

CITY OF SPRINGFIELD, ILLINOIS

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
FEBRUARY 28, 2022

CITY OF SPRINGFIELD, ILLINOIS

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CITY OF SPRINGFIELD, ILLINOIS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended February 28, 2022

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City of Springfield

Schedule of Expenditures of Federal Awards
February 28, 2022

<i>Federal Awarding Agency/Program Title</i>	<i>Cluster Name</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Federal CFDA Number</i>
<u>Department of Housing and Urban Development</u>				
Community Development Block Grants/Entitlement Grants	CDBG-Entitlement Grants Cluster			14.218
Community Development Block Grants/Entitlement Grants	CDBG-Entitlement Grants Cluster			14.218
Community Development Block Grants/Entitlement Grants	CDBG-Entitlement Grants Cluster			14.218
Community Development Block Grants/Entitlement Grants	CDBG-Entitlement Grants Cluster			14.218
Community Development Block Grants/Entitlement Grants	CDBG-Entitlement Grants Cluster			14.218
Home Investment Partnerships Program	N/A			14.239
Home Investment Partnerships Program	N/A			14.239
Office of Lead Hazard Control and Healthy Homes FY21 Lead Based Paint Hazard Reduction Grant	N/A			14.905
Total Department of Housing and Urban Development				
<u>Department of Justice</u>				
Coronavirus Emergency Supplemental Funding	N/A			16.034
Edward Byrne Memorial Justice Assistance Grant Program	N/A			16.738
Equitable Sharing Program	N/A			16.922
Organized Crime Drug Enforcement Task Force	N/A			16.U01
Drug Enforcement Admin Task Force	N/A			16.U02
US Marshal Task Force	N/A			16.U03
Central IL Safe Streets Task Force	N/A			16.U04
Total Department of Justice				
<u>Department of Transportation</u>				
National Infrastructure Investments	N/A			20.933
National Infrastructure Investments	N/A			20.933
National Infrastructure Investments	N/A			20.933
Highway Planning And Construction	Highway Planning And Construction Cluster	IL Dept of Transportation		20.205
Highway Planning And Construction	Highway Planning And Construction Cluster	IL Dept of Transportation		20.205
State And Community Highway Safety	Highway Safety Cluster	IL Dept of Transportation	343-20086	20.600
State And Community Highway Safety	Highway Safety Cluster	IL Dept of Transportation	343-29647	20.600
Total Department of Transportation				
<u>Department of Treasury</u>				
Coronavirus State Fiscal Recovery Fund Under The American Rescue Plan Act				21.019
Total Department of Homeland Security				
<u>Department of Homeland Security</u>				
Joint Terrorism Task Force				97.U01
Assistance To Firefighters				97.044
Homeland Security Grant Program		Illinois Law Enforcement Alarm System		97.067
Total Department of Homeland Security				
<u>Department of Equal Employment Opportunity Commission</u>				
Employment Discrimination State And Local Fair Employment Practices Agency Contracts				30.001
Total Department of Equal Employment Opportunity Commission				
<u>Environment Protection Agency</u>				
Capitalization Grants For Clean Water State Revolving Funds	Clean Water State Revolving Fund	Illinois Environmental Protection Agency		66.468
Total Environment Protection Agency				
<u>Corporation For National And Community Service</u>				
Americorps		Department Of Public Health	17AFHIL001	94.006
Total Corporation For National And Community Service				
TOTAL FEDERAL AWARDS				

* denotes major program(s)

<i>Additional Award Identification (Optional)</i>	<i>Federal Expenditure</i>	<i>Amount Provided to Subrecipients</i>	<i>Federal Program Total</i>	<i>Cluster Total</i>
B-18-MC-17-0023	27,353	10,000	1,036,732	1,036,734
B-19-MC-17-0023	196,494	40,207	1,036,732	1,036,734
B-20-MC-17-0023	252,361	110,112	1,036,732	1,036,734
B-21-MC-17-0023	410,908	183,000	1,036,732	1,036,734
B-20-MW 17-0023	149,616	73,649	1,036,732	1,036,734
M-18-MC-17-0209	274,401	-	376,736	
M-19-MC-17-0209	102,335	-	376,736	
FR-6500-N-13	2,124	-	2,124	
	1,415,592	416,968		
2020-VD-BX-0369	207,299	-	207,299	
2019-DJ-BX-0436	11,995	11,995	11,995	
	40,754	-	40,754	
	1,427	-	1,427	
	11,568	-	11,568	
	9,012	-	9,012	
	4,647	-	4,647	
	286,702	11,995		
FR-TII-0045-17	2,238,528 *	-	10,990,247	
FR-BLD-0002-20-01-00	6,987,463 *	-	10,990,247	
FR-BLD-0002-20-01-00	1,764,256 *	-	10,990,247	
BRM-5146 (096)	6,087	-	77,817	77,817
C-96-002-21	71,730	-	77,817	77,817
	11,370	-	21,367	21,367
	9,997	-	21,367	21,367
	11,089,431	-		
	1,900,000 *	-	1,900,000	
	1,900,000	-		
EMW-2020-FG-01455	1,473	-	1,473	
	28,208	-	28,208	
	1,866	-	1,866	
	31,547	-		
EEC45017CC047	5,000	-	5,000	
	5,000	-		
L175711	282,239	-	282,239	282,239
	282,239	-		
	74,295	-	74,295	
	74,295	-		
	15,084,806	428,963		

* denotes major program(s)

CITY OF SPRINGFIELD, ILLINOIS

**Notes to the Schedule of Expenditures of Federal Awards
February 28, 2022**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City under programs of the federal government for the year ended February 28, 2022. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Pass-Through Entities

Pass-through entity identifying numbers are presented on the Schedule where available.

NOTE 3 – 10% DE MINIMIS INDIRECT COST RATE

The City has selected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

CITY OF SPRINGFIELD, ILLINOIS

**Notes to the Schedule of Expenditures of Federal Awards
February 28, 2022**

NOTE 4 – SUBRECIPIENT RELATIONSHIPS

The City of Springfield Provided CFDA #14.218 – Community Development Block Grants/Entitlement Grants to the following subrecipients:

CFDA #	Additional Award Number	Subrecipient Name	Amount Passed Through to Subrecipient
14.218	B-18-MC-17-0023	LAND OF LINCOLN GOODWILL	10,000
14.218	B-19-MC-17-0023	FIFTH STREET RENAISSANCE	6,531
14.218	B-19-MC-17-0023	SPRINGFIELD CENTER FOR INDEPENDENT LIVING, INC.	3,860
14.218	B-19-MC-17-0023	THE PHOENIX COMMUNITY CENTER	9,815
14.218	B-19-MC-17-0023	M.E.R.C.Y. COMMUNITIES INC	20,000
14.218	B-20-MC-17-0023	THE SPRINGFIELD PROJECT	110,112
14.218	B-21-MC-17-0023	FIFTH STREET RENAISSANCE	7,497
14.218	B-21-MC-17-0023	SPRINGFIELD CENTER FOR INDEPENDENT LIVING, INC.	5,000
14.218	B-21-MC-17-0023	The Salvation Army	128,003
14.218	B-21-MC-17-0023	United Way of Central Illinois, Inc	42,500
14.218	B-20-MW-17-0023	Compass for Kids Inc	36,119
14.218	B-20-MW-17-0023	SPRINGFIELD PARK DIST	37,530

The City of Springfield provided CFDA #16.378 – Edward Byrne Memorial Justice Assistance Grant Program (Additional Award ID: 2019-DJ-BX-0436) to the Sangamon County Sheriff’s Department in the amount of \$11,995.

NOTE 5 – LOAN AND LOAN GUARANTEE PROGRAMS

Under the Community Development Block Grant program (CFDA 14.218), the City of Springfield administers loan programs which are accounted for in the Community Development Fund, a special revenue fund. As of February 28, 2022, the loans outstanding under these programs total \$105,621.



**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***

October 25, 2022

The Honorable City Mayor
Members of the City Council
City of 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 business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Illinois, as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 25, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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 City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Reporting on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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*.

We noted certain other matters that we reported to management of the City in a separate letter dated October 25, 2022.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



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

October 25, 2022

The Honorable City Mayor
Members of the City Council
City of Springfield, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, Illinois' compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended February 28, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance required 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Springfield, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2022.

Report on Internal Control over Compliance

Management of the City 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 City'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 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 City'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 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.

Report on Internal Control over Compliance – Continued

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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Illinois as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated October 25, 2022, 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 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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

CITY OF SPRINGFIELD, ILLINOIS

**Schedule of Findings and Questioned Costs
Year Ended February 28, 2022**

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements: Unmodified

Internal control over financial reporting:
Material weakness(es) identified: No
Significant deficiencies identified: No

Noncompliance material to the financial statements noted: No

Federal Awards

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

Internal control over major programs:
Material weakness(es) identified: No
Significant deficiencies identified: No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): No

Major programs identified:

<u>CFDA Number(s)</u>	<u>Name of Federal Program/Cluster</u>
20.933	National Infrastructure Investments
21.019	Coronavirus State Fiscal Recovery under the American Rescue Plan Act

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

Auditee qualified as a low-risk auditee: No

CITY OF SPRINGFIELD, ILLINOIS

**Schedule of Findings and Questioned Costs - Continued
Year Ended February 28, 2022**

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None

CITY OF SPRINGFIELD, ILLINOIS

**Schedule of Findings and Questioned Costs - Continued
Year Ended February 28, 2022**

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF SPRINGFIELD, ILLINOIS

Schedule of Findings and Questioned Costs Year Ended February 28, 2022

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

Material Weakness:

Finding 2020-001 – INTERNAL CONTROL OVER FINANCIAL REPORTING

Condition: In the prior period financial statement audit of the City of Springfield’s Water Fund, it was identified that the plaintiff within a trial against the City of Springfield was awarded a material amount in May, 2021. Since the event described happened in a prior period, an accrual for the expected obligation should have been made, as of period end. However, the City of Springfield did not make such accrual until it was brought to their attention.

Recommendation: It was recommended that the accounting department communicate with the legal department, specifically around year-end, to identify any possible contingencies that need to be accrued.

Current Status: This finding has been removed.

Significant Deficiency:

Finding 2020-002 – INTERNAL CONTROL OVER FINANCIAL REPORTING

Condition: In the prior period financial statement audit, the City of Springfield’s Electric Fund accrued a receivable for insurance proceeds related to a significant event. The accrual was not properly set up for reversal and caused the amount to be duplicated in other accounts receivable during the current period. This resulted in the Electric Utility’s assets and net position being overstated prior to the audit procedures, which identified the error. Management investigated and provided a correction once it was identified. As a similar significant item could potentially have been undetected in the future, we are reporting a significant deficiency related to the internal control environment.

Recommendation: It was recommended that a designated person properly reconcile the receivable and net position balances to the prior period and review the amounts on the trial balance for reasonableness.

Current Status: This finding has been removed.