

**VILLAGE OF RANTOUL, ILLINOIS**  
**SINGLE AUDIT REPORTS**  
**YEAR ENDED APRIL 30, 2019**



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**VILLAGE OF RANTOUL, ILLINOIS  
TABLE OF CONTENTS  
YEAR ENDED APRIL 30, 2019**

<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>1</b>
<b>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</b>	<b>3</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>6</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>7</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>9</b>



**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**

Honorable Mayor and  
Members of the Village Board  
Village of Rantoul, 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 the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Rantoul, Illinois as of and for the year ended April 30, 2019, and the related notes to the financial statements which collectively comprise the Village's basic financial statements, and have issued our report thereon dated November 25, 2019.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2019-001 and 2019-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2019-003 to be a significant deficiency.

Honorable Mayor and  
Members of the Village Board  
Village of Rantoul, Illinois

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Rantoul, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Village of Rantoul, Illinois' Response to Findings**

The Village of Rantoul, Illinois' response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Village of Rantoul, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 result 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.



### **CliftonLarsonAllen LLP**

Champaign, Illinois  
November 25, 2019



**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**

Honorable Mayor and  
Members of the Village Board  
Village of Rantoul, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited the Village of Rantoul, 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 the Village of Rantoul, Illinois' major federal programs for the year ended April 30, 2019. The Village of Rantoul, Illinois' 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 Village of Rantoul, Illinois' 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 Village of Rantoul, Illinois' 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 Village of Rantoul, Illinois' compliance.

Honorable Mayor and  
Members of the Village Board  
Village of Rantoul, Illinois

### ***Opinion on Each Major Federal Program***

In our opinion, the Village of Rantoul, 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 April 30, 2019.

### ***Other Matters***

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 Finding 2019-005. Our opinion on the major federal program is not modified with respect to this matter.

The Village of Rantoul, Illinois' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village of Rantoul, Illinois' 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 Village of Rantoul, 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 the Village of Rantoul, Illinois' 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 Village of Rantoul, Illinois' 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.

Honorable Mayor and  
Members of the Village Board  
Village of Rantoul, Illinois

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 certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Findings 2019-004 and 2019-005 that we consider to be significant deficiencies.

The Village of Rantoul, Illinois' response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Village of Rantoul, Illinois' 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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Village of Rantoul, Illinois as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise Village of Rantoul, Illinois basic financial statements. We issued our report thereon dated November 25, 2019, 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**

Champaign, Illinois  
November 25, 2019

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED APRIL 30, 2019**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct				
Community Development Block Grants	14.218	N/A	\$ 18,928	\$ 244,159
Total U.S. Department of Housing and Urban Development			<u>18,928</u>	<u>244,159</u>
<b>U.S. Department of Commerce</b>				
Direct				
EDA Revolving Loan Program (M)	11.307	N/A	-	1,320,457
Total U.S. Department of Commerce			<u>-</u>	<u>1,320,457</u>
<b>U.S. Department of Transportation</b>				
Passed-Through the Illinois Department of Transportation				
Highway Planning and Construction (Bike Path)	20.205	TE-00D5(114)	-	573,035
Direct				
Airport Improvement Program	20.106	N/A	-	106,658
Total U.S. Department of Transportation			<u>-</u>	<u>679,693</u>
<b>U.S. Department of Justice</b>				
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	-	3,388
Total U.S. Department of Justice			<u>-</u>	<u>3,388</u>
<b>U.S. Department of Agriculture</b>				
Direct				
Rural Business and Cooperative Grant	10.351	N/A	-	5,744
Passed-Through Illinois State Board of Education Child and				
Adult Care Food Program	10.558	2016-4225-00	-	11,630
Total U.S. Department of Agriculture			<u>-</u>	<u>17,374</u>
Total Expenditures of Federal Awards			<u>\$ 18,928</u>	<u>\$ 2,265,071</u>

(M) Program was audited as a major program as defined by the Uniform Guidance.

**VILLAGE OF RANTOUL, ILLINOIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
APRIL 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Village of Rantoul, Illinois (the Village) under programs of the federal government for the year ended April 30, 2019. 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 Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

**Basis of Accounting and Cost Principles**

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State and Local Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

**De Minimis Cost Rate**

The Village has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Subrecipients**

Of the federal expenditures presented in the schedule, the Village provided federal awards to the following subrecipients totaling \$18,928:

<u>Grant</u>	<u>Subrecipient</u>	<u>Amount</u>
Community Development Block Grants (14.218)	Rosecrance, Inc.	\$ 2,903
	Champaign County Regional Planning Commission	2,303
	Family Service of Champaign County	6,711
	Promise Healthcare	1,722
	Crisis Nursery	2,989
	Big Brothers Big Sisters	2,300

**Noncash Awards**

The Village did not receive noncash assistance during the fiscal year.

**Insurance in Force**

There was no insurance in force during the fiscal year provided by a federal agency.

**VILLAGE OF RANTOUL, ILLINOIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
APRIL 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Loans**

The following is a schedule of loans outstanding at year-end.

<u>Loan</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>
EDA RLF Loans	\$ 853,683	\$ 372,810	\$ (668,767)	\$ 557,726

**NOTE 2 EDA REVOLVING LOAN PROGRAM**

EDA Revolving Loan Program (CFDA 11.307) represents cash, securities, and loans outstanding that are 75% funded by the United States Department of Commerce during the year ended April 30, 2019. The total outstanding loan balances for the program are disclosed in Note 1. Total cash and securities on hand were \$645,485 and \$557,398, respectively.

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2019**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditor’s report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?       X       Yes                      No
  - Were significant deficiency(ies) identified not considered to be a material weakness(es)? Reported       X       Yes                      None
3. Noncompliance material to basic financial statements noted?                      Yes       X       No

**Federal Awards**

1. Internal control over compliance:
- Material weakness(es) identified:                      Yes       X       No
  - Were significant deficiency(ies) identified not considered to be a material weakness(es)? Reported       X       Yes                      None
2. Type of auditor’s report issued on compliance for major 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 federal programs:**

**CFDA Number(s)**  
11.307

**Name of Federal Program or Cluster**  
Economic Adjustment Assistance

Dollar threshold used to determine Type A & B Programs

      \$750,000      

Auditee qualify as low-risk auditee?

                     Yes       X       No

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2019**

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***Section II – Financial Statement Findings***

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**2019-001      Internal Controls Over Financial Reporting  
Material Weakness in Internal Control**

**Criteria:**

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, including the related disclosures and necessary adjustments in conformity with U.S. generally accepted accounting principles (GAAP).

**Condition:**

The Village does not have an internal control policy in place over annual financial reporting, including any necessary adjustments that would enable management to prepare its annual financial statement, and the related footnote disclosures, in a manner that is complete and presented in accordance with GAAP. Auditors assist with adjustments to GAAP. This included recording activity related to an escrow account in the Village's name that was not recorded on the general ledger (tax levy and bond payments).

**Context:**

Management has informed us that they do not have an internal control policy in place over the annual financial reporting including necessary adjustments, and that they do not have the necessary staff capacity to prepare the annual financial statement, including footnote disclosures. The unrecorded levy and debt payments totaled \$323,977.

**Cause:**

The Village lacks sufficient resources to prepare the financial statements, related footnote disclosures, and necessary adjustments.

**Effect:**

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

**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:**

The auditors have always assisted in the preparation of year end adjusting entries and the annual financial statements. Based on auditing standards, we agree this is considered a material weakness. With the current accounting staff, it would be difficult to keep current with all of the accounting and auditing requirements that change annually. We will continue to work with the auditors to increase the Village's involvement in the annual financial statement preparation in order to help improve internal controls in this area. As with other internal control issues, there are cost-benefit issues that need to be considered when evaluating possible changes to internal controls.

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2019**

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***Section II – Financial Statement Findings (Continued)***

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**2019-002      Balance Sheet Account Reconciliations  
Material Weakness in Internal Control**

**Criteria:**

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements.

**Condition:**

We noted several beginning balances that had incorrect balances that had been carrying forward from prior years. Several retainage payable balances remained on the general ledger from old projects that had been previously paid out. We also noted prepaid balances and other receivable and payable balances there were from previous years that need reversed.

**Context:**

Some of the retainage balances were material (total of \$494,888) and were adjusted through a prior period adjustment. The old prepaid balances totaled \$227,551 in various funds, and was immaterial to those opinion units, so will be adjusted in fiscal year 2020. The other receivables and payables were numerous small accounts and were immaterial.

**Cause:**

The Village hadn't reviewed the balance sheet account balances in prior audits with the expectation that the auditors would review for accuracy.

**Effect:**

Asset and liabilities, and related expense accounts, can be overstated or understated.

**Recommendation:**

Management should have a monthly reconciliation process of all balance sheet accounts. Differences noted should be reconciled and adjusted.

**Views of Responsible Officials:**

The Village relied on the auditors to ensure that beginning balances were reviewed as part of the audit process. In the future, the Village will review balance sheet items on a quarterly basis to ensure there are no outstanding balances from prior years. The Village will also maintain a spreadsheet on the retainage balances going forward. We will reverse the outstanding balances from previous audit adjustments.

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2019**

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***Section II – Financial Statement Findings (Continued)***

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**2019-003      Interfund and Component Unit Loans  
                  Significant Deficiency in Internal Control**

**Criteria:**

All interfund loans should be approved by the Village Board. Interfund loan balances should be tracked throughout the year and should always be in balance. Loans to other funds and to component units should be reviewed for collectability and adjusted if not collectible, upon Village Board approval.

**Condition:**

We noted an interfund loan between the Electric Fund and the Storm Water Drainage Fund was not recorded properly last year. There was also a duplicate payment on this loan in fiscal year 2019. In addition, there were several negative cash balances within the pooled bank account at year-end, which represent interfund borrowing, which should be approved by the Village Board. We also noted a loan to the library in a previous year, which was not going to be repaid, was still recorded as an asset.

**Context:**

The correction needed to the beginning balance of the Electric Fund was \$196,969 and was recorded as a prior period adjustment. The duplicate payment was \$185,607 and was refunded through an audit adjustment.

**Cause:**

There was a lack of understanding in how to record this interfund transaction.

**Effect:**

Cash and interfund loan balances were misstated in certain funds.

**Recommendation:**

Interfund balances should be reviewed monthly for accuracy and collectibility. All interfund loans or loans to component units, or related write-offs of loans, should be approved by the Village Board.

**Views of Responsible Officials:**

The Village will ensure the appropriate entry is completed for the future interfund payments between the Electric Fund and the Storm Water Drainage Fund. Each year the Village has encountered several funds with negative cash balances within the pooled bank account at year-end. The Village Board will receive a report in the future to recognize those interfund borrowings at year-end.

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2019**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2019-004 Internal Controls Over Reporting**

Federal agency: U.S. Department of Commerce  
Federal program title: EDA Revolving Loan Program  
CFDA Number: 11.307  
Pass-Through Agency: N/A  
Pass-Through Number(s): N/A  
Award Period: May 1, 2018 to April 30, 2019  
Type of Finding: Significant Deficiency in Internal Control over Compliance

**Criteria:**

Federal guidelines require internal control over federal reporting requirements.

**Condition:**

We noted in the audit process the semi-annual reports completed are not reviewed by someone other than the preparer.

**Context:**

This was noted on two of two reports tested.

**Questioned Costs:**

None

**Cause:**

There have been changes in the leadership positions and the review process was not completed in the past.

**Effect:**

An error could be made on the federal financial report and go undetected.

**Repeat Finding:**

N/A

**Recommendation:**

We recommend that the Village have a process in place for all federal reports to be reviewed by an appropriate person other than the preparer. That review should be documented with a signature or initials and the date.

**View of Responsible Officials:**

The report completed for April 30, 2019, was signed off by the Village Administrator but the October 31, 2018, was not. In the future, the Comptroller will prepare the report and have the Village Administrator review and sign the report. This will occur on the October 31, 2019, report that is due November 30, 2019.

**VILLAGE OF RANTOUL, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED APRIL 30, 2019**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2019-005      Certified Payrolls**

Federal agency: U.S. Department of Commerce  
Federal program title: EDA Revolving Loan Program  
CFDA Number: 11.307  
Pass-Through Agency: N/A  
Pass-Through Number(s): N/A  
Award Period: May 1, 2018 to April 30, 2019  
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

**Criteria:**

Federal guidelines for this program require review of certified payrolls related to construction projects.

**Condition:**

We noted in the audit process, that certified payrolls were not obtained and reviewed for construction projects.

**Context:**

In our testing of loan files, two of two files with construction projects did not have the certified payrolls obtained and reviewed.

**Questioned Costs:**

None

**Cause:**

The lack of review of certified payrolls was an oversight.

**Effect:**

Lack of proper review of payrolls can allow for noncompliance with grant requirements.

**Repeat Finding:**

N/A

**Recommendation:**

We recommend that the Village review the special provisions required for this program and ensure policies are in place to comply with them. These reviews of certified payrolls should be documented.

**View of Responsible Officials:**

There have been staff changes that are responsible for monitoring the EDA Revolving Loan Program. When the Village receives another loan request and there is a construction component of the loan, the Village will obtain certified payrolls. The Village Administrator will ensure this corrective action occurs with the next EDA RLF loan that the Village approves.