

**TAZEWELL COUNTY, ILLINOIS**

**SINGLE AUDIT**

**November 30, 2014**



**CliftonLarsonAllen**

**TAZEWELL COUNTY, ILLINOIS**

**SINGLE AUDIT REPORT**

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**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***

Chairman and Members of the County Board  
Tazewell County, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Tazewell County, Illinois (County) as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise Tazewell County, Illinois' basic financial statements, and have issued our report thereon dated May 6, 2015.

**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 material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

### **Compliance and Other Matters**

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

### **Tazewell County, Illinois' Response to Findings**

The County's responses to the 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 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.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Peoria, Illinois  
May 6, 2015



**Independent Auditors' Report on Compliance With Requirements  
That Could Have a Direct and Material Effect on Each Major Federal Program,  
on Internal Control Over Compliance, and on the Schedule of Expenditures  
of Federal Awards in Accordance With OMB Circular A-133**

Chairman and Members of the County Board  
Tazewell County, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Tazewell 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, 2014. The County's 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 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, the County 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, 2014.

## **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 2014-003 and 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance 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 responses.

## **Report on Internal Control Over Compliance**

Management of Tazewell 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 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 certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, and 2014-003 to be material weaknesses.

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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-004 to be a significant deficiency.

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 responses.

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.

**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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 6, 2015, 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*CliftonLarsonAllen LLP*

Peoria, Illinois  
May 6, 2015

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through Illinois Department of Human Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children (Major)	10.557	FCSSQ01102	\$ 189,028	\$ -
	10.557	FCSTQ01102	119,050	-
	10.557	Food instruments	<u>880,873</u>	<u>-</u>
			<u>1,188,951</u>	<u>-</u>
Peer Counseling (Major)	10.557	FCSSQ01178	23,584	-
	10.557	FCSTQ01178	<u>18,739</u>	<u>-</u>
			<u>42,323</u>	<u>-</u>
WIC Farmer's Market Nutrition Program	10.572	FCSTQ00696	<u>1,000</u>	<u>-</u>
Total U.S. Department of Agriculture passed through Illinois Department of Human Services			1,232,274	-
Passed through Illinois State Board of Education:				
Summer Food Service Program	10.559	65108906551	<u>10,800</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,243,074</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through Illinois Department of Public Health:				
Cities Readiness Initiative	93.074	47180120B	27,752	-
	93.074	57180120C	<u>19,631</u>	<u>-</u>
			<u>47,383</u>	<u>-</u>
Public Health Information Network	93.074	47180086B	54,225	-
	93.074	57180086C	<u>37,037</u>	<u>-</u>
			<u>91,262</u>	<u>-</u>
Immunization Grants - Commodities	93.268	N/A	<u>56,351</u>	<u>-</u>

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>				
Passed through Illinois Department of Public Health (Continued):				
Drug Free Communities	93.276	5H79SP018724-02 5H79SP018724-03	\$ 105,379 <u>16,598</u> <u>121,977</u>	\$ - <u>-</u> <u>-</u>
Breast and Cervical Cancer Screening	93.283 93.283	46180033B 56180032C	44,290 <u>6,733</u> <u>51,023</u>	- <u>-</u> <u>-</u>
In Person Counseling Program	93.525 93.525	IPL-14-149-005 IPL-15-149-004	105,562 <u>23,625</u> <u>129,187</u>	- <u>-</u> <u>-</u>
Illinois Wisewoman	93.094	56180078C	<u>1,336</u>	<u>-</u>
Maternal and Child Health Service Block Grant to the States	93.994 93.994 93.994 93.994	46080159B 56380081C 46080127B 56380052C	30,623 19,605 16,757 <u>10,614</u> <u>77,599</u>	- - - <u>-</u> <u>-</u>
Total U.S. Department of Health and Human Services passed through Illinois Department of Public Health			<u>576,118</u>	<u>-</u>
Passed through Illinois Department of Human Services:				
Partnerships for Success	93.243 93.243	FCSSP01816 FCSTP01816	68,125 <u>23,416</u> <u>91,541</u>	- <u>-</u> <u>-</u>
Maternal and Child Health Service Block Grant to the States	93.994 93.994	FCSSU03049 FCSTU03049	88,485 <u>61,689</u> <u>150,174</u>	- <u>-</u> <u>-</u>
Teen Reach (Temporary Assistance For Needy Families)	93.558 93.558	FCSSR00970 FCSTR00970	127,956 <u>61,516</u> <u>189,472</u>	- <u>-</u> <u>-</u>
Family Case Management	93.667	FCSSU03129	<u>9,800</u>	<u>-</u>

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>				
Total U.S. Department of Health and Human Services passed through Illinois Department of Human Services			\$ 440,987	\$ -
Passed through Illinois Department of Healthcare and Family Services:				
Child Support Enforcement Title IV-D	93.563	2014-55-007-KT	(1,946)	-
	93.563	2015-55-007-KT	17,227	-
			<u>15,281</u>	<u>-</u>
Medical Assistance Program	93.778	N/A	<u>85,422</u>	<u>-</u>
Total U.S. Department of Health and Human Services passed through Illinois Department of Healthcare and Family Services			<u>100,703</u>	<u>-</u>
Passed through National Association of County and City Health Officials	93.008	MRC110964	482	-
	93.008	MRC120964	54	-
	93.008	MRC130964	114	-
			<u>650</u>	<u>-</u>
Passed through Quality Quest for Health of Illinois, Inc.:				
Community Transformation Grants	93.531	1H75DP004385-01	<u>120,053</u>	<u>-</u>
Passed through Illinois State Board of Elections:				
Help America Vote Act – VAID	93.617	N/A	<u>122</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>1,238,633</u>	<u>-</u>

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
Passed through Illinois Emergency Services and Disaster Agency: Radon	66.032	14 TCHD (Radon)	\$ 4,555	\$ -
	66.032	15 TCHD (Radon)	<u>805</u>	<u>-</u>
			<u>5,360</u>	<u>-</u>
Passed through Illinois Environmental Protection Agency: Capitalization Grants for Drinking Water State Revolving Funds	66.468	WHW-10302	<u>2,602</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>7,962</u>	<u>-</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Technical Assistance Grants to Communities Program	20.710	DTPH56-13-G-PHPT18	<u>40,091</u>	<u>-</u>
Passed through Illinois Department of Transportation: Public Transportation for Nonurbanized Areas (Major)	20.509	RPT-14-40-FED-#4430	186,227	186,227
	20.509	RPT-15-40-FED-#4564	<u>130,977</u>	<u>130,977</u>
			<u>317,204</u>	<u>317,204</u>
STEP and Holiday Enforcement Impaired Driving Grant	20.600	OP-14-0261	<u>11,715</u>	<u>-</u>
Highway Planning and Construction Grant	20.205	C-94-019-14	<u>44,471</u>	<u>-</u>
Total U.S. Department of Transportation passed through Illinois Department of Transportation			<u>373,390</u>	<u>317,204</u>
Total U.S. Department of Transportation			<u>413,481</u>	<u>317,204</u>

**TAZEWELL COUNTY, ILLINOIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended November 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through Illinois Emergency Services & Disaster Agency: Emergency Management Performance Grants	97.042 97.042	13EMATAZEW 14EMATAZEW	\$ 3,504 42,637 <u>46,141</u>	\$ - - <u>-</u>
Total U.S. Department of Homeland Security			<u>46,141</u>	<u>-</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Passed through Illinois Criminal Justice Information Authority: State's Attorney Appellate Prosecutor	16.738 16.738	410025 411225	16,450 4,700 <u>21,150</u>	- - <u>-</u>
Crime Victim Assistance	16.575 16.575 16.575	210312 213212 214212	(4,735) 27,270 18,847 <u>41,382</u>	- - - <u>-</u>
Total U.S. Department of Justice passed through Illinois Criminal Justice Information Authority			<u>62,532</u>	<u>-</u>
Passed through National Children's Alliance: Crime Victim Assistance Discretionary Grants	16.758	Pekin-IL-SA13	<u>9,000</u>	<u>-</u>
Discretionary Grants (JAG Cluster)	ARRA-16.803 16.738 16.738	809041 409841 412841	(9,052) 8,332 <u>1,770</u>	- - <u>-</u>
Total Discretionary Grants (JAG Cluster)			<u>1,050</u>	<u>-</u>
Total U.S. Department of Justice passed through National Children's Alliance			<u>10,050</u>	<u>-</u>
Total U.S. Department of Justice			<u>72,582</u>	<u>-</u>

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<b>U.S. ELECTION COMMISSION</b>				
Passed through Illinois State Board of Elections: Help America Vote Act Requirements Payments	90.401	N/A	\$ 29,756	\$ -
Total U.S. Election Commission			<u>29,756</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through Illinois Department of Commerce and Economic Opportunity: Community Development Block Grant	14.228	11-241002	4,062	-
	14.228	11-240004	<u>13,619</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>17,681</u>	<u>-</u>
<b>TOTAL</b>			<u>\$ 3,069,310</u>	<u>\$ 317,204</u>

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>	<u>Cluster Total, If Applicable</u>
<b>SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER</b>				
	10.557	\$ 1,231,274	\$ -	
	10.559	10,800	-	
	10.572	1,000	-	
	14.228	17,681	-	
	16.575	41,382	-	
	16.758	9,000	-	
	ARRA-16.803}	(9,052)}	- }	\$22,200
	16.738}	31,252}	- }	
	20.509	317,204	317,204	
	20.205	44,471	-	
	20.600	11,715	-	
	20.710	40,091	-	
	66.032	5,360	-	
	66.468	2,602	-	
	90.401	29,756	-	
	93.008	650	-	
	93.074	138,645	-	
	93.094	1,336	-	
	93.243	91,541	-	
	93.268	56,351	-	
	93.276	121,977	-	
	93.283	51,023	-	
	93.525	129,187	-	
	93.531	120,053	-	
	93.558	189,472	-	
	93.563	15,281	-	
	93.617	122	-	
	93.667	9,800	-	
	93.778	85,422	-	
	93.994	227,773	-	
	97.042	46,141	-	
		<u>\$ 3,069,310</u>	<u>\$ 317,204</u>	

See accompanying notes to schedule of expenditures of federal awards.

**TAZEWELL COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

**GENERAL**

The accompanying Schedule of Expenditures of Federal Awards includes the activity of all federal grants of Tazewell County, Illinois. The Tazewell County reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

**RELATIONSHIP TO FINANCIAL STATEMENTS**

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

**BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

**COMMODITIES - VACCINES**

The County receives vaccines at no charge from the Illinois Department of Public Health through federally assisted programs. The County does not reflect financial activity related to the contribution of the vaccines in the financial statements. The value of vaccines activity during fiscal year 2014 was as follows:

<b><u>Beginning Inventory</u></b> <b><u>November 30, 2013</u></b>	<b><u>Acquisitions</u></b>	<b><u>Usage</u></b>	<b><u>Ending Inventory</u></b> <b><u>November 30, 2014</u></b>
\$ <u>32,677</u>	\$ <u>56,351</u>	\$ <u>72,596</u>	\$ <u>16,432</u>

**TAZEWELL COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2014**

**NONCASH FOOD INSTRUMENTS**

The County participates in the Supplemental Food Program for Women, Infants, and Children and issues food instruments to eligible participants. The food instruments can be exchanged for authorized supplemental foods at retail stores. The State of Illinois processes and tracks the food instruments redeemed. The federal portion of food instruments distributed by Tazewell County and redeemed during the period October 1, 2013 to September 30, 2014 was \$880,873 and is reported in the Schedule of Expenditures of Federal Awards. Information is not available from the State to report this information on the County's fiscal year.

**OTHER NONCASH ASSISTANCE**

The County did not receive any federal awards in the form of noncash assistance for insurance in effect during the year, loans, or loan guarantees.

**MEDICAL ASSISTANCE PROGRAM RECONCILIATION**

Federal CFDA Number	<u>93.778</u>
Amount Awarded	\$ 86,625
Total Amount Reported on Schedule of Expenditures of Federal Awards	<u>85,422</u>
Difference	<u>\$ 1,203</u>

Amount awarded is based on the amounts the state has remitted to Tazewell County during the state's fiscal year of July 1, 2013 – June 30, 2014. However, the Schedule of Expenditures of Federal Awards recognizes the County's federal expenditures when incurred during its fiscal year December 1, 2013 – November 30, 2014. Tazewell County, Illinois incurred reimbursable expenditures of \$85,422 that were recognized during fiscal year 2014. Thus, this is reported as such on the 2014 Schedule of Expenditures of Federal Awards, as opposed to the \$86,625 of receipts remitted by the state during its fiscal year.

**RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

**TAZEWELL COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2014**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_x\_ Yes    \_\_\_ No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes    \_x\_ None reported

Noncompliance material to financial statements noted? \_\_\_ Yes    \_x\_ No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? \_x\_ Yes    \_\_\_ No
- Significant deficiencies identified that are not considered to be material weaknesses? \_x\_ Yes    \_\_\_ None reported

Type of auditors' 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
20.509	Public Transportation for Nonurbanized Areas

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_ \$300,000 \_\_\_

Auditee qualified as low-risk auditee? \_\_\_ Yes    \_x\_ No

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2014**

**Section II - Financial Statement Findings**

**Finding No. 2014-001 - Significant Audit Adjustments**

*Condition:*

During the course of our audit, we posted a variety of adjustments that had a material effect on the County's financial statements. A significant number of the adjustments related to adjusting to the modified accrual basis or accrual basis of accounting from the cash basis, and recording capital assets and long-term debt for the government-wide financial statements.

*Criteria or specific requirement:*

A control deficiency 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 misstatements on a timely basis.

*Effect:*

The County's lack of effective internal controls over its accounting system constitute a material weakness, which is a deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

*Cause:*

Significant audit adjustments were a result of some accounting records and reports being prepared on the cash basis of accounting. Examples include grant revenue, highway revenue, and interfund activity. The County's audited basic financial statements have been converted to the modified accrual basis or accrual basis, as required by accounting principles generally accepted in the United States of America.

*Recommendation:*

To establish proper internal control over its accounting system, the County should continue establishing procedures to record these accrual items, which include identifying factors that may affect the balances, as well as accumulating sufficient reliable data on which to base the balances. Such procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the County's activities and operations.

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2014**

**Section II - Financial Statement Findings** (Continued)

Finding No. 2014-001 - Significant Audit Adjustments (Continued)

*Views of responsible officials and planned corrective action:*

The Grants Manager acknowledges audit finding 2014-002. The Grants Manager will be working to ensure complete and accurate reports and records relating to grants management. The Grants Manager will keep a listing of grants and maintain a log of grant activities, and will be meeting with department heads concerning grant related items. The Grants Manager will be working with the Treasurer and Auditor to refine a better reporting system with the departments receiving and expending grants funds.

Significant audit adjustments for recording capital assets and long-term debt for the government-wide financial statements are potentially going to continue to be necessary.

Finding No. 2014-002 - Segregation of Duties

*Condition:*

As a part of our audit, we noted that signature stamps are maintained within the Treasurer's office but there is less than complete control over who utilizes them and the authorized purpose.

*Criteria or specific requirement:*

An effective system of internal control is based on a good segregation of duties. In order to have a system of segregation of duties, there must be a number of personnel available to whom responsibilities can be assigned to provide the appropriate checks and balances of any system.

*Effect:*

A lack of segregation of duties increases the risk that errors or misappropriations could occur and would go undetected by the County in the normal course of duties.

*Cause:*

Personnel have not been assigned responsibilities to create an ideal segregation of duties in regard to signature stamps.

**TAZEWELL COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2014**

**Section II - Financial Statement Findings** (Continued)

Finding No. 2014-002 - Segregation of Duties (Continued)

*Recommendation:*

We recommend the County continue to review the current accounting processes and determine if it is feasible to shift some duties in order to improve segregation of duties and controls. If, due to the size of the office and cost-benefit considerations, it is not practical to further segregate duties, close supervision and review by management is the best means for detecting errors or potential fraud. Controls over signature stamps should be reviewed to ensure that proper controls are in place and duties are segregated where possible.

*Views of responsible officials and planned corrective action:*

The Treasurer's Office will lock the signature stamps in a safe. Going forward, the keys to the safe will only be accessible by the Treasurer, Deputy Treasurer, and the Finance and Investment Manager, none of whom perform bank reconciliations. Effectively, no single individual within the office will have the ability to access the signature stamps and check stock, as well as post transactions and perform bank reconciliations.

**TAZEWELL COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2014**

**Section III - Federal Awards Findings and Questioned Costs**

**Finding No. 2014-001 - Significant Audit Adjustments**

See Section II - Financial Statement Findings

Federal Agency/Program: U.S. Department of Health and Human Services - 93.778 -  
Medical Assistance Program, passed through Illinois  
Department of Healthcare and Family Services

U.S. Department of Transportation - 20.205 - Highway Planning and  
Construction Grant, passed through Illinois Department  
of Transportation

U.S. Department of Transportation - 20.509 - Public  
Transportation for Nonurbanized Areas, passed through Illinois  
Department of Transportation

Questioned Costs: None

**Finding No. 2014-002 - Segregation of Duties**

See Section II - Financial Statement Findings

Federal Agency/Program: U.S. Department of Transportation - 20.509 - Public  
Transportation for Nonurbanized Areas, passed through Illinois  
Department of Transportation

U.S. Department of Housing & Urban Development - 14.228 -  
Community Development Block Grant, passed through Illinois  
Department of Commerce and Economic Opportunity

U.S. Department of Justice - 16.758 - Crime Victim Assistance  
Discretionary Grants, passed through National Children's  
Alliance

U.S. Department of Justice - 16.575 - Crime Victim Assistance,  
passed through Illinois Criminal Justice Information Authority

U.S. Department of Justice - 16.738 - State's Attorney Appellate  
Prosecutor, passed through Illinois Criminal Justice Information  
Authority

U.S. Department of Transportation - 20.205 - Highway Planning and  
Construction Grant, passed through Illinois Department  
of Transportation

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2014**

**Section III - Federal Awards Findings and Questioned Costs** (Continued)

**Finding No. 2014-002 - Segregation of Duties** (Continued)

U.S. Department of Transportation - 20.600 - STEP and Holiday Enforcement Impaired Driving Grant, passed through Illinois Department of Transportation

U.S. Department of Transportation - 20.710 - Technical Assistance Grants to Communities Program

U.S. Election Commission - 90.401 - Help America Vote Act Requirements Payments, passed through Illinois State Board of Elections

U.S. Department of Health and Human Services - 93.563 - Child Support Enforcement, passed through Illinois Department of Healthcare and Family Services

U.S. Department of Health and Human Services - 93.617 - Help America Vote Act - VAID, passed through Illinois State Board of Elections

U.S. Department of Homeland Security - 97.042 - Emergency Management Performance Grants, passed through Illinois Emergency Services and Disaster Agency

Questioned Costs: None

**Finding No. 2014-003 - General Accounting for Federal Awards**

Federal Agency/Program: U.S. Department of Agriculture -10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, passed through Illinois Department of Human Services

U.S. Department of Transportation - 20.509 - Public Transportation for Nonurbanized Areas, passed through Illinois Department of Transportation

All other programs

Questioned Costs: None

**TAZEWELL COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2014**

**Section III - Federal Awards Findings and Questioned Costs** (Continued)

**Finding No. 2014-003 - General Accounting for Federal Awards** (Continued)

*Condition:*

The County receives a significant amount of funding through state and federal grants. Grants are currently handled by the individual departments requesting the funding. During the period under audit, there was no central office or individual that tracks grant applications and reports. Individual departments are responsible for monitoring compliance with their grants as well as completing both financial and program reports for their grants.

The current method of monitoring grants makes it very difficult to identify all of the federal funds received by the County for proper reporting under the federal Single Audit Act. During our audit we noted the following related to accounting for grants that should be addressed.

- Information used in the preparation of reports requesting reimbursement for federal awards is frequently maintained on ledgers separate from the general ledger of the County. Many times there may be timing differences between the general ledger and these separate accounting of awards, or nonreimbursable costs are charged to respective general ledger accounts. Consequently, general ledger accounts do not easily trace to reports requesting reimbursement of federal funds. There are no reconciliations readily available which reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds.

*Criteria or specific requirement:*

The A-133 Compliance Supplement requires reports to include all activity of the reporting period, be supported by applicable accounting records, and be fairly presented in accordance with program requirements. All reports should agree with the accounting records. Reports should also include accounting of all noncash assistance received.

*Effect:*

There is a greater risk the reports could be prepared inaccurately since they are prepared using information that is extracted from the general ledger and not reconciled to the general ledger.

*Cause:*

The Grants Manager did not effectively monitor all federal programs and reconcile financial reports with the County's general ledger.

*Recommendation:*

Reconciliations should be prepared which reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds.

**TAZEWELL COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2014**

**Section III - Federal Awards Findings and Questioned Costs** (Continued)

**Finding No. 2014-003 - General Accounting for Federal Awards** (Continued)

*Views of responsible officials and planned corrective action:*

The Grants Manager acknowledges audit finding 2014-004. The Grant Manager will be working on a reporting system that will provide the County with more comprehensive details of grant activities within the County. The Grants Manager will also track the progress and status of each grant in a centralized system that can be accessed and utilized by the individual departments. The Grants Manager should be coordinating with the Treasurer's and Auditor's offices to determine a schedule of reconciliation of grants funds to the general ledger.

**Finding No. 2014-004 - Allowable Costs**

Federal Agency/Program: U.S. Department of Agriculture -10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, passed through Illinois Department of Human Services

Questioned Costs: \$235

*Condition:*

As part of our audit, we noted eleven hours mistakenly charged to the program that were actually worked in a separate program.

*Criteria or specific requirement:*

The allowable cost requirements outlined in the OMB Circular A-133 Compliance Supplement indicate that payroll charges must reflect actual time worked in the program.

*Effect:*

The County did not comply with the allowable cost requirements set forth in the OMB Circular A-133 Compliance Supplement.

*Cause:*

There was an oversight by the client. Eleven hours for the Family Case Management program were erroneously recorded as the Special Supplemental Nutrition Program for Women, Infants, and Children program.

**TAZEWELL COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2014**

**Section III - Federal Awards Findings and Questioned Costs** (Continued)

**Finding No. 2014-004 - Allowable Costs** (Continued)

*Recommendation:*

Payroll charged to the program should be reviewed and approved by an independent individual to ensure it reflects actual time worked in the program.

*Views of responsible officials and planned corrective action:*

The Director and Supervisor of Business Operations will review the Personal Activity Report template and make necessary improvements to prevent errors. At the same time, a monitoring process will be established and implemented to ensure hours worked are charged to the correct programs.

**TAZEWELL COUNTY, ILLINOIS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended November 30, 2014**

**PRIOR AUDIT FINDINGS**

**Finding No. 2013-001 - FINANCIAL STATEMENT PREPARATION**

The members of the County Board and management share the ultimate responsibility for the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced to the external auditors. The County engages the external auditors to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, external auditors cannot be considered part of the County's internal control system.

Status

This finding has been corrected in the current year.

**Finding No. 2013-002 - SIGNIFICANT AUDIT ADJUSTMENTS**

During the course of our audit, we posted a variety of adjustments that had a material effect on the County's financial statements. A significant number of the adjustments related to adjusting to the modified accrual basis or accrual basis of accounting from the cash basis, and recording capital assets and long-term debt for the government-wide financial statements.

Status

This finding has been repeated in the current year as Finding No. 2014-001.

**Finding No. 2013-003 - SEGREGATION OF DUTIES**

As a part of our audit, we noted that some offices do not have an internal control process that promotes a high level of segregation of duties. For example, manual journal entries prepared by the Investments and Finance Manager were not reviewed or approved by another individual prior to entry into the general ledger. In some offices the same employee who receives cash, has check signing authority, and performs the bank reconciliation. This applies specifically to the County Recorder, the County Clerk in regard to delinquent taxes, and the County Sheriff in regard to the Crime Prevention Account. There is also no review of the log in the County Sheriff's office that tracks activity related to informants. Signature stamps are maintained but there is less than complete control over who utilized them and the authorized purpose.

Status

The finding has been modified in the current year as Finding No. 2014-002.

**TAZEWELL COUNTY, ILLINOIS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended November 30, 2014**

**PRIOR AUDIT FINDINGS (CONTINUED)**

**Finding No. 2013-004 - GENERAL ACCOUNTING FOR FEDERAL AWARDS**

The County receives a significant amount of funding through state and federal grants. Grants are currently handled by the individual departments requesting the funding. During the period under audit, there was no central office or individual that tracks grant applications and reports. Individual departments are responsible for monitoring compliance with their grants as well as completing both financial and program reports for their grants.

The current method of monitoring grants makes it very difficult to identify all of the federal funds received by the County for proper reporting under the federal Single Audit Act. During our audit we noted the following related to accounting for grants that should be addressed.

- Information used in the preparation of reports requesting reimbursement for federal awards is frequently maintained on ledgers separate from the general ledger of the County. Many times there may be timing differences between the general ledger and these separate accounting of awards, or nonreimbursable costs are charged to respective general ledger accounts. Consequently, general ledger accounts do not easily trace to reports requesting reimbursement of federal funds. There are no reconciliations readily available which reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds.

Status

This finding has been repeated in the current year as Finding No. 2014-003.

**Finding No. 2013-005 - REPORTING**

As part of our audit, we noted the October 2013 Peer Counseling report was submitted on November 25, 2013, which is ten days after the required due date.

Status

This finding has been corrected in the current year.