

SANGAMON COUNTY, ILLINOIS
SINGLE AUDIT REPORT
YEAR ENDED NOVEMBER 30, 2018



CLAcconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**SANGAMON COUNTY, ILLINOIS
TABLE OF CONTENTS
YEAR ENDED NOVEMBER 30, 2018**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
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	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	15



**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 (the County), as of and for the year ended November 30, 2018, 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 17, 2019.

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 as item 2018-001 that we considered to be a material weakness.

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*.

County’s Response to Finding

The County’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 17, 2019



**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' (the 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, 2018. 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 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.

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, 2018.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2018-003. Our opinion on each major federal program is not modified with respect to this matter.

Sangamon County, Illinois' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Sangamon 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 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.

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 have not been identified. However, as discussed below, we did identify 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2018-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2018-003 to be a significant deficiency.

The County's response 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 response was

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

not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 17, 2019, 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 17, 2019

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying 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	\$ 1,965	\$ -
Child Nutrition Cluster:				
National School Breakfast Program	51-0840-11P-00	10.553	7,702	-
National School Lunch Program	51-0840-11P-00	10.555	12,007	-
Total Child Nutrition Cluster			<u>19,709</u>	<u>-</u>
Total Passed Through Illinois State Board of Education			21,674	-
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	FCSWQ01090	10.557	374,250	-
Special Supplemental Nutrition Program for Women, Infants and Children	FCSXQ01090	10.557	233,903	-
WIC Breastfeeding Peer Consulting	FCSWQ01196	10.557	14,709	-
WIC Breastfeeding Peer Consulting	FCSXQ01196	10.557	3,017	-
Special Supplemental Nutrition Program for Women, Infants and Children - Noncash Expenditures	N/A	10.557	1,578,170	-
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>2,204,049</u>	<u>-</u>
WIC Farmers' Market Nutrition Program - Noncash Expenditures	FCSWQ01270	10.572	1,000	-
Total Passed Through Illinois Department of Human Services			<u>2,205,049</u>	<u>-</u>
Passed Through Illinois Department of Public Health:				
Child Nutrition Cluster:				
Summer Food Inspection Grant	85280178F	10.559	2,000	-
Total Passed Through Illinois Department of Public Health			<u>2,000</u>	<u>-</u>
Total U.S. Department of Agriculture			2,228,723	-

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
CIEG Federal Forfeiture	N/A	16.922	\$ 232,224	\$ 232,224
Total Direct Programs			<u>232,224</u>	<u>232,224</u>
Passed-Through Children's Advocacy Centers of Illinois:				
Crime Victims Assistance:				
Child Advocacy Center Services	216003	16.575	100,386	-
Total Passed-Through Children's Advocacy Centers of Illinois			<u>100,386</u>	<u>-</u>
Central Illinois Enforcement Group:				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	416801	16.738	8,550	8,550
Edward Byrne Memorial Justice Assistance Grant Program	416701	16.738	124,592	135,855
Total Central Illinois Enforcement Group			<u>133,142</u>	<u>144,405</u>
Total Passed Through Illinois Criminal Justice Information Authority			133,142	144,405
Passed Through the City of Springfield:				
Edward Byrne Memorial Justice Assistance Grant Program	2016-DJ-BX-0188	16.738	26,628	-
Edward Byrne Memorial Justice Assistance Grant Program	2015-DJ-BX-0068	16.738	23,372	-
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	16,450	-
Total Passed Through the Illinois State's Attorney Appellate Prosecution Office			<u>16,450</u>	<u>-</u>
Total U.S. Department of Justice			532,202	376,629

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying 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 Innovation and Opportunity Act Cluster:				
WIA Adult Program:				
WIA Local Incentive	15-632020	17.258	\$ 1,779	\$ -
WIA Formula	16-681020	17.258	34,494	-
WIA Formula	17-681020	17.258	925,490	-
WIA Formula	18-681020	17.258	257,399	-
Total WIA Adult Program			<u>1,219,162</u>	<u>-</u>
WIA Youth Activities:				
WIA Local Incentive	15-632020	17.259	1,896	-
WIA Formula	16-681020	17.259	134,954	61,566
WIA Formula	17-681020	17.259	632,597	242,420
WIA Formula	18-681020	17.259	75,160	27,320
Total WIA Youth Activities			<u>844,607</u>	<u>331,306</u>
WIA Dislocated Workers:				
WIA Local Incentive	15-632020	17.278	2,613	-
WIA Formula	16-681020	17.278	18,895	-
WIA Formula	17-681020	17.278	632,510	-
WIA Formula	18-681020	17.278	76,839	-
Total WIA Dislocated Workers			<u>730,857</u>	<u>-</u>
Total Workforce Innovation and Opportunity Act Cluster			<u>2,794,626</u>	<u>331,306</u>
Trade Adjustment Assistance:				
17 TAA	17-661020	17.245	12,901	-
16 TAA	16-661020	17.245	50,421	-
Total Trade Adjustment Assistance			<u>63,322</u>	<u>-</u>
Total Passed Through Illinois Department of Commerce and Economic Opportunity			<u>2,857,948</u>	<u>331,306</u>
Total U.S. Department of Labor			2,857,948	331,306

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying 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 2019 Planning Program	19-1009-6858	20.205	\$ 104,675	\$ -
SFY 2019 Planning Program	19-1008-6858	20.205	25,022	-
SFY 2018 Planning Program	17-751-05501	20.205	<u>190,546</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>320,243</u>	<u>-</u>
Non-Metro Area Transportation Grant:				
Section 5311 Formula Funds for Rural Areas	4821	20.509	39,138	-
Section 5311 Formula Funds for Rural Areas	4997	20.509	<u>132,109</u>	<u>-</u>
Total Non-Metro Area Transportation Grant			<u>171,247</u>	<u>-</u>
Total Passed Through Illinois Department of Transportation			491,490	-
Passed Through Illinois Emergency Management Agency:				
Hazardous Materials Emergency Preparedness Grant	16SANGAHME	20.703	<u>40,880</u>	<u>-</u>
Total Passed Through Illinois Emergency Management Agency			<u>40,880</u>	<u>-</u>
Total U.S. Department of Transportation			532,370	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed Through Illinois Department of Public Health:				
Potable Water Supply Program	85380179F	66.605	<u>1,113</u>	<u>-</u>
Total Passed Through Illinois Department of Public Health			<u>1,113</u>	<u>-</u>
Total U.S. Environmental Protection Agency			1,113	-

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying 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	17-401038	81.042	\$ 147,826	\$ -
Weatherization Assistance for Low-Income Persons	17-402038	81.042	4,424	-
Total Weatherization Assistance for Low-Income Persons			<u>152,250</u>	<u>-</u>
Total Passed Through Illinois Department of Commerce and Economic Opportunity			<u>152,250</u>	<u>-</u>
Total U.S. Department of Energy			152,250	-
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	17-221038	93.568	187,167	-
Home Weatherization Assistance Program	18-221038	93.568	24,391	-
Low-Income Home Energy Assistance Program	17-224038	93.568	1,427,294	-
Low-Income Home Energy Assistance Program	18-224038	93.568	595,089	-
Total Low-Income Home Energy Assistance Program			<u>2,233,940</u>	<u>-</u>
Community Services Block Grant:				
Community Services Block Grant	17-231018	93.569	72,330	-
Community Services Block Grant	18-231038	93.569	489,129	-
Total Community Services Block Grant			<u>561,459</u>	<u>-</u>
Total Passed Through Illinois Department of Commerce and Economic Opportunity			2,795,399	-
Passed Through Illinois Department of Public Health:				
Dental Sealant Grant:				
Dental Sealant Grant	83489028F	93.994	2,180	-
Dental Sealant Grant	93489028G	93.994	1,520	-
Total Dental Sealant Grant			<u>3,700</u>	<u>-</u>
Public Health Preparedness:				
Public Health Preparedness	87180076F	93.074	82,847	-
Public Health Preparedness	87180062F	93.074	23,930	-
Public Health Preparedness	97180076G	93.074	47,911	-
Public Health Preparedness	97180062G	93.074	11,245	-
Total Public Health Preparedness			<u>165,933</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, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying 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	86180037F	93.094	\$ 31,474	\$ -
Illinois Breast and Cervical Cancer Program:				
Illinois Breast and Cervical Cancer Program	86180023F	93.898	74,231	-
Illinois Breast and Cervical Cancer Program	96180023G	93.898	<u>39,578</u>	<u>-</u>
Total Illinois Breast and Cervical Cancer Program			113,809	-
Total Passed Through Illinois Department of Public Health			314,915	-
Passed Through Illinois Department of Health and Human Services:				
Opioid STR Grant	43CWZ03199	93.788	148,227	-
Better Birth Outcomes Grant	FCSWU03582	93.994	11,893	-
High Risk Infant Follow-up	FCSXU05095	93.667	<u>5,272</u>	<u>-</u>
Total Passed Through Illinois Department of Health and Human Services			165,392	-
Passed Through Illinois Department of Healthcare and Family Services:				
Child Support Enforcement:				
Child Support Enforcement	2017-55-013-K	93.563	190,974	-
Child Support Enforcement	2018-55-007-KP	93.563	<u>22,538</u>	<u>-</u>
Total Child Support Enforcement			213,512	-
Medicaid Cluster- Administrative Claims	N/A	93.778	65,905	-
Total Passed Through Illinois Department of Healthcare and Family Services			<u>279,417</u>	<u>-</u>
Passed Through Administrative Office of the Illinois Court:				
Child Protection Data Courts Project	CIP Data-G-1701	93.586	12,755	-
Child Protection Data Courts Project	CIP Data-G-1807	93.586	<u>2,414</u>	<u>-</u>
Total Passed Through Administrative Office of the Illinois Court			15,169	-
Total U.S. Department of Health and Human Services			3,570,292	-

See Notes to Schedule of Expenditures of Federal Awards.

**SANGAMON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying 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	18EMASANGA	97.042	\$ 41,198	\$ -
Emergency Management Performance Grant	19EMASANGA	97.042	16,902	-
Total Passed Through Illinois Emergency Management Agency			<u>58,100</u>	<u>-</u>
 Total U.S. Department of Homeland Security			<u>58,100</u>	<u>-</u>
 Total Expenditures of Federal Awards			<u>\$ 9,932,998</u>	<u>\$ 707,935</u>

See Notes to Schedule of Expenditures of Federal Awards.

SANGAMON COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2018

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Sangamon County, Illinois (the County) under programs of the federal government for the year ended November 30, 2018. 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, 2018:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Services Block Grant Loan Program	93.569	\$ 33,922

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, 2018

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, 2017 to June 30, 2018 was \$1,578,170 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, 2018, Sangamon County did not receive federal insurance coverage or federal loan guarantees.

NOTE 5 INDIRECT COST RATE

The County has elected to use the approved indirect cost rate proposals as allowed under the Uniform Guidance. The rates used in the fiscal period ending November 30, 2018, were 37.60% for the Regional Planning Commission, 6.50% for the Land of Lincoln Workforce Alliance, 6.20% for the Department of Public Health, and 18.80% for other County departments.

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? x yes 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)

17.258, 17.259, 17.278

93.568

Name of Federal Program or Cluster

Workforce Innovation and Opportunity Act Cluster

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

Section II – Financial Statement Findings

2018 – 001 – Material Adjusting Entries

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: Several adjustments to accounts receivable, deferred inflows and revenue were required during the audit process for the financial statements to be in accordance with generally accepted accounting principles (GAAP).

Criteria or specific requirement: Internal controls over financial reporting require close review of receivable and deferred inflow balances to ensure they are in accordance with GAAP, for both the modified accrual and full accrual basis.

Context: There were several material adjustments required and there were other insignificant instances noted also.

Effect: 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: The fluctuation in the timing of receipts from year to year make the receivable/deferral recording process challenging.

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

Views of responsible officials: The County has created a list of any revenue account that might have an accounts receivable at the fiscal year end. This list will be closely reviewed and used by the County to make sure that accounts receivable, deferred inflows and revenue are entered in the County financial statements in accordance with general accepted accounting principles (GAAP). The Auditor's office will assist all departments in determining what amounts should be recorded as accounts receivable for the fiscal year 2019.

Section III – Findings and Questioned Costs – Major Federal Programs

2018 – 002 – Reporting and Cash Management

Federal Agency: U.S. Department of Labor

Federal Program: Workforce Innovation and Opportunity Act Cluster (WIOA)

CFDA Number: 17.258, 17.259, 17.278

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

Pass-Through Numbers: 15-632020, 16-681020, 17-681020, and 18-681020

Award Period: April 6, 2017 through June 30, 2018, April 1, 2016 through June 30, 2018, July 1, 2017 through June 30, 2018, and July 1, 2018 through June 30, 2020.

Type of Finding:

- Material Weakness in Internal Control over Compliance

Criteria or specific requirement: Quarterly financial and performance reports, draw down requests, and the number of days is cash held calculations should be reviewed by an individual other than the preparer and the review should be documented.

Condition: In our cash management and reporting testing, we noted there was no documentation to support the financial and performance reports, draw down requests, and the number of days cash is held calculations are reviewed by an individual other than the preparer, prior to submission to the granting agency.

Questioned costs: None

Context: 8 of 8 draw down requests and the number of days cash is held calculations and 10 of 10 reports tested had no documented review by an individual other than the preparer.

Cause: The preparer is the only individual involved in the cash management and reporting processes.

Effect: Any potential error made on a drawdown or report may not be found on a timely basis without a review process in place.

Recommendation: We recommend the County design and implement internal controls for a review process over the financial and performance reports, draw down requests, and the number of days cash is held calculations. A review process over these reports should occur and be documented, to ensure the accuracy of the reports/requests.

Views of responsible officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs (continued)

2018 – 003 – Subrecipient Monitoring

Federal Agency: U.S. Department of Labor

Federal Program: Workforce Innovation and Opportunity Act Cluster (WIOA)

CFDA Number: 17.258, 17.259, 17.278

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

Pass-Through Numbers: 15-632020, 16-681020, 17-681020, and 18-681020

Award Period: April 6, 2017 through June 30, 2018, April 1, 2016 through June 30, 2018, July 1, 2017 through June 30, 2018, and July 1, 2018 through June 30, 2020.

Type of Finding:

- Significant Deficiency in Internal Control over Compliance and Other Matter

Criteria or specific requirement: Onsite visits of each subrecipient should be performed on an annual basis.

Condition: In our subrecipient testing, we noted the onsite visits of each subrecipient were not performed in a timely manner.

Questioned costs: None

Context: 2 of 2 onsite visits for subrecipients tested were not performed.

Cause: Management changes occurred during the fiscal year which didn't allow for capacity for onsite visits.

Effect: Lack of onsite visits can allow for inappropriate spending or activities by subrecipients.

Recommendation: We recommend the County design and implement controls to ensure onsite visits of each subrecipient be performed in a timely manner.

Views of responsible officials: There is no disagreement with the audit finding.