

SANGAMON COUNTY, ILLINOIS
SINGLE AUDIT REPORT
YEAR ENDED NOVEMBER 30, 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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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***

Honorable Chairman and
Members of the County Board
Sangamon County, Illinois
Springfield, 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 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 6, 2018.

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 basic 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control which is described in the accompanying schedule of findings and questioned costs that we considered to be a material weakness (Finding 2017-001).

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

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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’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 County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Bloomington, Illinois
June 6, 2018



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Sangamon County, Illinois' (County) compliance with the types of compliance requirements described in the *OMB 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, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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.

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

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, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2017-002. Our opinion on each major federal program is not modified with respect to these matters.

Sangamon County, Illinois's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Sangamon County, Illinois's 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 the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2017-002 that we considered to be a material weakness.

The County's response to the internal control over compliance finding identified in our audit is described in the accompany schedule of findings and questioned costs. The County's response was not subjected

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

to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 6, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Bloomington, Illinois
June 6, 2018

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Passed-Through Illinois State Board of Education:				
National Food Distribution Program - Noncash Expenditures	51-0840-11P-00	10.550	\$ 3,326	\$ -
Child Nutrition Cluster:				
National School Breakfast Program	51-0840-11P-00	10.553	9,934	-
National School Lunch Program	51-0840-11P-00	10.555	15,586	-
Total Child Nutrition Cluster			<u>25,520</u>	<u>-</u>
Total Passed-Through Illinois State Board of Education			28,846	-
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	FCSVQ01090	10.557	379,320	-
Special Supplemental Nutrition Program for Women, Infants and Children	FCSWQ01090	10.557	241,199	-
WIC Breastfeeding Peer Consulting	FCSVQ01196	10.557	14,752	-
WIC Breastfeeding Peer Consulting	FCSWQ01196	10.557	9,312	-
Special Supplemental Nutrition Program for Women, Infants and Children - Noncash Expenditures	N/A	10.557	1,595,806	-
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>2,240,389</u>	<u>-</u>
WIC Farmers' Market Nutrition Program - Noncash Expenditures	FCSWQ01270	10.572	1,000	-
Total Passed-Through Illinois Department of Human Services			<u>2,241,389</u>	<u>-</u>
Passed-Through Illinois Department of Public Health:				
Child Nutrition Cluster:				
Summer Food Inspection Grant	55280038C	10.559	1,000	-
Summer Food Inspection Grant	N/A	10.559	360	-
Total Passed-Through Illinois Department of Public Health			<u>1,360</u>	<u>-</u>
Total U.S. Department of Agriculture			2,271,595	-

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
CIEG Federal Forfeiture	IL0842600	16.922	\$ 228,735	\$ -
Federal Equitable Sharing	IL0840000	16.922	<u>6,222</u>	<u>-</u>
Total Direct Programs			<u>234,957</u>	<u>-</u>
Passed-Through National Children's Alliance:				
Missing Children's Assistance	SPRI-IL-SA17	16.543	9,000	-
Missing Children's Assistance	SPRI-IL-SA18	16.543	<u>6,080</u>	<u>-</u>
Total Passed-Through National Children's Alliance			<u>15,080</u>	<u>-</u>
Passed-Through Illinois Criminal Justice Information Authority:				
Crime Victims Assistance:				
Child Advocacy Center Services	215297	16.575	118,797	-
Child Advocacy Center Services	216002	16.575	<u>43,367</u>	<u>-</u>
Total Crime Victims Assistance			<u>162,164</u>	<u>-</u>
Central Illinois Enforcement Group:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	414201	16.738	102,393	70,038
Edward Byrne Memorial Justice Assistance Grant Program	416701	16.738	<u>8,178</u>	<u>1,959</u>
Total Central Illinois Enforcement Group			<u>110,571</u>	<u>71,997</u>
Total Passed-Through Illinois Criminal Justice Information Authority			<u>272,735</u>	<u>71,997</u>
Passed-Through Illinois Department of Human Services:				
Juvenile Justice Council Implementation Grant	FCSTR03507	16.540	<u>22,148</u>	<u>-</u>
Total Passed-Through Illinois Department of Human Services			<u>22,148</u>	<u>-</u>
Passed-Through the City of Springfield:				
Edward Byrne Memorial Justice Assistance Grant Program	2013-DJ-BX-0265	16.738	37,045	-
Edward Byrne Memorial Justice Assistance Grant Program	2015-DJ-BX-0068	16.738	<u>12,955</u>	<u>-</u>
Total Passed-Through the City of Springfield			<u>50,000</u>	<u>-</u>
Passed-Through the Illinois State's Attorney Appellate Prosecution Office:				
Criminal Justice	416725	16.738	<u>23,500</u>	<u>-</u>
Total Passed-Through the Illinois State's Attorney Appellate Prosecution Office			<u>23,500</u>	<u>-</u>
Total U.S. Department of Justice			618,420	71,997

See Notes to Schedule of Expenditures of Federal Awards.

SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2017

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed 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 Local Incentive	14-632020	17.258	\$ 3,838	\$ -
WIA Formula	15-681020	17.258	28,744	-
WIA Formula	16-681020	17.258	616,445	-
WIA Formula	17-681020	17.258	217,630	-
Total WIA Adult Program			<u>866,657</u>	<u>-</u>
WIA Youth Activities:				
WIA Local Incentive	14-632020	17.259	4,093	-
WIA Formula	15-681020	17.259	59,415	16,798
WIA Formula	16-681020	17.259	503,565	136,559
WIA Formula	17-681020	17.259	31,170	10,046
Total WIA Youth Activities			<u>598,243</u>	<u>163,403</u>
WIA Dislocated Workers:				
WIA Local Incentive	14-632020	17.278	5,900	-
WIA Formula	15-681020	17.278	14,726	-
WIA Formula	16-681020	17.278	516,985	-
WIA Formula	17-681020	17.278	112,046	-
Total WIA Dislocated Workers			<u>649,657</u>	<u>-</u>
Total Workforce Investment Act Cluster			<u>2,114,557</u>	<u>163,403</u>
Trade Adjustment Assistance:				
15 TAA	15-661020	17.245	22,416	-
16 TAA	16-661020	17.245	20,652	-
Total Trade Adjustment Assistance			<u>43,068</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>2,157,625</u>	<u>163,403</u>
Total U.S. Department of Labor			2,157,625	163,403

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Passed-Through Illinois Department of Transportation:				
Highway Planning and Construction Cluster:				
SFY 2016 Planning Program	SPR-PL-3000(55)	20.205	\$ 10,220	\$ -
SFY 2017 Planning Program	SPR-PL-3000(73)	20.205	172,904	-
SFY 2018 Planning Program	17-751-05501	20.205	<u>156,189</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>339,313</u>	<u>-</u>
Technical Studies Grant:				
Technical Studies Grant	IL-80-0012	20.505	2,606	-
Technical Studies Grant	494-00-1009	20.505	<u>43,280</u>	<u>-</u>
Total Technical Studies Grant			<u>45,886</u>	<u>-</u>
Non-Metro Area Transportation Grant:				
Non-Metro Area Transportation Grant	OP-17-35-FED	20.509	67,452	-
Non-Metro Area Transportation Grant	OP-18-56-FED	20.509	<u>97,706</u>	<u>-</u>
Total Non-Metro Area Transportation Grant			<u>165,158</u>	<u>-</u>
Total Passed-Through Illinois Department of Transportation			<u>550,357</u>	<u>-</u>
Passed-Through Illinois Emergency Management Agency:				
Hazardous Materials Emergency Preparedness Grant	16SANGAHME	20.703	<u>58,514</u>	<u>-</u>
Total Passed-Through Illinois Emergency Management Agency			<u>58,514</u>	<u>-</u>
Total U.S. Department of Transportation			608,871	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed-Through Illinois Department of Public Health:				
Potable Water Supply Program	75380179E	66.605	<u>1,150</u>	<u>-</u>
Total Passed-Through Illinois Department of Public Health			<u>1,150</u>	<u>-</u>
Total U.S. Environmental Protection Agency			1,150	-

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF ENERGY				
Passed-Through Illinois Department of Commerce and Economic Opportunity:				
Weatherization Assistance for Low-Income Persons:				
Weatherization Assistance for Low-Income Persons	13-404038	81.042	\$ 116,538	\$ -
Weatherization Assistance for Low-Income Persons	17-401038	81.042	7,072	-
Total Weatherization Assistance for Low-Income Persons			<u>123,610</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			<u>123,610</u>	<u>-</u>
Total U.S. Department of Energy			123,610	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through Illinois Department of Commerce and Economic Opportunity:				
Low-Income Home Energy Assistance Program:				
Home Weatherization Assistance Program	16-221038	93.568	228,788	-
Home Weatherization Assistance Program	17-221038	93.568	71,635	-
Low-Income Home Energy Assistance Program	16-224038	93.568	512,822	-
Low-Income Home Energy Assistance Program	17-224038	93.568	1,293,501	-
Total Low-Income Home Energy Assistance Program			<u>2,106,746</u>	<u>-</u>
Community Services Block Grant:				
Community Services Block Grant	16-231018	93.569	156,460	-
Community Services Block Grant	17-231018	93.569	336,865	-
Total Community Services Block Grant			<u>493,325</u>	<u>-</u>
Total Passed-Through Illinois Department of Commerce and Economic Opportunity			2,600,071	-
Passed-Through Illinois Department of Public Health:				
Teen Pregnancy Prevention	76380071E	93.283	23,339	-
Dental Sealant Grant:				
Dental Sealant Grant	73489029E	93.994	2,112	-
Dental Sealant Grant	83489028F	93.994	1,012	-
Total Dental Sealant Grant			<u>3,124</u>	<u>-</u>
Public Health Preparedness:				
Public Health Preparedness	77180076E	93.074	142,602	-
Public Health Preparedness	77180062E	93.074	26,825	-
Public Health Preparedness	87180076F	93.074	40,882	-
Public Health Preparedness	87180062F	93.074	7,329	-
Public Health Preparedness	67180181D	93.074	13,049	-
Total Public Health Preparedness			<u>230,687</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)				
Passed-Through Illinois Department of Public Health (Continued):				
Wisewoman Grant:				
Wisewoman Grant	76180037E	93.094	\$ 28,995	\$ -
Wisewoman Grant	86180037F	93.094	14,554	-
Total Wisewoman Grant			<u>43,549</u>	<u>-</u>
Opioid STR Grant:				
Opioid STR Grant	43CWZ03199	93.788	10,465	-
Total Opioid STR Grant			<u>10,465</u>	<u>-</u>
Better Birth Outcomes Grant:				
Better Birth Outcomes Grant	FCSVU03582	93.994	94,006	-
Better Birth Outcomes Grant	FCSWU03582	93.994	15,000	-
Total Better Birth Outcomes Grant			<u>109,006</u>	<u>-</u>
Illinois Breast and Cervical Cancer Program:				
Illinois Breast and Cervical Cancer Program	76180024E	93.752	86,245	-
Illinois Breast and Cervical Cancer Program	86180023F	93.898	28,529	-
Total Illinois Breast and Cervical Cancer Program			<u>114,774</u>	<u>-</u>
Chronic Disease and School Health:				
Chronic Disease and School Health	63287012D	93.757	50,755	-
Chronic Disease and School Health	73286012E	93.757	21,609	-
Total Chronic Disease and School Health			<u>72,364</u>	<u>-</u>
Total Passed-Through Illinois Department of Public Health			607,308	-
Passed-Through Illinois Department of Healthcare and Family Services:				
Child Support Enforcement:				
Child Support Enforcement	2017-55-013K	93.563	121,857	-
Child Support Enforcement	2017-55-013K	93.563	90,490	-
Child Support Enforcement	2015-55-007-KQ	93.563	16,478	-
Total Child Support Enforcement			<u>228,825</u>	<u>-</u>
Medicaid - Administrative Claims	N/A	93.778	101,710	-
Total Passed-Through Illinois Department of Healthcare and Family Services			<u>330,535</u>	<u>-</u>
Passed-Through Administrative Office of the Illinois Court:				
Child Protection Data Courts Project	CIP Data-G-1701	93.586	557	-
Total Passed-Through Administrative Office of the Illinois Court			<u>557</u>	<u>-</u>
Total U.S. Department of Health and Human Services			3,538,471	-

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Contract Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed-Through Illinois Emergency Management Agency:				
Emergency Management Performance Grant	17EMASANGA	97.042	\$ 87,287	\$ -
Total Passed-Through Illinois Emergency Management Agency			<u>87,287</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>87,287</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 9,407,029</u>	<u>\$ 235,400</u>

See Notes to Schedule of Expenditures of Federal Awards.

SANGAMON COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2017

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Sangamon County, Illinois (County) under programs of the federal government for the year ended November 30, 2017. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 of 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. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 LOANS OUTSTANDING

The County had the following loan balance outstanding at November 30, 2017:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Services Block Grant Loan Program	93.569	\$ 41,050

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 10.550, 10.557, and 10.572 as noted in the accompanying schedule of expenditures of federal awards.

SANGAMON COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2017

NOTE 4 NONMONETARY ASSISTANCE (CONTINUED)

The federal portion of food instruments from the Special Supplemental Nutrition Program for Woman, Infants and Children (CFDA 10.557) distributed by Sangamon County and redeemed during the period of July 1, 2016 to June 30, 2017 was \$1,595,806 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.

In addition, during the year ended November 30, 2017, Sangamon County did not receive federal insurance coverage or federal loan guarantees.

NOTE 5 INDIRECT COST RATE

The County has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? x yes no
 - Significant deficiency identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? x yes no
 - Significant deficiency identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

CFDA Number(s)

Name of Federal Program or Cluster

10.557

Special Supplemental Nutrition Program for Women, Infants and Children

93.568

Home Weatherization Assistance Program and Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes x no

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2017**

Section II – Financial Statement Findings

2017 – 001 – Material Adjusting Entries

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: Several significant adjustments were required during the audit process for the financial statements to be in accordance with generally accepted accounting principles (GAAP):

- A prior period adjustment to correct beginning net position related to an error in previously reported net pension liability, and related deferred outflows and inflows of resources.
- A prior period adjustment to correct beginning net position related to an overstatement of accrued compensated sick pay.
- An adjustment to accounts receivable and cash related to wireless surcharge revenue received after fiscal year-end incorrectly recorded to cash and revenue as of year-end.
- An adjustment for interfund transfers that were incorrectly recorded as revenues and expenditures.
- An adjustment related to the November 25th payroll liabilities which were accrued for both at the fund level and in the payroll clearing fund as of year-end.

Criteria or specific requirement: Internal controls over financial reporting require close review of all balances to ensure they are in accordance with GAAP.

Context: Each of the above noted items were entries recorded at year end only.

Effect: The lack of controls in place over the financial reporting function increases the risk of errors or irregularities occurring and not being detected and corrected.

Cause: Lack of adequate financial report review processes allowed for the errors to occur and not be detected.

Recommendation: The County should closely review its financial reports to ensure the proper recording of activity in accordance with GAAP.

Views of responsible officials and planned corrective actions:

See response/corrective action plan on pages 19 and 20.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2017**

Section III – Findings and Questioned Costs – Major Federal Programs

2017 – 002 – Reporting and Cash Management

Federal Agency: U.S. Department of Health and Human Services

Federal Program: Home Weatherization Assistance Program & Low-Income Home Energy Assistance Program (LIHEAP)

CFDA Number: 93.568

Pass-Through Agency: Illinois Department of Commerce and Economic Opportunity

Award Period: Reporting June 1, 2016 through June 30, 2017 and October 1, 2015 through June 30, 2017; Cash Management: All award periods.

Type of Finding:

- Material Weakness in Internal Control over Compliance and Other Matter

Criteria or specific requirement: Draw down requests should be supported by documentation of expenditures that have been incurred. In addition, the grant agreements require grant close-out reports which should reconcile to the accounting records.

Condition: In our cash management testing, we noted the supporting documentation of the exact amount requested was not maintained or reviewed by a person other than the preparer. In our report testing, we noted instances in which the accounting records did not agree to the grant reconciliation submitted with the grant close-out package.

Questioned costs: \$18,181 Weatherization; \$27,022 LIHEAP

Context: 8 of 8 draw down requests tested did not have supporting documentation of the exact amount drawn down maintained. 2 of 11 reports tested did not agree to supporting documentation.

Cause: Support for the draw down requests was not maintained as they could be re-created. Adjustments made to the project accounting records after the grant close-out reconciliation was submitted caused the report to have inaccurate information.

Effect: Lack of proper documentation for reported information can lead to over or under reporting of expenses.

Recommendation: We recommend the County design controls to ensure the accounting records reconcile to draw down requests and grant close-out reports. A review process over the supporting documentation for the draw down requests and reports should occur and be documented, to ensure the supporting documents agree to the reports/requests, and to ensure their accuracy.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2017**

Section III – Findings and Questioned Costs – Major Federal Programs

Views of responsible officials and planned corrective actions:

See response/corrective action plan on page 20.



Sangamon County Auditor's Office Andy Goleman, Auditor

Bradley W. Hammond
Chief Deputy Auditor

Terry P. Viar
Deputy Auditor

Michael K. Cowles
Deputy Auditor

SANGAMON COUNTY ILLINOIS

FY 2017 SINGLE AUDIT

AUDIT RESPONSES/CORRECTIVE ACTION PLANS

Finding: 2017-001 – Material Adjusting Entries

County Response/Corrective Action Plan: Sangamon County will implement the following corrective actions in County Fiscal Year (CFY) 2018 and as part of the year end preparation financial reports to address the issues identified in this finding. The County Auditor's Office will perform a review at the end of the fiscal year to ensure the proposed corrective actions have been implemented.

Net Pension Liability – The County Auditor's Office will work with the outside auditors to ensure that the proper information from the Illinois Municipal Retirement Fund is used to correctly calculate net pension liability at the end of CFY 2018 and all future years. This calculation is only prepared at year end and will be reviewed by a staff member of the Auditor's Office to verify accuracy and proper documentation. The County would like to note that the calculation of the CFY 2017 net pension liability was discussed with and prepared by the County's prior licensed outside auditors who found the calculation to be accurate based on information available at that time.

Accrued Compensated Sick Leave – The County Auditor's Office will use the methodology recommended by the outside auditors during the CFY 2017 audit to calculate the estimated value of accrued compensated sick leave at the end of CFY 2018 and all future years. This year end calculation will be reviewed by a second member of the Auditor's staff to verify accuracy and proper documentation. In past years, the methodology used by the County to estimate the value of accrued sick leave assumed that the County would need to pay employees for one half of their accrued sick leave. This methodology provided a conservative estimate of value of the accrued leave, and was found to be acceptable by the County's two former outside auditing firms.

Wireless Surcharge Adjustment – The County agrees that due to a clerical oversight, a journal entry made in late December 2017 was incorrectly entered into the accounting system with a November 30, 2017 journal date. This error did not affect the bank reconciliations for November 30, 2017 or

December 31, 2017. Effective July 2, 2018, all general journal entries prepared by the Treasurer's Office will be reviewed by another member of the Treasurer's staff and will be initialed and dated by the reviewer before the documentation for the journal is filed. System generated entries created by subsidiary ledgers in the accounting system will not be required to be reviewed as they are automatically created and cannot be altered by the person posting the entry.

Interfund Transfers - The County agrees that a department incorrectly recorded interfund transfers. This condition has been discussed with the appropriate departmental staff to ensure that they are aware of the proper procedures for recording such transfers in the future. As a control to ensure that similar instances do not reoccur, beginning in CFY 2018, the Auditor's Office will review all transfer accounts at the end of the fiscal year to ensure that such transfers have been recorded properly.

Payroll Liabilities - Beginning in CFY 2018, the staff the County Treasurer's Office and Auditor's Office will meet at year end to review end of year payroll transactions to ensure that the last payroll of the prior fiscal year and any accruals of the first payroll in the next fiscal year are properly accounted for. The normal payroll process during the fiscal year does not accrue a payroll in both the fund level and payroll clearing account. Thus, only a year-end review is required to ensure that the condition noted by the auditors does not reoccur.

Finding: 2017-002 – Reporting and Cash Management

County Response/Corrective Action Plan: The County concurs with the recommendation. The County's Community Resources Department will immediately contact the Illinois Department of Commerce and Economic Opportunity (DCEO) to inform it of this audit finding and to work with DCEO to resolve all questioned costs. By August 1, 2018, the Community Resources Department will update its written procedures for preparing drawdowns, grant close-out reports and grant related journal entries. The updated procedures will clearly define the documentation requirements for such transactions and will require that the support documents for drawdowns, close-out reports and journal entries be reviewed by a second member of the Department's staff. The reviewer will be required to initial and date the transactions to document their review, and such documentation will be retained in the Department's grant files. In addition, as part of the County's implementation of updates to its project/grant accounting system, the Department will begin to record line item budget information for each of its grants into this system. This action will be implemented by December 1, 2018, and will facilitate the Department's monitoring of grant expenditures by the specific budget lines defined in each grant. The County Auditor's Office will monitor the implementation of this corrective action plan.