

# CITY OF URBANA, ILLINOIS

---

## SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

# **CITY OF URBANA, ILLINOIS**

## **TABLE OF CONTENTS**

---

<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>1</b>
<b>NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>2</b>
<b>REPORTS OF INDEPENDENT AUDITORS</b>	
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>	4
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	6
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>9</b>

CITY OF URBANA, ILLINOIS

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Cluster Name Federal Grantor	Pass-Through Grantor	Program Title	Assistance Listing Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
<b>CDBG - Entitlement Grants Cluster</b>						
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.2318	B-22-MC-17-0024	\$ 251,693	24,912
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.2318	B-21-MC-17-0024	21,220	13,332
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.2318	B-20-MC-17-0024	96,800	1,626
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.2318	B-19-MC-17-0024	214,135	-
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.2318	B-18-MC-17-0024	202,841	-
<b>Total CDBG - Entitlement Grants Cluster</b>					786,689	39,870
<b>Other Programs</b>						
Department of Housing and Urban Development	Illinois Department of Human Services	Emergency Solutions Grant Program	14.231	FCSAH05953	36,690	36,690
Department of Housing and Urban Development	Illinois Department of Human Services	Emergency Solutions Grant Program	14.231	FCSAH05730	35,016	35,016
<b>Total</b>					71,706	71,706
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-22-DC-17-0217	47,874	-
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-21-DC-17-0217	168,902	168,902
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-20-DC-17-0217	166,886	166,886
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-19-DC-17-0217	110,347	110,347
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-18-DC-17-0217	31,734	31,734
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-17-DC-17-0217	17,493	17,493
Department of Housing and Urban Development	N/A	Home Investment Partnerships Program	14.239	M-21-DP-17-0217	246,486	187,643
<b>Total</b>					789,722 *	683,005
Department of Justice	N/A	Bulletproof Vest Partnership Program	16.607	2021-BUBX-21026927	3,524	-
Department of Justice	City of Champaign	Edward Byrne Memorial Justice Assistance Grant Program	16.738	13683621	8,463	-
Department of the Treasury	N/A	Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,656,065 *	2,862,922
National Endowment for the Humanities	N/A	Promotion of the Arts Partnership Agreements	45.025	1903735-61-22	8,500	-
Department of Homeland Security	IL Emergency Management Agency	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4489-019-77005-00	13,080	-
Department of Homeland Security	N/A	Assistance to Firefighters Grant	97.044	EMW-2021-FG-03843	26,636	-
Department of Homeland Security	N/A	Staffing for Adequate Fire and Emergency Response	97.083	EMW-2020-FF-00964	521,305	-
<b>TOTAL FEDERAL AWARDS EXPENDED</b>					\$ 5,885,690	-

\*Denotes major federal program

See accompanying notes to the schedule of expenditures of federal awards.

## **CITY OF URBANA, ILLINOIS**

### **Notes to the Schedule of Expenditures of Federal Awards June 30, 2023**

---

#### **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 June 30, 2023. 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.

#### **NOTE 4 – SUBRECIPIENT RELATIONSHIPS**

Of the federal expenditures provided in the schedule of expenditures of federal awards, the City of Urbana, Illinois provided federal awards to subrecipients as follows:

Assistance Listing Number 14.218 – Community Development Block Grants/Entitlement Grants

- Family Service Meals on Wheels - \$1,626
- Urbana Neighborhood Connections Center - \$38,244

Assistance Listing Number 14.231 – Emergency Solutions Grant Program

- Cunningham Township - \$71,706

Assistance Listing Number 14.239 – Home Investment Partnerships Program

- Courage Connection TBRA - \$49,227
- Habitat CHDO - \$279,249
- CCRP TBRA - \$166,886
- CU at Home - \$187,643

## **CITY OF URBANA, ILLINOIS**

### **Notes to the Schedule of Expenditures of Federal Awards June 30, 2023**

---

#### **NOTE 4 – SUBRECIPIENT RELATIONSHIPS, continued**

##### Assistance Listing Number 21.027 – American Rescue Plan

- Channing-Murray Foundation - \$2,400
- Urbana Park District - \$2,000,000
- FirstFollowers - \$9,900
- Young Men’s Christian Association of the University - \$37,500
- Well Experience - \$16,000
- Habitat for Humanity of Champaign County - \$7,221
- Champaign County Health Care Consumer - \$17,563
- Urbana School District 116 - \$546,136
- Eastern Illinois Foodbank - \$79,000
- Housing Authority of Champaign County - \$5,198
- Cunningham Township - \$139,707
- Common Ground Food Co-op - \$2,297



**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***

December 15, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2023

*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.

City of Urbana, Illinois  
December 15, 2023

*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 December 15, 2023.

*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**

March 12, 2024

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

*Report on Compliance for Each Major Federal Program*

We have audited the City of Urbana, 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 June 30, 2023. 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 Urbana, 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 June 30, 2023.

*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.

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.

City of Urbana, Illinois  
March 12, 2024

*Schedule of Expenditures of Federal Awards*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 15, 2023, 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 URBANA, ILLINOIS

### Schedule of Findings and Questioned Costs Year Ended June 30, 2023

---

#### 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:

Assistance Listing Number(s)

14.239

21.027

Name of Federal Program/Cluster

Home Investment Partnerships Program

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between

Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee: Yes

**CITY OF URBANA, ILLINOIS**

**Schedule of Findings and Questioned Costs – Continued**  
**Year Ended June 30, 2023**

---

**SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS**

**None Noted**

**CITY OF URBANA, ILLINOIS**

**Schedule of Findings and Questioned Costs – Continued  
Year Ended June 30, 2023**

---

**SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**None Noted**

**CITY OF URBANA, ILLINOIS**

**Schedule of Findings and Questioned Costs – Continued**  
**Year Ended June 30, 2023**

---

**SECTION 4 – PRIOR YEAR AUDIT FINDINGS**

**None Noted**