

TAZEWELL COUNTY, ILLINOIS
SINGLE AUDIT REPORT
YEAR ENDED NOVEMBER 30, 2021



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Chairman and Members of the County Board
Tazewell County, Illinois
Pekin, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Tazewell County, Illinois (the County) as of and for the year ended November 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 22, 2022.

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) 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 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 County'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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, and 2021-004 that we consider to be material weaknesses.

Compliance and Other Matters

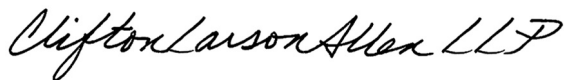
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Tazewell County, Illinois' 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 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

Peoria, Illinois
November 12, 2024



**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**

Chairman and Members of the County Board
Tazewell County, Illinois
Pekin, Illinois

Report on Compliance for Each Major Federal Program

We have audited Tazewell 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, 2021. 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 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, 2021.

Other Matters

This independent auditors' report is replacing a previously issued report. Subsequent to issuance of the single audit report for the year ended November 30, 2021, the County made the determination in fiscal year 2023 to claim federal expenditures incurred in a prior fiscal year as part of the federal Coronavirus State and Local Fiscal Recovery Funds grant, resulting in an understatement of federal expenditures reported in the schedule of expenditures of federal awards for the year ended November 30, 2021. We performed additional procedures to obtain sufficient appropriate audit evidence for the County's compliance with requirements for the federal Coronavirus State and Local Fiscal Recovery Funds grant. Our opinion on each major federal program is not modified with respect to this matter.

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 item 2021-005; this noncompliance is a change from the previously issued report. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance 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 compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-005, that we consider to be a significant deficiency.

The County's response to the internal control over compliance 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 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 result 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended November 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 22, 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 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

Peoria, Illinois
November 12, 2024

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture:</u>				
Passed Through Illinois Department of Human Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FCSZQ01102	\$ 111,425	\$ -
	10.557	FCSAQ01102	91,507	-
			<u>202,932</u>	<u>-</u>
Peer Counseling	10.557	FCSZQ01178	23,019	-
	10.557	FCSAQ01178	16,766	-
			<u>39,785</u>	<u>-</u>
Total Federal Assistance Listing No. 10.557			242,717	-
WIC Farmer's Market Nutrition Program	10.572	FCSAQ00696	1,000	-
Total U.S. Department of Agriculture			243,717	-
<u>U.S. Department of Health and Human Services:</u>				
Passed Through Illinois Department of Public Health:				
Cities Readiness Initiative	93.069	17580024I	29,696	-
	93.069	27580024J	15,544	-
			<u>45,240</u>	<u>-</u>
Public Health Information Network	93.069	07180085I	54,717	-
	93.069	27180085J	23,027	-
			<u>77,744</u>	<u>-</u>
Total Federal Assistance Listing No. 93.069			122,984	-
COVID-19 - Immunization Grants - Mass Vaccination	93.268	150806871	331,704	-
Drug Free Communities	93.276	1NH28CE002601-01-00	94,289	-
	93.276	6NH28CE002601-10-01	16,477	-
			<u>110,766</u>	<u>-</u>
Breast and Cervical Cancer Screening	93.898	26180026J	152,691	-
Illinois Wisewoman	93.436	06180040H	6,429	-
	93.436	26180040J	11,777	-
			<u>18,206</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
<u>(Continued):</u>				
Passed Through Illinois Department of Public Health (Continued):				
Overdose Surveillance	93.354	95080307G	\$ 43,663	\$ -
Influenza Vaccine Promotion	93.185	1NH231P922637-01-00	8,123	-
Total U.S. Department of Health and Human Services Passed Through Illinois Department of Public Health			788,137	-
Passed Through Illinois Department of Human Services:				
Social Services Block Grant	93.667	FCSZU03049	30,506	-
	93.667	FCSAU03049	67,045	-
	93.667	FCSZU03129	12,373	-
			109,924	-
High Risk Health Works	93.667	FCSYU05087	10,867	-
Total Federal Assistance Listing No. 93.667			120,791	-
Substance Abuse Program	93.959	43CZZ03227	57,522	-
	93.959	43CAZ03227	57,424	-
			114,946	-
Teen Reach (Temporary Assistance for Needy Families)	93.558	FCSZR04880	88,072	-
	93.558	FCSAR04880	57,424	-
			145,496	-
Teen Pregnancy Prevention	93.092	FCSZP05353	45,432	-
	93.092	FCSAP05353	28,130	-
			73,562	-
Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services			454,795	-
Total U.S. Department of Health and Human Services			1,242,932	-
<u>U.S. Department of Education:</u>				
Passed Through Illinois State Board of Education:				
21st Century Community Learning Centers	84.287	21-4421-A1-65-108-9065	210,423	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Environmental Protection Agency:</u>				
Passed Through Illinois Emergency Management Agency:				
State Indoor Radon Grants	66.032	21TAZ Radon	\$ 6,526	\$ -
	66.032	22RDNTAZ	55	-
			<u>6,581</u>	<u>-</u>
Passed Through Illinois Environmental Protection Agency:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468*	CWA-19203	516	-
Local Health Protection - Safe Drinking Water Grant	66.605	25080088J	<u>2,750</u>	<u>-</u>
Total U.S. Environmental Protection Agency Passed Through Illinois Environmental Protection Agency			<u>3,266</u>	<u>-</u>
Total U.S. Environmental Protection Agency			9,847	-
<u>U.S. Department of Transportation:</u>				
Passed Through Illinois Department of Transportation:				
Formula Grants for Rural Areas	20.509	OP-21-39-FED	\$ 151,515	\$ 151,515
	20.509	OP-22-39-FED	137,743	137,743
			<u>289,258</u>	<u>289,258</u>
STEP and Holiday Enforcement Impaired Driving	20.600*	HS-21-0150	69,821	-
	20.600*	HS-22-0027	22,102	-
			<u>91,923</u>	<u>-</u>
Total U.S. Department of Transportation Passed Through Illinois Department of Transportation			381,181	289,258
Passed Through Illinois Emergency Management Agency:				
Hazardous Materials Emergency Preparedness	20.703	19TAZEWHME	<u>14,976</u>	<u>-</u>
Total U.S. Department of Transportation			396,157	289,258
<u>U.S. Department of Homeland Security:</u>				
Passed Through Illinois Emergency Management Agency:				
Emergency Management Performance Grants	97.042	19EMATAZEW	69,386	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of the Treasury:</u>				
Passed Through Illinois Department of Public Health:				
COVID-19 - Coronavirus Relief Fund - Contact Tracing (Major)	21.019	05180187H	\$ 1,469,769	\$ -
Direct - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (Major)	21.027	N/A	6,254,782	-
Total U.S. Department of the Treasury			7,724,551	-
<u>U.S. Department of Housing and Urban Development:</u>				
Passed Through Illinois Department of Commerce and Economic Opportunity:				
Downstate Small Business Stabilization	14.228	Round 3	\$ 114,070	\$ 114,070
Community Development Block Grant	14.228	18-248591	31,758	-
Total Federal Assistance Listing No. 14.228			145,828	114,070
Total Department of Housing and Urban Development			145,828	114,070
<u>U.S. Department of Justice:</u>				
Passed Through Illinois Criminal Justice Information Authority:				
Crime Victim Assistance	16.575	218003	44,311	-
	16.575	219003	22,877	-
			67,188	-
Passed Through the Children's Advocacy Centers of Illinois:				
Crime Victim Assistance	16.575	820002	9,640	-
Total Federal Assistance Listing No. 16.575			76,828	-
Passed Through Election Assistance Commission:				
Help America Vote Grant	90.404	N/A	18,426	-
Total U.S. Department of Justice			95,254	-
Total			\$ 10,138,095	\$ 403,328

*Total federal expenditures for clusters include \$516 for the Drinking Water State Revolving Fund Cluster and \$91,923 for the Highway Safety Cluster.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TAZEWELL COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2021

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards includes the activity of all federal grants of Tazewell County, Illinois (the County). The Tazewell County reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

NOTE 4 OTHER NONCASH ASSISTANCE

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

NOTE 5 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports unless there are timing differences.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2021**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) 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(es) identified? yes x no
 - Significant deficiency(ies) 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 Programs

AL Number(s)

21.019

21.027

Name of Federal Program or Cluster

COVID-19 - Coronavirus Relief Fund - Contact Tracing

COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low-risk auditee?

 yes x no

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section II – Financial Statement Findings

Finding No. 2021-001 – Significant Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition

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

Context

While performing our audit procedures, we proposed a variety of adjustments to ensure the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Effect

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

Cause

Significant audit adjustments were a result of some accounting records and reports being prepared on the cash basis of accounting as well as County officials not maintaining accounting records for the government-wide financial statements. Examples include recording receivables related to tax and grant revenues, recording payables, and adjusting interfund balances. The County's financial statements have been converted to the modified accrual basis or accrual basis of accounting, as required by accounting principles generally accepted in the United States of America.

Repeat Finding

Finding was reported in the previous fiscal year as finding 2020-001.

Recommendation

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

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section II – Financial Statement Findings (Continued)

Finding No. 2021-001 – Significant Audit Adjustments (Continued)

Views of Responsible Officials and Planned Corrective Actions

The County Treasurer and Finance Director have been preparing more of the material entries required to convert the financial statements to the modified accrual basis and will continue to work with the auditors to assure that all material entries are prepared and booked at year-end. All parties will continue to review internal controls to assure that the entries are timely made and accurate. A new accounting system was installed in fiscal year 2021 that will allow the County to prepare more aspects of the government-wide financial statements going forward.

Finding No. 2021-002 – Financial Statement Preparation

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the annual financial statements, including related footnote disclosures, in conformity with accounting principles generally accepted in the United States of America.

Condition

The County does not have an internal control policy in place over annual financial reporting that would enable management to prepare and ensure the annual financial statements, including related footnote disclosures, are complete and presented in accordance with accounting principles generally accepted in the United States of America.

Context

While performing our audit procedures, it was noted the County does not have an internal control policy in place over annual financial reporting that would enable management to provide reasonable assurance that the annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Effect

The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Cause

Management has informed us that they do not have an internal control policy in place over annual financial reporting and that they do not have the necessary staff capacity to prepare the annual financial statements, including related footnote disclosures.

The County relies on its external auditors to prepare the annual financial statements, including related footnote disclosures. However, the County has reviewed and approved the financial statements and related footnote disclosures.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section II – Financial Statement Findings (Continued)

Finding No. 2021-002 – Financial Statement Preparation (Continued)

Repeat Finding

Finding was reported in the previous fiscal year as finding 2020-002.

Recommendation

Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of Responsible Officials and Planned Corrective Actions

The County Treasurer and Finance Director have been preparing more of the material entries required to convert the financial statements to the modified accrual basis and will continue to work with the auditors to assure that all material entries are prepared and booked at year-end. All parties will continue to review internal controls to assure that the entries are timely made and accurate. A new accounting system was installed in fiscal year 2021 that will allow the County to prepare more aspects of the government-wide financial statements going forward.

Finding No. 2021-003 – General Accounting for Federal Awards

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

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

Condition

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

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section II – Financial Statement Findings (Continued)

Finding No. 2021-003 – General Accounting for Federal Awards (Continued)

Condition (Continued)

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

- Information used in the preparation of reports requesting reimbursement of federal funds is frequently maintained on ledgers separate from the general ledger of the County. It is common for there to be timing differences between the general ledger and these separate accounting of federal awards. Nonreimbursable costs are also sometimes recorded to the same general ledger accounts as reimbursable costs. Consequently, the general ledger of the County does not easily trace to reports requesting reimbursement of federal funds. Not all reconciliations that reconcile general ledger financial information to that reported on the requests for reimbursement of federal funds is readily available.

Context

While performing our audit procedures, it was noted the County has no central office or individual who is responsible for tracking grant applications and reports. Individual departments are responsible for monitoring compliance with their grants as well as completing both financial and program reports for their grants.

Effect

There is an increased risk that reports could be prepared inaccurately since they are prepared using financial information that is extracted from the County's general ledger and not reconciled to the County's general ledger.

Cause

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

Repeat Finding

Finding was reported in the previous fiscal year as finding 2020-003.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

A new accounting system was installed in fiscal year 2021 that will allow the County to better reconcile financial reports for each grant to the general ledger going forward.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section II – Financial Statement Findings (Continued)

Finding No. 2021-004 – Restatement of Federal Grant Activity

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the annual financial statements and schedule of expenditures of federal awards, including related footnote disclosures, in conformity with accounting principles generally accepted in the United States of America.

Condition

Subsequent to issuance of the financial statements and single audit report for the year ended November 30, 2021, the County made the determination in fiscal year 2023 to claim federal expenditures incurred in a prior fiscal year as part of the federal Coronavirus State and Local Fiscal Recovery Funds grant (ALN 21.027), resulting in an understatement of federal grant revenue and federal expenditures reported in the financial statements and the schedule of expenditures of federal awards, respectively, for the year ended November 30, 2021.

Context

Management provided adjustments to the schedule of expenditures of federal awards for the year ended November 30, 2021.

Effect

Amounts presented in the schedule of expenditures of federal awards were incorrect. Federal expenditures claimed as part of the Coronavirus State and Local Fiscal Recovery Funds grant (ALN 21.027) increased by \$4,966,685 in fiscal year 2021.

Cause

The County made the determination in fiscal year 2023 to claim federal expenditures incurred in a prior fiscal year.

Repeat Finding

Finding was not reported in the previous fiscal year.

Recommendation

Federal expenditures should be recognized on the schedule of expenditures of federal awards in the year incurred.

Views of Responsible Officials and Planned Corrective Actions

The County Administrator did seek professional guidance as to how to accurately account for CSLFRF grant funds claimed in fiscal year 2023 when prior year's expenditures were used. Although the federal government's CSLFRF grant reporting guidelines allowed for using prior year's expenditures to claim grant revenue in the current year, the accounting presentation of these transactions had some additional requirements. These additional requirements will be followed in fiscal year 2024 when CSLFRF grant funds are claimed and recorded in the County's financial statements.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section III – Federal Award Findings and Questioned Costs

Finding No. 2021-005 – Allowable Costs/Activities

Federal Agency:	U.S. Department of the Treasury
Federal Program:	Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
Assistance Listing Number:	21.027
Award Period:	March 3, 2021 – December 31, 2024
Type of Finding:	Significant Deficiency in Internal Control over Compliance and Other Matter

Criteria

According to the CSLFRF guidelines, eligible workers receiving premium pay must earn, with the premium included, at or below 150 percent of their residing state or county's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, whichever is higher, on an annual basis.

Condition

During our audit, we identified that the County did not have adequate internal controls in place to ensure compliance with the requirement that eligible workers receiving premium pay earn at or below 150 percent of their residing state or county's average annual wage for all occupations. Specifically, we noted instances in which workers receiving premium pay exceeded this threshold. As such, the County did not effectively apply its designed internal control over compliance.

Context

We noted 11 ineligible workers receiving premium pay.

Effect

Premium pay was awarded to ineligible workers, leading to questioned costs and noncompliance with federal compliance requirements.

Cause

Management informed us that the questioned costs were caused by a lack of proper oversight and review procedures to verify that the premium pay awarded to eligible workers complied with the specified wage threshold. There was a failure of the County's designed internal control over compliance.

Questioned Costs

\$46,525

Repeat Finding

Finding was not reported in the previous fiscal year.

**TAZEWELL COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2021**

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding No. 2021-005 – Allowable Costs/Activities (Continued)

Recommendation

We recommend that the County more effectively implement its internal controls over compliance to ensure that costs charged to federal grants are allowable and meet all other applicable compliance requirements. The employee administering the federal grant should have a thorough understanding of Uniform Guidance and the applicable compliance requirements of the federal grant, as well as knowledge of the County's activities and operations.

Views of Responsible Officials and Planned Corrective Actions

The County engaged an outside consultant to assist with compliance and reporting of the CSLFRF grant. Moving forward, management will ensure that a County employee, if working with a consultant or otherwise, be responsible for verifying compliance with all aspects of all federal grants.

