-6/30/13	\$10,088
	Court Diversion 7/1/13-6/30/14	\$1,958
Regional Planning Commission	City of Urbana 7/1/12-6/30/13	\$3,000
Regional Planning Commission	City of Champaign Senior Home Repair Program 7/12-6/13	\$29,007
Regional Planning Commission	City of Champaign Senior Home Repair Program 7/13-6/14	\$11,462

14.231 Emergency Shelter Grant	\$54,821
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Regional Planning Commission	Grant # 11-272005 (11/12-12/13)	\$54,821
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COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT (continued)

14.235 Supportive Housing Program \$3,511

Regional Planning Commission	U.S. Dept. of Housing & Urban Development Grant #IL0367B5T031103	\$3,511
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14.238 Shelter Plus Care Program \$282,322

Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care III #IL01C703001 (3/12-2/13)	\$839
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Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care I #IL0039C5T031104 (7/12-6/13)	\$166,371
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Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care III #IL01C703001 (3/13-2/14)	\$1,579
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Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care I #IL0039L5T031205 (7/13-6/14)	\$113,533
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Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care III #IL0487C5T031100	\$0
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14.239 HOME Investment Partnerships Program \$267,330

Regional Planning Commission	City of Urbana H.O.M.E. Program Subgrant 2/1/10 - 11/30/13	\$241,750
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Regional Planning Commission	City of Champaign H.O.M.E. Program Subgrant 11/4/12-11/3/13	\$25,580
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14.870 Resident Opportunity and Supportive Services - Service Coordinators \$20,128

Regional Planning Commission	Housing Authority of Champaign County Grant #2577-0229	\$20,128
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U.S. DEPT. OF TRANSPORTATION

20.205 FHWA Highway Planning and Construction \$345,777

Regional Planning Commission	IL Dept. of Transportation Grant #13T009 (7/12-6/13)	(\$9,407)
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Regional Planning Commission	IL Dept. of Transportation Public Involvement LRTP (9/12-6/15)	\$43,703
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Regional Planning Commission	IL Dept. of Transportation Health Impact Analysis (10/12-6/16)	\$30,540
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COUNTY OF CHAMPAIGN, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. DEPT. OF TRANSPORTATION (continued)

20.205 FHWA Highway Planning and Construction (continued)	
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Regional Planning Commission	IL Dept. of Transportation Grant #14T0012 (7/13-6/14)	\$146,126
Regional Planning Commission	IL Dept. of Transportation Signal Retiming Grant #HSIP-0019(129)	\$14,870
Regional Planning Commission	IL Dept. of Transportation Illinois Modeling Initiative #SPR-PL-3000 (47)	\$119,945

20.505 FTA Metropolitan Transportation Planning	\$128,531
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Regional Planning Commission	IL Dept. of Transportation University of IL Traffic Circulation Study #0257 (8/11-1/14)	\$72,872
Regional Planning Commission	IL Dept. of Transportation Grant #13T009 (7/12-6/13)	\$5,449
Regional Planning Commission	IL Dept. of Transportation Grant#IL-80-0001(10/12-9/13)	\$10,449
Regional Planning Commission	IL Dept. of Transportation Grant #14T0012 (7/13-6/14)	\$39,761

20.509 FTA Formula Grants for Other Than Urbanized Areas	\$191,543
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Regional Planning Commission	IL Dept. of Transportation Human Services Transportation #10BOB137	\$25,532
Regional Planning Commission	IL Dept. of Transportation Human Services Transportation #13BOB147	\$34,616
Regional Planning Commission	IL Dept. of Transportation Rural Mass Transit Grant #4189 (7/12-6/13) (to subrecipients--	\$108,142 \$66,480
Regional Planning Commission	IL Dept. of Transportation Rural Mass Transit Grant #4314 (7/13-6/14) (to subrecipients--	\$23,253 \$153,871

20.521 New Freedom Program	\$24,690
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Regional Planning Commission	IL Dept. of Transportation Bus Facilities Study Grant #4210 (7/11-6/13)	\$24,690
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COUNTY OF CHAMPAIGN, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. DEPT. OF TRANSPORTATION (continued)

20.703 Hazard Materials Training Plan	\$1,647
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Emergency Management Agency	IL Dept of Transportation HMTP Grant (10/1/12-9/30/13)	\$1,647
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U.S. DEPT. OF AGRICULTURE

**10.553 National School Breakfast Program	\$10,861
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Juvenile Detention Center	IL State Board of Education Grant #09-010-043P-00	\$10,861
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**10.555 National School Lunch Program	\$19,030
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Juvenile Detention Center	IL State Board of Education Grant #09-010-043P-00	\$19,030
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10.558 Child and Adult Care Food Program	\$260,588
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Regional Planning Comm.--Head Start Fund	IL State Board of Education Grant #09-010-043P-00	\$260,588
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10.767 USDA Intmd Relending Program	\$30,000
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Regional Planning Comm	USDA Revolving Loans #13-010-376006910	\$30,000
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U.S. DEPT. OF HOMELAND SECURITY
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97.024 Homeland Security	\$11,492
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Regional Planning Commission	Emergency Food/Shelter National Board #23-6000 Phase 30	\$11,492
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97.042 Emergency Management Performance Grant	\$69,259
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Emergency Management Agency	IL Emergency Management Agency 10/1/11 - 9/30/13	\$55,714
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Emergency Managemen Agency	IL Emergency Management Agency Not assigned yet (FY14 Grant)	\$13,545
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97.067 Homeland Security Grant Program	\$2,237
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Emergency Management Agency	IL Law Enforcement Alarm System Emrg. Oper. Center Technology Grant 2/1/13-4/30/13	\$2,237
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COUNTY OF CHAMPAIGN, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. DEPT. OF JUSTICE

16.523 Juvenile Accountability Block Grant	\$12,036
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Court Services--Juv. Info. Sharing System Fur IL Criminal Justice Information Authority Grant #508005 (5/1/12-11/30/12)	\$120
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Regional Planning Commission Juvenile Justice Delinq. Prevention Grant #509005 (4/13-12/13)	\$11,916
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16.575 Crime Victim Assistance	\$69,384
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Child Advocacy Center IL Criminal Justice Information Authority Grant #211216 (3/12-6/13)	\$22,154
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State's Attorney--Victim Advocacy Fund IL Criminal Justice Information Authority Grant #212078 (10/12-9/13)	\$28,771
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Child Advocacy Center IL Criminal Justice Information Authority Grant #212216 (07/13-06/14)	\$12,705
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State's Attorney--Victim Advocacy Fund IL Criminal Justice Information Authority Grant #213078 (10/13-9/14)	\$5,754
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16.579 Byrne Memorial Anti-Drug Abuse Formula Grant	\$38,033
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State's Attorney IL Appellate Prosecutor Drug Prosecutor Contract 10/1/12-9/30/13	\$33,333
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State's Attorney IL Appellate Prosecutor Drug Prosecutor Contract 10/1/13-9/30/14	\$4,700
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16.585 Drug Court Grant	\$79,683
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Mental Health U.S. Dept. of Justice Drug Court Grant#2011DCBX0127 (10/11-9/13)	\$79,683
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16.606 State Criminal Alien Assistance Program	\$46,344
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Sheriff U.S. Dept of Justice Grant#2012-AP-BX-0366	\$27,348
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Sheriff U.S. Dept. of Justice Grant #2013-AP-BX-0323	\$18,996
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COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. DEPT. OF JUSTICE (continued)

16.738 Byrne Memorial Justice Assistance Grant \$4,626

Sheriff	City of Champaign #2012-H1096-IL-DJ (12/13)	\$4,626
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16.758 Improving the Investigation and prosecution of Child Abuse \$8,711

Child Advocacy Center	National Children's Alliance Program Support #Cham-IL-SA12 (1/12-12/12)	\$795
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Child Advocacy Center	National Children's Alliance Program Support #Cham-IL-SA13 (1/13-12/13)	\$7,916
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U.S. DEPT. OF LABOR

***17.258 WIA Adult Program \$631,451**

Workforce Development	IL Dept. of Commerce & Economic Opportunity #12-681017	\$454,166
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Workforce Development	IL Dept. of Commerce & Economic Opportunity # 13-681017	\$177,285
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***17.259 WIA Youth Activities \$978,161**

Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant #12-681017	\$525,422
	(to subrecipients--	\$167,123

Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant #13-681017	\$452,739
	(to subrecipients--	\$132,396

***17.278 WIA Dislocated Worker, Trade Adjustment Assist Program \$389,192**

Workforce Development	IL Dept. of Commerce & Economic Opportunity #11-661117	\$40,903
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Workforce Development	IL Dept. of Commerce & Economic Opportunity #12-681017	\$269,921
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Workforce Development	IL Dept. of Commerce & Economic Opportunity #12-661017	\$3,155
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Workforce Development	IL Dept. of Commerce & Economic Opportunity # 13-681017	\$75,213
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COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Federal Agency CFDA # / Federal Program Name County Department	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures
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U.S. ENVIRONMENTAL PROTECTION AGENCY

66.432 State Public Water System Supervision Program		\$779
County Public Health Board	IL Dept. of Public Health #35382009A (10/12 - 9/13)	\$779
	(to subrecipients--	\$779
TOTAL FEDERAL AWARDS		<u><u>\$14,398,425</u></u>

* WIA Cluster
** Child Nutrition Cluster

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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NOTE 1 - BASIS OF PRESENTATION

This accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. This schedule includes all federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the fiscal year. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local and Nonprofit Organizations*.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Revenue from federal awards is recognized when the County has done everything to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measureable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

NOTE 3 - NON-CASH ASSISTANCE

Champaign County did not receive any non-cash awards during fiscal year 2013.

NOTE 4 - INSURANCE IN EFFECT, LOANS , AND GUARANTEES

Champaign County did not receive any federal awards in the form of non-cash assistance for insurance in effect during the year, loans, or loan guarantees.

**INDEPENDENT AUDITORS' 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**

Champaign County Board
Champaign County, Illinois
Urbana, 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, each major fund, and the aggregate remaining fund information of Champaign County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise Champaign County, Illinois' basic financial statements, and have issued our report thereon dated July 18, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Champaign County, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Champaign, Illinois
July 18, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Champaign County Board
Champaign County, Illinois
Urbana, Illinois

Report on Compliance for Each Major Federal Program

We have audited Champaign 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 Champaign County, Illinois' major federal programs for the year ended November 30, 2013. Champaign County, Illinois' major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Champaign County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local 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 Champaign County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Champaign 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001, 2013-002, 2013-003, and 2013-004. Our opinion on each major federal program is not modified with respect to these matters.

Champaign County, Illinois' response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Champaign county, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Champaign County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Champaign County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Champaign County, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-001, 2013-002, 2013-003, and 2013-004, that we consider to be significant deficiencies.

Champaign County, Illinois' response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Champaign County, Illinois' response was 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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Champaign, Illinois
July 18, 2014

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 • Material weaknesses identified? Yes No
 • Significant deficiency identified that is not considered to be a material weakness? Yes None reported
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
 • Material weaknesses identified? Yes No
 • Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
 Type of auditors' report issued on compliance for major programs: unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Fund
93.569	Community Services Block Grant
93.104	Community Mental Health Services for Children With Serious Emotional Disturbances
17.258, 17.259, & 17.278	WIA Formula Youth, Adult, Dislocated Worker

Dollar threshold used to distinguish between type A and type B programs: \$431,953

Auditee qualified as low-risk auditee? Yes No

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section II - Financial Statement Findings

NONE.

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section III - Federal Award Findings and Questioned Costs

FINDING NO. 2013-001 - ALLOWABLE COST CONTROLS - COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES

Federal Agency/Program: U.S. Department of Health and Human Services –CFDA #93.104 – Community Mental Health Services for Children with Serious Emotional Disturbances; Passed-through Illinois Department of Human Services (IDHS)

Questioned Costs: \$49.13

Criteria or Specific Requirement: Applicable allowable cost compliance requirements state that interest and late fees are not an allowable cost.

Condition: During our audit testing, we noted credit card interest and other late fees paid with federal funding.

Context: This was noted in three of the sixty disbursements tested during the audit (\$44.38). Additional interest and late fees were paid at other times, for a total of \$49.13 for fiscal year ended November 30, 2013.

Effect: Lack of proper controls over allowable costs can lead to questioned costs and amounts due back to federal agencies.

Cause: The requisition and verification process for bill payments makes timely payment a persistent problem, which results in interest due on late credit card payments and other late fees on bills.

Recommendation: We recommend the employees reviewing and approving disbursements review the applicable allowable costs circular to ensure only allowable costs are approved and paid from federal resources.

Views of Responsible Officials and Planned Corrective Action: The Executive Director has continued to reinforce with staff the need to address compliance with this requirement. This Project (i.e., cooperative agreement) will end on September 30, 2015. In the interim, the project will be winding down and this will significantly reduce the variables which have made it difficult to comply with this requirement.

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section III - Federal Award Findings and Questioned Costs

FINDING NO. 2013-002 - PROPER CONTROL OVER CASH MANAGEMENT - COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES

Federal Agency/Program: U.S. Department of Health and Human Services –CFDA #93.104 – Community Mental Health Services for Children with Serious Emotional Disturbances; Passed-through Illinois Department of Human Services (IDHS)

Questioned Costs: None noted

Criteria or Specific Requirement: Cash management compliance requirements state if federal funds are received in advance, the grantee must establish procedures with the pass-through entity (IDHS) to minimize the time between the transfer of federal funds and the disbursement of funds for program purposes.

Condition: During our audit testing, we noted there was not a process in place to minimize the time lapsing between the receipt of federal funds and disbursements for program purposes.

Context: This was noted in three of the four receipts of funds during the fiscal year.

Effect: Excess cash was on hand for an extended period of time.

Cause: This was a new program in fiscal year 2010 with large amounts received in advance for start-up costs and since then the program has continued to receive large amounts that are in excess of what it has disbursed. Per County personnel, they had no notice from IDHS when funding would be received prior to its receipt or explanation of the amount received. Per County personnel, they were concerned about returning excess funding to the State, as they knew they would need it for future expenses. They were aware of the excess cash and did properly track interest earned on the funds. The County does not have the ability to advance money to the program if cash flow runs low.

Recommendation: We recommend the County work with IDHS to develop a formal process to minimize the time elapsing between the transfer of funds and disbursement of funds for program purposes.

Views of Responsible Officials and Planned Corrective Action: The Executive Director will discuss this problem with the Illinois Department of Human Services (IDHS) contract monitor and will recommend that we closely watch this problem and to the extent possible, request that payments be directly tied to the monthly reimbursement reports.

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section III - Federal Award Findings and Questioned Costs

FINDING NO. 2013-003 - PROPER CONTROL OVER REPORTING - COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES

Federal Agency/Program: U.S. Department of Health and Human Services –CFDA #93.104 – Community Mental Health Services for Children with Serious Emotional Disturbances; Passed-through Illinois Department of Human Services (IDHS)

Questioned Costs: None noted

Criteria or Specific Requirement: The reporting requirements outlined in the OMB Circular A-133 Compliance Supplement indicate that financial reports are to be complete and supported by accurate accounting records. The Department of Human Services requires all monthly reports be filed within thirty days of the month end.

Condition: During our audit testing, we noted monthly financial reports were not submitted timely and program income was incorrectly recorded.

Context: For the timely report filings, this was noted in two of the four monthly report submissions tested during the audit. For the program income, this was noted in three of the four monthly report submissions.

Effect: Lack of proper controls over reporting compliance requirements can lead to errors in reporting.

Cause: This was an oversight by the Program Manager responsible for reviewing and submitting the monthly reports.

Recommendation: We recommend the County establish review procedures over its monthly financial reports prior to submission to ensure their accuracy, timeliness and compliance with reporting requirements.

Views of Responsible Officials and Planned Corrective Action: The Executive Director has met with the staff responsible for submission of the monthly reimbursement forms and has reinforced the need to assure timely/accurate submission of required forms and documents.

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section III - Federal Award Findings and Questioned Costs

**FINDING NO. 2013-004 - PROPER CONTROL OVER RECIPIENT MONITORING –
COMMUNITY MENTAL HEALTH SERVICES FOR
CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES**

Federal Agency/Program: U.S. Department of Health and Human Services –CFDA #93.104 – Community Mental Health Services for Children with Serious Emotional Disturbances; Passed-through Illinois Department of Human Services (IDHS)

Questioned Costs: None noted

Criteria or Specific Requirement: The sub-recipient requirements outlined in the OMB Circular A-133 Compliance Supplement indicate the agency is responsible for monitoring the sub-recipients' funding.

Condition: During our testing, we noted a lack of monitoring of the amount of cash advances to sub-recipients and the lack of taking action on the excess funds held per the sub-recipient reports.

Context: This was noted in two of the two sub-recipients tested during the audit.

Effect: Lack of proper controls over sub-recipient compliance requirements can lead to noncompliance.

Cause: Funding is provided in advance to the sub-recipients and the County works to monitor the expenses as it can, but due to timing of some of the sub-recipients expenses there are times when there are excess funds.

Recommendation: We recommend for all sub-recipients there be more review of the quarterly reports of sub-recipients and the County work with the sub-recipients to make sure they are using the funding on a timely basis or returning unused funds.

Views of Responsible Officials and Planned Corrective Action: The Executive Director has reinforced financial protocol and checklist requirements with the Project Director. In order to assure an appropriate level of financial accountability and full compliance with the terms and conditions of service contracts, the ACCESS Initiative requires quarterly financial reporting specific to each contract and an annual financial audit in full compliance with specifications defined in the contract.

**CHAMPAIGN COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2013**

YEAR ENDED NOVEMBER 30, 2012

**FINDING NO. 2012-1 - ALLOWABLE COST CONTROLS -
COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN
WITH SERIOUS EMOTIONAL DISTURBANCES**

Condition: During our audit testing, we noted credit card interest and other late fees paid with federal funding.

Condition still exists.

**FINDING NO. 2012-2 - PROPER CONTROL OVER CASH MANAGEMENT -
COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN
WITH SERIOUS EMOTIONAL DISTURBANCES**

Condition: During our audit testing, we noted there was not a process in place to minimize the time lapsing between the receipt of federal funds and disbursements for program purposes.

Condition still exists.

**FINDING NO. 2012-3 - PROPER CONTROL OVER REPORTING -
COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN
WITH SERIOUS EMOTIONAL DISTURBANCES**

Condition: During our audit testing, we noted monthly financial reports were not submitted timely and program income was incorrectly recorded.

Condition still exists.