

MONTGOMERY COUNTY, ILLINOIS
SINGLE AUDIT REPORT IN ACCORDANCE
WITH THE UNIFORM GUIDANCE
FOR THE YEAR ENDED NOVEMBER 30, 2020

**MONTGOMERY COUNTY, ILLINOIS
TABLE OF CONTENTS**

| | <u>PAGE</u> |
|---|-------------|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1-2 |
| Independent Auditor's Report on Compliance for Each Major Program on Internal Control Over Compliance Required by the Uniform Guidance and on Schedules of Expenditures of Federal Awards | 3-4 |
| Schedule of Expenditures of Federal Awards | 5-6 |
| Notes to Schedule of Expenditures of Federal Awards | 7 |
| Schedule of Findings and Questioned Costs | 8-10 |
| Corrective Action Plan | 11-12 |



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

March 26, 2021

INDEPENDENT AUDITOR'S 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*

Montgomery County Board
Montgomery County, 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, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise Montgomery County, Illinois' basic financial statements and have issued our report thereon dated March 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery County, Illinois' 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 Montgomery County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery County, Illinois' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies. Finding 2020-002 was considered a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery County, Illinois' 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned cost as item 2020-001.

Montgomery County, Illinois' Response to Findings

Montgomery County, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings. Montgomery County, Illinois' 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.



Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

June 4, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Montgomery County Board
Montgomery County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Montgomery County, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montgomery County's major federal programs for the year ended November 30, 2020. The Montgomery County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Montgomery 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 Requirement 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 Montgomery 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 Montgomery County's compliance.

Opinion on Each Major Federal Program

In our opinion, Montgomery 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, 2020.

Report on Internal Control over Compliance

Management of Montgomery County, Illinois 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 Montgomery 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 Montgomery 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 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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 26, 2021, 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.

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.



Alton, Illinois

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2020

| Federal Grantor Pass-Through Entity Program Title | Federal CFDA Number | Contract/ Number | Federal Expenditures |
|--|---------------------------|---------------------|-------------------------|
| U.S. Department of Agriculture | | | |
| Illinois Department of Human Services | | | |
| WIC Special Supplemental Nutrition Program for Woman Infants, and Children | | | |
| WIC | 10.557 | FCSYQ00836 | \$ 54,539 |
| WIC | 10.557 | FCSZQ00836 | 70,725 |
| WIC Breastfeeding Peer Counseling | 10.557 | FCSYQ01187 | 5,695 |
| WIC Breastfeeding Peer Counseling | 10.557 | FCSZQ01187 | 11,815 |
| WIC Commodities (Non-Cash) | 10.557 | | 199,100 |
| Subtotal CFDA 10.557 | | | <u>\$ 341,874</u> |
| Total Illinois Department of Human Services | | | <u>\$ 341,874</u> |
| Total U.S. Department of Agriculture | | | <u>\$ 341,874</u> |
| | | | |
| U.S. Department of Health and Human Services | | | |
| Illinois Department of Human Services | | | |
| Social Services Block Grant | | | |
| Social Services Block Grant | 93.667 | FCSYU03027 | \$ 5,303 |
| Social Services Block Grant | 93.667 | FCSZU05031 | 5,192 |
| Social Services Block Grant | 93.667 | FCSZU05031 | 1,617 |
| Subtotal CFDA 93.667 | | | <u>\$ 12,112</u> |
| Block Grants for Prevention and Treatment of Substance Abuse | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 43CXZO3259 | \$ 30,547 |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 43CZC03074 | 16,025 |
| Subtotal CFDA 93.959 | | | <u>\$ 46,572</u> |
| Opioid STR | | | |
| Opioid STR | 93.788 | 43CZ03259 | \$ 8,531 |
| Subtotal CFDA 93.788 | | | <u>\$ 8,531</u> |
| Total Illinois Department of Human Services | | | <u>\$ 67,215</u> |
| Illinois Department of Public Health | | | |
| Public Health Emergency Preparedness | | | |
| Public Health Emergency Preparedness | 93.069 | 07180065H | \$ 27,905 |
| Public Health Emergency Preparedness | 93.069 | 07180065I | 18,490 |
| Subtotal CFDA 93.069 | | | <u>\$ 46,395</u> |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | | | |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | 07680066H | <u>\$ 41,501</u> |
| Subtotal CFDA 93.354 | | | <u>\$ 41,501</u> |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | | | |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | 06180019H | <u>\$ 330,665</u> |
| Subtotal CFDA 93.898 | | | <u>\$ 330,665</u> |
| Total Illinois Department of Public Health | | | <u>\$ 418,561</u> |

The accompanying notes are an integral part of this schedule

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2020

| Federal Grantor Pass-Through Entity | Federal CFDA | Contract/ Project Number | Federal Expenditures |
|---|-----------------|--------------------------------|-------------------------|
| Program Title | Number | Number | Expenditures |
| U.S. Department of Health and Human Services (Continued) | | | |
| Area Agency of Aging for Lincolnland | | | |
| National Family Caregiver Support and Special Programs for the Aging | | | |
| National Family Caregiver Support, Title III, Part E | 93.052 | AA02-20/21 | \$ 4,134 |
| Special Programs for the Aging, Title III, Part B Programs for Supportive Services for Senior Citizens | 93.052 | IA02-20/21 | 3,738 |
| Special Programs for the Aging, Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation | 93.052 | MT02-20/21 | 1,530 |
| Subtotal CFDA 93.052 | | | <u>\$ 9,402</u> |
| Total Area Agency of Aging for Lincolnland | | | <u>\$ 9,402</u> |
| Illinois Department of Healthcare and Family Services | | | |
| Child Support Enforcement | | | |
| Child Support Enforcement | 93.563 | | \$ 7,880 |
| Subtotal CFDA 93.563 | | | <u>\$ 7,880</u> |
| Total Illinois Department of Healthcare and Family Services | | | <u>\$ 7,880</u> |
| Total U.S. Department Health and Human Services | | | <u>\$ 503,058</u> |
| U.S. Election Assistance Commission | | | |
| Illinois State Board of Elections | | | |
| HAVA Election Security Grant | | | |
| HAVA Election Security Grant | 90.404 | | \$ 4,536 |
| Covid 19, HAVA Election Security Grant | 90.404 | | 51,289 |
| Subtotal CFDA 90.404 | | | <u>\$ 55,825</u> |
| Total Illinois State Board of Elections | | | <u>\$ 55,825</u> |
| Total U.S. Election Assistance Commission | | | <u>\$ 55,825</u> |
| U.S. Department of the Treasury | | | |
| Illinois Department of Public Health | | | |
| Coronavirus Relief Fund | | | |
| Covid 19 Contact Tracing | 21.019 | 0518166H | \$ 294,897 |
| Covid 19, Local Cure | 21.019 | 20-491064 | 318,968 |
| Covid 19, Local Cure | 21.019 | 20-492061 | 68,059 |
| Subtotal CFDA 21.019 | | | <u>\$ 681,924</u> |
| Total Illinois Department of Public Health | | | <u>\$ 681,924</u> |
| Total U.S. Department of the Treasury | | | <u>\$ 681,924</u> |
| U.S. Department of the Treasury | | | |
| Illinois Department of Public Health | | | |
| Performance Partnership Grant | | | |
| CHPG | 66.605 | 05088067H | \$ 450 |
| Subtotal CFDA 66.605 | | | <u>\$ 450</u> |
| Total Illinois Department of Public Health | | | <u>\$ 450</u> |
| Total U.S. Department of the Treasury | | | <u>\$ 450</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,583,131</u> |

The accompanying notes are an integral part of this schedule

MONTGOMERY COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Montgomery County, Illinois (the County) under programs of the federal government for the year ended November 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in fund balance, revenues and expenditures of the County.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. SUBRECIPIENTS

The County did not pass through any federal funds to subrecipients during the year ended November 30, 2020.

NOTE 4. NONMONETARY ASSISTANCE

During the year ended November 30, 2020, the County received \$199,100 of non-cash funding through the WIC program reported under CFDA number 10.557.

NOTE 5. FEDERAL INSURANCE

The County had no federal insurance as it relates to federal programs in effect for the year ended November 30, 2020.

NOTE 6. LOANS AND LOAN GUARANTEES

The County had no outstanding loans or loan guarantees as it relates to federal sources as of November 30, 2020.

NOTE 7. INDIRECT COST RATE

The County has elected to use the 10% de minimis indirect cost rate.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTION COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weaknesses Identified? No

Significant Deficiencies That Are Not Considered to Be Material Weaknesses? Yes

See 2020-002

Noncompliance Material to Financial Statements Noted? Yes

See 2020-001

Federal Awards

Internal Control Over Major Programs:

Material Weakness Identified? No

Significant Deficiencies That Are Not Considered to Be Material Weaknesses? No

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Audit Findings That Are Required to Be Reported In Accordance With Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? No

Major Programs

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|---|
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |

Dollar Threshold Used to Determine Between Type A and Type B Programs: \$750,000

Auditee qualifies as a low-risk audit.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTION COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2020-001

Criteria: Title 2 U.S. Code of Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that the financial management system of the County provide for the identification, in its accounts, of all Federal awards received and expended and the Federal programs for which they are received. The Uniform Guidance also requires that the County prepare a Schedule of Expenditures of Federal Awards (SEFA) that includes all Federal awards expended during the fiscal year.

Condition: The federal awards expenditure data compiled by the County to prepare the SEFA was found to be incomplete and inaccurate.

Cause: Grants management is decentralized across County department. At year end, the County Treasurer request that department administrators complete a form summarizing data necessary for completion of the SEFA. In some instances, the data provided by department administrators was found to be incomplete or inaccurate.

Effect: The County is not in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*.

Recommendation: We recommend all County departments receiving federal awards establish a financial management system that provides for the identification, in its accounts, of all Federal awards received and expended and the Federal programs for which they received.

Response: The Montgomery County Treasurer will work with the Department heads to track Federal awards and expenditures separately in the financial management system.

Finding 2020-002

Condition: The County relies on its auditors for the preparation of the County's financial statements and all required disclosures in accordance with the cash basis of accounting.

Cause: The County does not have on staff someone with the expertise to prepare the financial statements and all required disclosures in accordance with the cash basis of accounting.

Effect: Inaccurate or incomplete financial statements could be issued to the public and other third parties due to this lack of expertise.

Recommendation: The County should consider the costs and benefits of hiring staff with expertise or contracting with an outside Certified Public Accounting firm to ensure the County's annual financial statements and all required disclosures are prepared in accordance with the cash basis of accounting.

Response: The County will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTION COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2020

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONS COSTS

None

PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2019-001

Condition: The federal awards expenditure data compiled by the County to prepare the SEFA was found to be incomplete and inaccurate

Current Status: The County relies on the auditor to prepare the SEFA



OFFICE OF
MONTGOMERY COUNTY TREASURER
AND COLLECTOR
1 Courthouse Square, Room 101, Hillsboro, Illinois 62049
(217) 532-9521 FAX (217) 532-2404
Nikki Lohman, Treasurer and Collector
June 4, 2021

CORRECTIVE ACTION PLAN

Montgomery County, Illinois respectfully submits the following corrective action plan for the year ended November 30, 2020.

Name and address of the independent public accounting firm:

Scheffel Boyle
322 State Street
Alton, IL 62002

Audit Period: For the Year Ended November 30, 2020

The findings from the June 4, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Financial Statement Findings

Finding 2020-001

Condition: The federal awards expenditure data compiled by the County to prepare the SEFA was found to be incomplete and inaccurate.

Plan: The County should consider the costs and benefits of establishing a financial management system that provides for the identification, in its accounts, of all Federal awards received and expended and the Federal programs for which they are received for all County Departments receiving federal awards.

Name of Contact Person: Nikki Lohman, Treasurer

Management Response: The Montgomery County Treasurer will work with the Department heads to track Federal awards and expenditures separately in the financial management system.

Anticipated Date of Completion: Ongoing Analysis

Finding 2020-002

Condition: The County relies on its auditors for the preparation of the County's financial statements and all required disclosures in accordance with the cash basis of accounting.

Plan: The County should consider the costs and benefits of hiring staff with expertise or contracting with an outside Certified Public Accounting firm to ensure the County's annual financial statements and all required disclosures are prepared in accordance with the cash basis of accounting.

Name of Contact Person: Nikki Lohman, Treasurer

Management Response: The County will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures

Anticipated Date of Completion: Ongoing Analysis

Major Federal Award Programs Findings & Questioned Costs

None

If there are any questions regarding this plan, contact the County Treasurer's Office at Montgomery County, Illinois Old Courthouse, 1 Courthouse Square, Hillsboro, IL 62049 or at 217-532-9521.

Sincerely yours,



Nikki Lohman, County Treasurer



Megan Beeler, Finance Committee Chair