

CITY OF SPRINGFIELD, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended February 29, 2020

CITY OF SPRINGFILED, ILLINOIS

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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

To the Honorable Mayor and 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 29, 2020, and the related notes to the financial statements, which collectively comprise the City of Springfield's basic financial statements, and have issued our report thereon dated August 27, 2020. Our report includes a reference to other auditors who audited the financial statements of the Springfield Police Pension Fund and the Springfield Firefighters' Pension Fund, Pension Trust Funds of the City of Springfield, as described in our report on the City of Springfield's financial statements. The financial statements of the Springfield Police Pension Fund and the Springfield Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Springfield'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Springfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Springfield's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

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

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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Oak Brook, Illinois
August 27, 2020

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

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Springfield, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield'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 City of Springfield's major federal programs for the year ended February 29, 2020. The City of Springfield'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 City of Springfield'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 City of Springfield'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 City of Springfield's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Springfield 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 29, 2020.

Report on Internal Control Over Compliance

Management of the City of Springfield 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 of Springfield'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 City of Springfield'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.

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 the City of Springfield, Illinois as of and for the year ended February 29, 2020, and the related notes to the financial statements, which collectively comprise the City of Springfield's basic financial statements. We issued our report thereon dated August 27, 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. Our report includes a reference to other auditors who audited the financial statements of the Springfield Police Pension Fund and the Springfield Firefighters' Pension Fund, Pension Trust Funds of the City of Springfield, as described in our report on the City of Springfield's 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 US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Oak Brook, Illinois
August 27, 2020

**CITY OF SPRINGFIELD, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-17-MC-17-0023			\$400,524	\$793,772	\$1,265,426	CDBG - ENTITLEMENT GRANTS CLUSTER	\$1,265,426
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-18-MC-17-0023			\$428,437	\$471,654	\$1,265,426	CDBG - ENTITLEMENT GRANTS CLUSTER	\$1,265,426
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M-13-MC-17-0209				\$24,896	\$286,972	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M-15-MC-17-0209				\$55,070	\$286,972	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M-16-MC-17-0209				\$56,121	\$286,972	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M-17-MC-17-0210				\$126,366	\$286,972	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M-18-MC-17-0211				\$24,519	\$286,972	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					<u>\$828,961</u>	<u>\$1,552,398</u>			
DEPARTMENT OF JUSTICE									
SPECIAL DATA COLLECTIONS AND STATISTICAL STUDIES	16.734	2018-FU-CX-K046				\$627,669	\$627,669	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2015-DJ-BX-0068			\$11,200	\$11,200	\$408,949	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2015-DJ-BX-0188			\$2,300	\$2,300	\$408,949	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2015-DJ-BX-0083				\$67,868	\$408,949	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	417504				\$123,231	\$408,949	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738					\$204,350	\$408,949	N/A	\$0
EQUITABLE SHARING PROGRAM	16.922					\$71,249	\$71,249	N/A	\$0
ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE	16.U01	N/A				\$21,012	\$21,012	N/A	\$0
DRUG ENFORCEMENT ADMIN TASK FORCE	16.U02	N/A				\$17,586	\$17,586	N/A	\$0
US MARSHAL TASK FORCE	16.U03	N/A				\$19,400	\$19,400	N/A	\$0
CENTRAL IL SAFE STREETS TASK FORCE	16.U04	N/A				\$7,358	\$7,358	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE					<u>\$13,500</u>	<u>\$1,173,223</u>			

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF SPRINGFIELD, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF TRANSPORTATION									
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ILLINOIS DEPARTMENT OF TRANSPORTATION	19-1439-11334		\$113,544	\$238,714	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$238,714
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ILLINOIS DEPARTMENT OF TRANSPORTATION	C-96-214-14		\$64,302	\$238,714	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$238,714
HIGHWAY PLANNING AND CONSTRUCTION	20.205	C-96-034-18	ILLINOIS DEPARTMENT OF TRANSPORTATION	C-96-034-18		\$58,461	\$238,714	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$238,714
HIGHWAY PLANNING AND CONSTRUCTION	20.205	BRM-5146 (096)	ILLINOIS DEPARTMENT OF TRANSPORTATION	BRM-5146 (096)		\$2,407	\$238,714	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$238,714
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ILLINOIS DEPARTMENT OF TRANSPORTATION	OP-19-0092		\$21,344	\$34,780	HIGHWAY SAFETY CLUSTER	\$34,780
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ILLINOIS DEPARTMENT OF TRANSPORTATION	OP-20-0283		\$13,436	\$34,780	HIGHWAY SAFETY CLUSTER	\$34,780
NATIONAL INFRASTRUCTURE INVESTMENTS	20.933	FR-TII-0021-14-01-00				\$361,110	\$3,753,229	N/A	\$0
NATIONAL INFRASTRUCTURE INVESTMENTS	20.933	FR-TII-0045-17				\$3,392,119	\$3,753,229	N/A	\$0
TOTAL DEPARTMENT OF TRANSPORTATION						<u>\$4,026,723</u>			
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION									
EMPLOYMENT DISCRIMINATION_TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	30.001	17C0047				\$3,700	\$3,700	N/A	\$0
TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						<u>\$3,700</u>			
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES									
GRANTS TO STATES	45.310		INSTITUTE OF MUSEUM AND LIBRARY SERVICES	195L538067		\$2,762	\$2,762	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES						<u>\$2,762</u>			
ENVIRONMENTAL PROTECTION AGENCY									
NONPOINT SOURCE IMPLEMENTATION GRANTS	66.460		ILLINOIS ENVIRONMENTAL PROTECTION AGENCY	3191706		\$217,374	\$217,374	N/A	\$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY						<u>\$217,374</u>			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
AMERICORPS	94.006		DEPARTMENT OF PUBLIC HEALTH	97380045G		\$81,726	\$103,129	N/A	\$0
AMERICORPS	94.006		DEPARTMENT OF PUBLIC HEALTH	07380045H		\$21,403	\$103,129	N/A	\$0
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE						<u>\$103,129</u>			

See accompanying notes to schedule of expenditures of federal awards.

CITY OF SPRINGFIELD, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED FEBRUARY 29, 2020

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF HOMELAND SECURITY									
HOMELAND SECURITY GRANT PROGRAM	97.067		ILLINOIS LAW ENFORCEMENT ALARM SYSTEM	N/A		\$42,338	\$42,338	N/A	\$0
JOINT TERRORISM TASK FORCE	97.U01	N/A				\$1,908	\$1,908	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY						<u>\$44,246</u>			
TOTAL EXPENDITURE OF FEDERAL AWARDS					<u>\$842,461</u>	<u>\$7,123,555</u>			

See accompanying notes to schedule of expenditures of federal awards.

CITY OF SPRINGFIELD, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended February 29, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the City of Springfield under programs of the federal government for the year ended February 29, 2020. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB circular A-87, 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. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

NOTE 3 – INDIRECT COST RATE

The City of Springfield has not elected to use the 10% de minimis indirect cost rate.

NOTE 4 – FEDERAL LOAN PROGRAM

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 29, 2020, the loans outstanding under these programs total \$149,647.

The City of Springfield participates as a subrecipient of federal awards from the Illinois Environmental Protection Agency (IEPA) under the Capitalization Grants for Clean Water State Revolving Funds program (CFDA #66.458). Expenditures incurred for the program are reimbursed with a combination of federal and non-federal funds by the IEPA and, for those costs reimbursed with federal funds, included in the Schedule. The balance of the loans outstanding at February 29, 2020, including both federal and non-federal portions, is \$1,869,302.

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended February 29, 2020

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified? _____ yes X no
- > Significant deficiency(ies) identified? _____ yes X 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 516(a) of the Uniform Guidance?

_____ yes X no

Auditee qualified as low-risk auditee?

 X yes _____ no

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.218

Community Development Block Grant –
Entitlement Grants Cluster

20.933

National Infrastructure Investments

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

 \$750,000

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended February 29, 2020

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

None noted.

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended February 29, 2020

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

CITY OF SPRINGFIELD, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended February 29, 2020

None noted.