

Single Audit Section

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF AGRICULTURE			
10.553 School Breakfast Program (1)		8,096	
Juvenile Detention Center	IL State Board of Education Grant # 09-010-043P-00	8,096	
10.555 National School Lunch Program (1)		14,883	
Juvenile Detention Center	IL State Board of Education Grant # 09-010-043P-00	14,883	
10.558 Child and Adult Care Food Program		357,323	
Early Childhood	IL State Board of Education Grant # 09-010-043P-00	357,323	
10.559 Summer Food Service Program for Children (1)		200	
Champaign Public Health Board	Champaign Public Health Board Grant # 85280109F	200	
10.561 State Administrative Matching Grant For SNAP		30,637	
Workforce Development	IL Dept. of Commerce & Economic Opportunity HHS-Snap To Success E&T #FCSXG04924	30,637	
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
14.218 Community Development Block Grants / Entitlement Grants (2)		44,844	
Regional Planning Commission	Village of Rantoul Court Diversion (7/01/18-6/30/19)	2,303	
Reigional Planning Commission	Village of Rantoul Court Diversion (7/01/17-6/30/18)	4,608	
Regional Planning Commission	City of Champaign Senior Home Repair Program (7/01/17-6/30/18)	22,513	
Regional Planning Commission	City of Champaign Senior Home Repair Program (7/01/18-6/30/19)	13,060	
Regional Planning Commission	Village of Rantoul Housing Rehab Program 2017	2,360	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (continued)			
14.231 Emergency Solutions Grant Program		57,146	
Regional Planning Commission	IL Dept. of Human Services Grant # FCSXH03828	27,677	
Regional Planning Commission	IL Dept. of Human Services Grant # FCSWH03828	29,469	
14.235 Supportive Housing Program		30,455	
Regional Planning Commission	U.S. Dept. of Housing & Urban Development Grant # IL0526L5T031603	13,475	
Regional Planning Commission	U.S. Dept. of Housing & Urban Development Grant # IL0526L5T031502	16,980	
14.238 Shelter Plus Care Program		217,038	
Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care I # IL0039L5T031710 (7/01/17-6/30/18)	101,546	
Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care I # IL0039L5T031609 (7/01/18-6/30/19)	107,066	
Regional Planning Commission	U.S. Dept. of Housing & Urban Development Shelter Plus Care III # IL1586L5T031700 (7/01/18-6/30/19)	8,426	
14.239 Home Investment Partnerships Program		113,845	
Regional Planning Commission	City of Urbana (7/01/17-6/30/18)	63,425	
Regional Planning Commission	City of Urbana (7/01/18-6/30/19)	50,420	
14.267 Continuum of Care Program		90,797	
Regional Planning Commission	U.S. Dept. of Housing and Urban Development Grant # IL1585L5T031700 (7/01/18-6/30/19)	10,997	
Regional Planning Commission	U.S. Dept. of Housing and Urban Development Grant # IL0655L5T031600 (7/01/17-6/30/18)	17,716	
Regional Planning Commission	U.S. Dept. of Housing and Urban Development Grant # IL0618L5T031702 (3/01/18-6/30/19)	14,241	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (continued)			
14.267 Continuum of Care Program (continued)			
Regional Planning Commission	U.S. Dept. of Housing and Urban Development Grant # IL0618L5T031601 (7/01/17-6/30/18)	22,112	
Regional Planning Commission	U.S. Dept. of Housing and Urban Development Grant # IL1584L5T031700 (7/01/18-6/30/19)	9,444	
Regional Planning Commission	U.S. Dept. of Housing and Urban Development Grant # IL0587L5T031602 (10/01/17-9/30/18)	16,287	
U.S. DEPARTMENT OF JUSTICE			
16.575 Crime Victim Assistance		124,279	
Child Advocacy Center	IL Criminal Justice Information Authority Grant # 216002 (1/01/18-6/30/18) FY18	61,165	
Child Advocacy Center	IL Criminal Justice Information Authority Grant # 216003 (7/01/18-12/31/18) FY19	63,114	
16.606 Sheriff-Correctional Center		14,505	
Correctional Center	Justice-Criminal Alien Assistance Grant	14,505	
16.738 Edward Byrne Memorial Justice Assistance Grant Program		18,800	
State's Attorney	IL Appellate Prosecutor Drug Prosecutor Contract (10/01/17-9/30/18)	18,800	
16.758 CAC-Missing Children's Assistance Grants		0	
Child Advocacy Center	National Children's Alliance Prg.Support Grant #10-Cham-IL-SA17 (1/01/18-12/30/18)	0	
U.S. DEPARTMENT OF LABOR			
17.258 WIOA Adult Program (3)		708,818	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 15-632017	587	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-632017	1,375	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF LABOR (continued)			
17.258 WIOA Adult Program (3) (continued)			
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-681017	65,204	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 17-681017	503,154	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 18-681017	138,498	
17.259 WIOA Youth Activities (3)		770,114	445,570
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 15-632017	626	0
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-632017	1,466	0
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-681017	71,003	24,998
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 17-681017	549,047	276,845
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 18-681017	147,972	143,727
17-270 Employment and Training Administration		23,725	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # YF-32157-18-60A17	23,725	
17.278 WIOA Dislocated Worker Formula Grants (3)		970,011	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 15-632017	863	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-632017	1,933	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 15-652017	18,139	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF LABOR (continued)			
17.278 WIOA Dislocated Worker Formula Grants (3) (continued)			
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 15-661017	11,105	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-661017	101,183	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 16-681017	80,180	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 17-681017	587,932	
Workforce Development	IL Dept. of Commerce & Economic Opportunity Grant # 18-681017	168,676	
U.S. DEPARTMENT OF TRANSPORTATION			
20.205 Highway Planning and Construction (4)		352,079	
Regional Planning Commission	IL Dept. of Transportation Grant # 19T0003 (7/01/18-6/30/19)	122,676	
Regional Planning Commission	IL Dept. of Transportation Grant # 18T0016 (7/17-6/18)	133,795	
Regional Planning Commission	IL Dept. of Transportation Grant # 19T0015 (7/18-6/20)	12,351	
20.205 Highway Planning and Construction (4)			
Regional Planning Commission	IL Dept. of Transportation Grant # 18-1439-4851 (10/17-09/19)	83,257	
20.505 Metropolitan Transportation Planning & State & Non-Metropolitan Planning		162,425	
Regional Planning Commission	IL Dept. of Transportation Grant # 19T0003 (7/01/18-6/30/19)	28,589	
Regional Planning Commission	IL Dept. of Transportation Grant # 18T0016 (7/17-6/18)	31,730	
Regional Planning Commission	IL Dept. of Transportation Grant # TS-18-809 (5/18-4/20)	83,365	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF TRANSPORTATION (continued)			
20.505 Metropolitan Transportation Planning & State & Non-Metropolitan Planning (continued)			
Regional Planning Commission	IL Dept. of Transportation Grant # TS-18-313 (5/18-4/20)	18,741	
20.509 Formula Grants for Rural Areas		317,968	234,631
Regional Planning Commission	IL Dept. of Transportation Grant # 1716100301	83,035	
Regional Planning Commission	IL Dept. of Transportation Rural Mass Transit Grant # 4189 (7/17-6/18)	0	153,781
Regional Planning Commission	IL Dept. of Transportation Rural Mass Transit Grant # 4967 (7/18-6/19)	153,871	80,850
Regional Planning Commission	IL Dept. of Transportation Rural Mass Transit Grant # 4490 (11/14-3/24)	81,062	
20.703 Interagency Hazardous Materials Public Sector Training & Planning Grants		9,898	
Emergency Management Agency	IL Emergency Management Agency Grant # 16CHAMPPHME (10/1/16-9/30/19)	9,898	
U.S. ENVIRONMENTAL PROTECTION AGENCY			
66.605 Performance Partnership Grants		1,200	
County Public Health Board	IL Dept. of Public Health Grant # 85380109F (10/17 - 9/18)	887	
County Public Health Board	IL Dept. of Public Health Grant # 85380109G (10/18 - 9/19)	313	
U.S. DEPARTMENT OF ENERGY			
81.042 Weatherization Assistance for Low-Income Persons		176,351	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Grant # 17-401042 (7/01/17-6/30/18)	176,351	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
93.074 HPP and PHEP Aligned Cooperative Agreements		54,619	
County Public Health Board	IL Dept of Public Health Grant # 87180009F (7/01/17-6/30/18)	26,997	
County Public Health Board	IL Dept. of Public Health Grant # 87180009F (7/01/18-6/30/19)	27,622	
93.086 Healthy Marriage Promotion and Responsible Fatherhood Grants		45,995	
Regional Planning Commission	IL State University (2017) Care4U Summer Youth Program	45,995	
93.558 Temporary Assistance for Needy Families (5)		62,310	
Child Advocacy Center	IL Dept. of Healthcare & Family Services Grant # 906039028 (7/17-6/18)	39,263	
Child Advocacy Center	IL Dept. of Healthcare & Family Services Grant # 906039029 (7/18-6/19)	23,047	
93.563 Child Support Enforcement		216,843	
State's Attorney	IL Dept. of Healthcare & Family Services Grant # 2017-55-013-K (7/01/17-6/30/18)	109,649	
State's Attorney	IL Dept. of Healthcare & Family Services Grant # 2017-55-013-K (7/01/18-6/30/19)	86,549	
Circuit Clerk	IL Dept. of Healthcare & Family Services Grant #2018-55-007-KB (7/01/17-6/30/18)	2,918	
Circuit Clerk	IL Dept. of Healthcare & Family Services Grant #2018-55-007-KB (7/01/18-6/30/19)	1,109	
Sheriff	IL Dept. of Healthcare & Family Services (7/01/17-6/30/18)	9,303	
Sheriff	IL Dept. of Healthcare & Family Services (7/01/18-6/30/19)	7,315	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued)			
93.568 Low-Income Home Energy Assistance (M)		2,893,688	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity Weatherization Grant # 17-221042 (7/01/17-6/30/18)	312,617	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity LIHEAP Grant # 18-221042 (06/01/18-9/30/19)	101,563	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity LIHEAP Grant # 17-224042 (10/01/16-6/30/18)	547,965	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity LIHEAP Grant # 18-224042 (10/01/17-6/30/19)	1,915,092	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity LIHEAP Grant # 19-224042 (10/01/18-6/30/20)	16,451	
93.569 Community Services Block Grant		646,078	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity CSBG Grant # 18-231042 (1/01/18-12/31/18)	638,764	
Regional Planning Commission	IL Dept. of Commerce & Economic Opportunity CSBG Grant # 19-231042 (1/01/19-12/31/19)	7,314	
93.575 Child Care and Development Block Grant (6)		26,819	
Early Childhood	Child Care	26,819	
93.600 Head Start (M)		5,285,011	
Early Childhood	U.S. Dept. of Health & Human Services Grant # 05/CH/8461/02 (3/01/17-2/28/18)	699,278	
Early Childhood	U.S. Dept. of Health & Human Services Grant # 05/CH/8461/03 (3/01/18-2/28/19)	4,585,733	
93.735 State Public Health Approaches for Ensuring Quitline Capacity		25,099	
County Public Health Board	IL Dept. of Public Health Grant # 83281009F (7/17-6/18)	25,099	

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
U.S. DEPARTMENT OF HOMELAND SECURITY			
97.024 Emergency Food & Shelter National Board Program		14,830	
Regional Planning Commission	Emergency Food/Shelter National Board Grant # 23-6000 Phase 35	1,971	
Regional Planning Commission	Emergency Food/Shelter National Board Grant # 23-6000 Phase 35 (7/18-6/19)	1,360	
Regional Planning Commission	Emergency Food/Shelter National Board Grant # 23-6000 Phase 35	11,499	
97.042 Emergency Management Performance Grants		74,566	
Emergency Management Agency	IL Emergency Management Agency Grant # 16EMACHAM2 (10/01/17-9/30/19)	74,566	
TOTAL FEDERAL AWARDS		\$ 13,961,295	\$ 680,201

- (1) Child Nutrition Cluster - Total Cluster Expenditures of \$23,179
(2) CDBG Entitlement Grants Cluster - Total Cluster Expenditures of \$44,844
(3) WIA/WIOA Cluster - Total Cluster Expenditures of \$2,448,943.
(4) Highway Planning & Construction Cluster - Total Cluster Expenditures of \$352,079
(5) TANF Cluster - Total Cluster Expenditures of \$62,310
(6) CCDF Cluster - Total Cluster Expenditures of \$26,819

(M) - Major program

COUNTY OF CHAMPAIGN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Federal Agency CFDA # / Federal Program Name County Fund / Dept	Direct or Pass-Through Funding Agency Grant Number	Federal Expenditures	Pass-thru to Sub-recipients
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NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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NOTE 1 - BASIS OF PRESENTATION

This accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Champaign County under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *"Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)"*. Since the Schedule presents only a select portion of the operations of Champaign County, it is not intended to, and does not, present the financial position changes in net assets or cash flows of the County of Champaign.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are prepared using the modified accrual basis of accounting. 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. Negative amounts shown on the Schedule represent adjustments or credits, made in the normal course of business, to amounts reported as expenditures in prior years. Champaign County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - NON-CASH ASSISTANCE

Champaign County did not receive any non-cash awards during fiscal year 2018.

NOTE 4 - INSURANCE IN EFFECT, LOANS , AND GUARANTEES

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

NOTE 5 - INDIRECT COST RATE

Champaign County has not elected to use the 10% de minimus indirect cost rate.

COUNTY OF CHAMPAIGN, ILLINOIS
SUMMARY OF EXPENDITURE OF FEDERAL AWARDS BY CFDA NUMBER
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>FEDERAL</u> <u>CFDA</u> <u>NUMBER</u>	<u>EXPENDITURES</u>	<u>PASSED-</u> <u>THROUGH TO</u> <u>SUBRECIPIENTS</u>	<u>CLUSTER TOTAL</u>
10.553	8,096		23,179
10.555	14,883		
10.558	357,323		
10.559	200		
10.561	30,637		
14.218	44,844		44,844
14.231	57,146		
14.235	30,455		
14.238	217,038		
14.239	113,845		
14.267	90,797		
16.575	124,279		
16.606	14,505		
16.738	18,800		
17.258	708,818		2,448,943
17.259	770,114	445,570	
17.270	23,725		
17.278	970,011		
20.205	352,079		352,079
20.505	162,425		
20.509	317,968	234,631	
20.703	9,898		
66.605	1,200		
81.042	176,351		
93.074	54,619		
93.086	45,995		
93.558	62,310		62,310
93.563	216,843		
93.568	2,893,688		
93.569	646,078		

COUNTY OF CHAMPAIGN, ILLINOIS
SUMMARY OF EXPENDITURE OF FEDERAL AWARDS BY CFDA NUMBER
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

FEDERAL CFDA NUMBER	EXPENDITURES	PASSED- THROUGH TO SUBRECIPIENTS	CLUSTER TOTAL
93.575	26,819		26,819
93.600	5,285,011		
93.735	25,099		
97.024	14,830		
97.042	74,566		
TOTAL	\$ 13,961,295	\$ 680,201	\$ 2,958,174

NOTES:

- (1) Child Nutrition cluster consists of CFDA #'s 10.553, 10.555 and 10.559
- (2) CDBG -Entitlement Grants Cluster consists of CDA #14.218
- (3) Workforce Development (WIOA) cluster consists of CFDA #'s 17.258, 17.259 and 17.278
- (4) Highway Planning & Construction Cluster consists of CFDA # 20.205
- (5) TANF Cluster consists of CFDA # 93.558
- (6) CCDF Cluster consists of CFDA #93.575
- (7) Head Start-CFDA # 93-600 is a Major Program
- (8) Low-Income Home Energy Assistance - CFDA #93.568 is a Major Program

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

INDEPENDENT AUDITORS' REPORT

Members of the County Board
Champaign County
Urbana, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign County, Illinois as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Champaign County's basic financial statements, and have issued our report thereon dated July 8, 2020.

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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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 2018-001 and 2018-003 to be material weaknesses.

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Members of the County Board
Champaign County

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-002 to be a significant deficiency.

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*.

The County's Response to Findings

The County's response to the findings 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 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.



Oak Brook, Illinois
July 8, 2020

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
EXPENDITURES REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

Members of the County Board
Champaign County
Urbana, Illinois

Report on Compliance for Each Major Federal Program

We have audited Champaign County's 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 December 31, 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 Awards* (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.

Members of the County Board
Champaign County

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 December 31, 2018.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of the County Board
Champaign County

Purpose of this Report

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 business-type activities, each major fund, and the aggregate remaining fund information of Champaign County, Illinois as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Champaign County's basic financial statements. We issued our report thereon dated July 8, 2020, 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 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
July 8, 2020

COUNTY OF CHAMPAIGN
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- > Material weakness (es) identified? X yes no
- > Significant deficiency (ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

FEDERAL AWARDS

Internal control over major programs:

- > Material weakness (es) identified? yes X no
- > Significant deficiency (ies) identified? yes X none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance? yes X no

Auditee qualified as low-risk auditee? yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000

COUNTY OF CHAMPAIGN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

**SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Item 2018-001: Nursing Home Cash Receipts Process (previously reported as Item 2017-001)

Criteria: The internal control structure over cash receipts processes should include appropriate segregation of duties, monitoring controls such as reviews of system inputs and monthly reports, and documentation of formal reviews and approvals.

Condition: Patient status and billing rates entered into the Nursing Home's patient billing software (Matrix) are reviewed after entry into the system, but the review is informal and not documented. Review and reconciliation of monthly census data reports is not documented. Additionally, the review and approval of receivable account write-offs is not documented and timely reconciliations of the Matrix subledger to the County's general ledger were not completed. Lastly, the individual responsible for posting cash receipts to the County's general ledger has cash handling responsibilities, including opening of mail and access to the lockbox.

Cause/Effect: Lack of documented independent review and lack of segregation of duties could result in errors in cash receipt reporting or fraudulent activity going undetected by Nursing Home and County management.

Recommendation: A formal, documented review of key inputs into Matrix after entry and monthly census data reports should be completed. The Matrix subledger and County general ledger should be reconciled on a monthly basis. Responsibility for cash handling and posting of revenue into Matrix should be segregated with no individual having access to do both.

Management's Response: Champaign County agreed to sell the Champaign County Nursing Home to University Rehabilitation Center of C-U LLC and University Rehab Real Estate LLC, after which time there shall be no impact of nursing home operations on County government financial statements. The sale was completed on April 1, 2019.

COUNTY OF CHAMPAIGN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

**SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONT'D)**

Item 2018-002: Segregation of Duties / Secondary Review (previously reported as Item 2017-002)

Criteria: Effective internal controls require the existence of policies and procedures that support segregation of duties.

Condition: Within several key transaction cycles, a lack of segregation of duties was noted. The lack of segregation of duties is primarily due to staffing size restrictions and/or system limitations, which make implementing complete segregation of duties impractical.

Within the payroll process, the individual responsible for processing payroll is also responsible for generating payroll checks. The individual also has access to add new employees and change pay rates, although this is not within the individual's job description.

Within the property tax collection and distribution cycle, we noted that the individuals responsible for preparing monthly reconciliations for the collector accounts also have the ability to process tax collections.

We noted that several County departments do not regularly reconcile decentralized cash collections between the subsidiary ledgers (maintained by the County department) and the general ledger.

Cause/Effect: Lack of segregation of duties and secondary review controls could result in an unauthorized transaction, an error in reporting, or other fraudulent activity to occur and not be identified by County management.

Recommendation: Responsibilities for entering personnel information into the payroll system, processing of payroll each period, and generating of payroll checks should be segregated across multiple employees with access restricted so that no individual can complete all components of the payroll process. If such segregation cannot be realized due to system limitations or staffing restrictions, alternative monitoring controls should be implemented such as a periodic review of change logs within the payroll system focusing on creation of new employees and manual changes to wages in the payroll system.

Departments maintaining separate subsidiary ledgers should reconcile subledgers to the County's general ledger on a routine, timely basis. The reconciliation should be reviewed by someone other than the original preparer.

COUNTY OF CHAMPAIGN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

**SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONT'D)**

Item 2018-002 (cont'd): Segregation of Duties / Secondary Review (previously reported as Item 2017-002)

Management's Response: The Regional Planning Commission enters its payroll information including adding new employees and changing pay rates. The Payroll Accountant reviews this information for accuracy. For other County departments, both the Payroll Accountant and the Deputy Director of Administration (a new position) will receive Personnel Information Forms for new employees and changing pay rates, which are electronically submitted by departments. The Deputy Director of Administration enters the pay rates, and the Payroll Accountant reviews this information for accuracy. Biweekly payroll (time and wages) is approved and submitted to the Payroll Accountant by each department (the department is the original preparer). Upon receipt, the Payroll Accountant reviews the department-submitted payroll for accuracy prior to processing. After processing, an Audit Trail report for employee changes and additions is sent to the Auditor's Office and the Deputy Director of Administration. The Deputy Director of Administration reviews the report for accuracy, signs and dates to document review.

The Champaign County Treasurer's office employs 4 full-time employees, two of whom perform reconciliations, one for the Treasurer bank accounts and one for the Collector bank accounts. It would be onerous to segregate real estate tax collection staff from the distribution cycle. The need for segregation of duties must be balanced against staffing costs. The Treasurer's Office is an efficient operation with limited employees, separating duties when possible.

County departments maintaining separate subsidiary ledgers will be instructed on proper segregation and protocol by the Auditor's Office for reconciliation on a routine, timely basis.

COUNTY OF CHAMPAIGN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

**SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONT'D)**

Item 2018-003: Bank Reconciliation Timeliness

Criteria: Bank reconciliations are a critical element of a strong internal control environment and should be completed in a timely fashion on a monthly basis.

Condition: The December 2018 bank reconciliations for accounts maintained by the Treasurer's Office were not prepared and reviewed in a timely manner.

Cause/Effect: Lack of timely completion and review of monthly bank reconciliations could result in unauthorized transactions, unrecorded cash receipts, reporting errors, or other fraudulent activity not being identified by County management or such activity, if identified, not being appropriately remedied in a timely manner.

Recommendation: Bank reconciliations should be completed and reviewed within one month of receipt of monthly bank statements. Reviews of reconciliations should be documented and completed by someone other than the original preparer.

Management's Response: The County has appropriated funds for a dedicated temporary staff person to reconcile the cash balances of funds to their transactions as recorded in the accounting system. The Auditor's office is conducting the 2019 reconciliations in parallel to those of the treasurer in order to ensure completion in time for—and to the standards of—next year's external auditor. Going forward, the Chief Deputy Auditor will initiate reminders to the treasurer to punctually submit these reconciliations for his review.

COUNTY OF CHAMPAIGN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

COUNTY OF CHAMPAIGN

SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2018

FINDING NO. 2017-001 – Nursing Home Cash Receipts Process

Condition: Patient status and billing rates entered into the Nursing Home's patient billing software (Matrix) are reviewed after entry into the system, but the review is informal and not documented. Review and reconciliation of monthly census data reports is not documented. Additionally, the review and approval of receivable account write-offs is not documented and timely reconciliations of the Matrix subledger to the County's general ledger were not completed. Lastly, the individual responsible for posting cash receipts to the County's general ledger has cash handling responsibilities, including opening of mail and access to the lockbox.

Status: Finding will be repeated (2018-001).

FINDING NO. 2017-002 – Segregation of Duties / Secondary Review

Condition: Within several key transaction cycles, a lack of segregation of duties was noted. The lack of segregation of duties is primarily due to staffing size restrictions and/or system limitations, which make implementing complete segregation of duties impractical.

Within the payroll process, the individual responsible for processing payroll is also responsible for generating payroll checks. The individual also has access to add new employees and change pay rates, although this is not within the individual's job description.

Within the property tax collection and distribution cycle, we noted that the individuals responsible for preparing monthly reconciliations for the collector accounts also have the ability to process tax collections.

We noted that several County departments do not regularly reconcile decentralized cash collections between the subsidiary ledgers (maintained by the County department) and the general ledger.

Status: Finding will be repeated (2018-002).