



**CHAMPAIGN-URBANA
PUBLIC HEALTH DISTRICT, ILLINOIS**

ANNUAL FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

SIKICH.COM

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
TABLE OF CONTENTS

| | <u>Page(s)</u> |
|--|----------------|
| INDEPENDENT AUDITOR’S REPORT..... | 1-4 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 5 |
| Statement of Activities | 6 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet | 7 |
| Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position | 8 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 9 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities..... | 10 |
| Notes to Financial Statements | 11-30 |
| Required Supplementary Information | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund | 31 |
| Schedule of Employer Contributions Illinois Municipal Retirement Fund | 32 |
| Schedule of Changes in the Employer’s Net Pension Liability (Asset) and Related Ratios Illinois Municipal Retirement Fund | 33-34 |
| Schedule of Changes in the Employer’s Total OPEB Liability and Related Ratios Other Postemployment Benefit Plan | 35 |
| Notes to Required Supplementary Information | 36 |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|--|----------------|
| SUPPLEMENTARY INFORMATION | |
| NONMAJOR GOVERNMENTAL FUNDS | |
| Combining Balance Sheet | 37 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 38 |
| REPORT ON FEDERAL AWARDS | |
| 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> | 39-40 |
| Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance | 41-43 |
| Schedule of Expenditures of Federal Awards | 44-46 |
| Notes to Schedule of Expenditures of Federal Awards | 47 |
| Schedule of Findings and Questioned Costs | 48-49 |
| Corrective Action Plan | 50 |

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Champaign-Urbana Public Health District
Champaign, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Champaign-Urbana Public Health District, Champaign, Illinois (the District), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Champaign-Urbana Public Health District, Champaign, Illinois as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has not presented the management's discussion and analysis and certain historical information for the Other Postemployment Benefit (OPEB) plan that governmental accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate 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 basic 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
March 8, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

STATEMENT OF NET POSITION

June 30, 2023

| | Governmental Activities |
|---|------------------------------------|
| <hr/> | |
| ASSETS | |
| Cash and investments | \$ 8,260,175 |
| Receivables, net of allowance, where applicable | |
| Property taxes | 2,930,591 |
| Accounts | 1,903,912 |
| Inventory | 51,431 |
| Prepaid items | 264,624 |
| Capital assets | |
| Not depreciated | 1,104,626 |
| Depreciated (net of accumulated depreciation) | <u>5,673,124</u> |
| Total assets | <u>20,188,483</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension items - IMRF | <u>4,149,608</u> |
| Total deferred outflows of resources | <u>4,149,608</u> |
| Total assets and deferred outflows of resources | <u>24,338,091</u> |
| LIABILITIES | |
| Accounts payable | 280,170 |
| Accrued liabilities | 390,903 |
| Accrued interest payable | 155 |
| Unearned revenue | 471,880 |
| Noncurrent liabilities | |
| Due within one year | 41,516 |
| Due in more than one year | <u>3,621,931</u> |
| Total liabilities | <u>4,806,555</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension items - IMRF | 78,758 |
| Pension items - OPEB | 39,723 |
| Deferred property taxes | <u>3,418,530</u> |
| Total deferred inflows of resources | <u>3,537,011</u> |
| Total liabilities and deferred inflows of resources | <u>8,343,566</u> |
| NET POSITION | |
| Net investment in capital assets | 6,662,070 |
| Restricted for | |
| IMRF | 412,518 |
| Audit | 44,532 |
| Insurance | 271,351 |
| Unrestricted | <u>8,604,054</u> |
| TOTAL NET POSITION | <u><u>\$ 15,994,525</u></u> |

See accompanying notes to financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

| FUNCTIONS/PROGRAMS | Program Revenues | | | | Net (Expense) |
|---------------------------------|----------------------|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Change in Net Position |
| | | | | | Primary Governmental Activities |
| PRIMARY GOVERNMENT | | | | | |
| Governmental Activities | | | | | |
| Administration | \$ 1,643,708 | \$ - | \$ - | \$ - | \$ (1,643,708) |
| Champaign County Public Health | | | | | |
| Department - Contract | 1,051,537 | - | 1,502,808 | - | 451,271 |
| Environmental health | 766,082 | 334,124 | 157,334 | - | (274,624) |
| Maternal and child health | 2,776,080 | 120,685 | 2,283,069 | - | (372,326) |
| Special projects | 1,950,038 | 339,618 | 1,280,863 | - | (329,557) |
| Teen and adult services | 3,477,997 | 160,871 | 2,506,998 | - | (810,128) |
| Wellness and health promotion | 1,908,638 | 1,179,129 | 521,305 | - | (208,204) |
| Interest | 2,327 | - | - | - | (2,327) |
| Total governmental activities | 13,576,407 | 2,134,427 | 8,252,377 | - | (3,189,603) |
| TOTAL PRIMARY GOVERNMENT | \$ 13,576,407 | \$ 2,134,427 | \$ 8,252,377 | \$ - | (3,189,603) |
| General Revenues | | | | | |
| Taxes | | | | | |
| Property | | | | | |
| Replacement | | | | | |
| Investment income | | | | | |
| Total | | | | | |
| CHANGE IN NET POSITION | | | | | |
| NET POSITION, JULY 1 | | | | | |
| NET POSITION, JUNE 30 | | | | | |

See accompanying notes to financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2023

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------------|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,475,633 | \$ 784,542 | \$ 8,260,175 |
| Receivables | | | |
| Property taxes | 2,762,837 | 167,754 | 2,930,591 |
| Accounts | 1,840,865 | 63,047 | 1,903,912 |
| Due from other funds | 8,482 | - | 8,482 |
| Prepaid items | 178,470 | 86,154 | 264,624 |
| Inventory | 51,431 | - | 51,431 |
| TOTAL ASSETS | \$ 12,317,718 | \$ 1,101,497 | \$ 13,419,215 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 274,033 | \$ 6,137 | \$ 280,170 |
| Accrued liabilities | 373,492 | 17,411 | 390,903 |
| Due to other funds | - | 8,482 | 8,482 |
| Unearned revenue - Grants | 274,001 | - | 274,001 |
| Unearned revenue - Other | 196,729 | 1,150 | 197,879 |
| Total liabilities | 1,118,255 | 33,180 | 1,151,435 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred property taxes | 3,195,249 | 223,281 | 3,418,530 |
| Total deferred inflows of resources | 3,195,249 | 223,281 | 3,418,530 |
| Total liabilities and deferred inflows of resources | 4,313,504 | 256,461 | 4,569,965 |
| FUND BALANCES | | | |
| Nonspendable - prepaid items | 178,470 | 86,154 | 264,624 |
| Nonspendable - inventory | 51,431 | - | 51,431 |
| Restricted | | | |
| IMRF | - | 412,518 | 412,518 |
| Audit | - | 44,532 | 44,532 |
| Insurance | - | 185,197 | 185,197 |
| Unrestricted | | | |
| Assigned for subsequent years' budget | 2,873,569 | - | 2,873,569 |
| Assigned for capital purposes | - | 116,635 | 116,635 |
| Unassigned | | | |
| General Fund | 4,900,744 | - | 4,900,744 |
| Total fund balances | 8,004,214 | 845,036 | 8,849,250 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 12,317,718 | \$ 1,101,497 | \$ 13,419,215 |

See accompanying notes to financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2023

| | |
|---|------------------------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 8,849,250 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets (both tangible and intangible) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | 6,777,750 |
| Differences between expected and actual experience, assumption changes, net differences between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows on the statement of net position | 4,070,850 |
| Differences between expected and actual experience, assumption changes, net differences between projected and actual earnings for the OPEB liability are recognized as deferred outflows and inflows on the statement of net position | (39,723) |
| Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net position | (155) |
| Long-term liabilities, are not due and payable in the current period, and, therefore, are not reported in the governmental funds | |
| Compensated absences | (498,916) |
| Lease payable | (115,680) |
| Net pension liability for the Illinois Municipal Retirement Fund | (2,635,441) |
| Other postemployment benefit liability | <u>(413,410)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 15,994,525</u></u> |

See accompanying notes to financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-----------------|-----------------------------------|--------------------------------|
| REVENUES | | | |
| Property taxes | \$ 4,151,726 | \$ 450,739 | \$ 4,602,465 |
| Licenses and permits | 291,590 | - | 291,590 |
| Intergovernmental | 7,970,360 | 268,724 | 8,239,084 |
| Investment income | 120,013 | - | 120,013 |
| Charges for services | 1,713,776 | - | 1,713,776 |
| Miscellaneous | 13,292 | 129,061 | 142,353 |
| | | | |
| Total revenues | 14,260,757 | 848,524 | 15,109,281 |
| EXPENDITURES | | | |
| Current | | | |
| Administration | 1,290,612 | 76,631 | 1,367,243 |
| Champaign County Public Health | | | |
| Department - Contract | 969,041 | 63,808 | 1,032,849 |
| Environmental health | 713,625 | 52,650 | 766,275 |
| Maternal and child health | 2,601,397 | 147,893 | 2,749,290 |
| Special projects | 1,567,775 | 58,393 | 1,626,168 |
| Teen and adult services | 3,329,601 | 134,133 | 3,463,734 |
| Wellness and health promotion | 1,769,582 | 88,698 | 1,858,280 |
| Debt service | | | |
| Principal | 12,727 | - | 12,727 |
| Interest and fiscal charges | 2,172 | - | 2,172 |
| Capital outlay | 217,329 | 699,951 | 917,280 |
| | | | |
| Total expenditures | 12,473,861 | 1,322,157 | 13,796,018 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,786,896 | (473,633) | 1,313,263 |
| OTHER FINANCING SOURCES (USES) | | | |
| Lease issuance | 128,407 | - | 128,407 |
| Transfers in | - | 606,089 | 606,089 |
| Transfers (out) | (606,089) | - | (606,089) |
| | | | |
| Total other financing sources (uses) | (477,682) | 606,089 | 128,407 |
| NET CHANGE IN FUND BALANCES | 1,309,214 | 132,456 | 1,441,670 |
| FUND BALANCES, JULY 1 | 6,695,000 | 712,580 | 7,407,580 |
| FUND BALANCES, JUNE 30 | \$ 8,004,214 | \$ 845,036 | \$ 8,849,250 |

See accompanying notes to financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023

| | |
|--|----------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 1,441,670 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditure; however, they are capitalized and depreciated/amortized in the statement of activities | 917,281 |
| The change in interest payable, unamortized bond premium and repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities | (155) |
| The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource | (374,670) |
| The change in the OPEB liability and deferred outflows/inflows of resources is not a source or use of a financial resource | (4,686) |
| The issuance of long term debt (lease payable) is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities | (128,407) |
| The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities | |
| Lease principal | 12,727 |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | |
| Depreciation and amortization | (387,794) |
| Change in compensated absences | 56,908 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 1,532,874</u> |

See accompanying notes to financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Champaign-Urbana Public Health District (District), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District was established in 1937 under the Coleman Act, which authorized the establishment and maintenance of health departments. The District is governed by the Board of Health, consisting of the Chairman of the Champaign County Board and one member from both the City of Champaign Township and the Cunningham Township. The District's public health services include, but are not limited to environmental health inspections and permits; disease tracking reporting and investigation; HIV counseling and testing, prevention and management; sexually transmitted disease testing and treatment; dental services for children; education and health promotion; preventive services and case management for women; immunizations; and array of other services to pregnant women, children, teenagers, and adults of all ages all for the residents of Champaign and Urbana except for specific intergovernmental programs.

b. Component Units and Related Organizations

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The financial reporting entity consists of (a) the primary government, Champaign-Urbana Public Health District, which has a separately appointed governing body, is legally separate and fiscally independent of other state and local governments, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

There are no component units of Champaign-Urbana Public Health District nor is Champaign-Urbana Public Health District dependent on any other entity.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following category: governmental.

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds) and the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds). The General Fund is used to account for all activities of the District not accounted for in some other fund.

d. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is used to account for all financial transactions, except those accounted for in other funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there may be both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Since many payors pay greater than 60 days after the services are provided, one year is a better match of revenue to expenses (property taxes are based on a 60-day period). The District recognizes property taxes when they become both measurable and available in the year intended to finance and expenditures are recognized and recorded when incurred. Capital outlay is considered an expenditure in the year incurred and capital assets are not recognized and depreciated in the fund financial statements.

The District reports unearned/unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability or deferred inflow for unearned/unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Cash and Investments

Cash consists of demand deposits. Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District held no investments to measure at fair value at June 30, 2023.

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are expensed when consumed.

h. Inventories

Inventories are valued at cost, which approximates market, using the average cost method.

i. Capital Assets

Capital assets, which include land, buildings, infrastructure, furniture and machinery and equipment are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000 or \$50,000 for equipment, building and improvements and infrastructure, respectively. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings and improvements | 20-40 |
| Furniture, fixtures and equipment | 3-10 |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

Eligible employees accrue paid time off and sick leave time at the end of each month. The District allows employees to carry forward any unused paid time off on their anniversary date as long as it does not exceed 35 days. Upon separation, the District will pay for all accumulated paid time off. Employees are not paid for unused sick leave upon termination. Vested and accumulated vacation of governmental activities is recorded as an expense and liability as the benefits accrue to employees.

k. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on refunding is reported as a deferred outflow of resources.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the District.

Committed fund balance is constrained by formal actions of the District Board of Health, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the District. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. Any residual fund balance in the General Fund or any deficit fund balance of any other governmental fund is reported as unassigned.

The District's policy is to maintain a minimum fund balance of 25% of budgeted expenditures. The priority for spending unrestricted resources when any of these amounts are available for expenditure should first reduce any committed amounts, followed by the assigned amounts and then unassigned.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position (Continued)

If the unrestricted fund balance is projected to fall below the minimum level previously stated at any given point in time, then the District Board of Health could look at utilizing specific revenue sources, such as one-time revenue sources, fee revenues or budget surpluses to replenish the fund balance back up to the minimum level established by policy. If this is not feasible, then the Board of Health should approve a plan to replenish the unrestricted fund balance as soon as economic conditions allow; however, preferably no later than three years after deficit occurs, in order to sustain financial viability.

In the event that the unrestricted fund balance exceeds the minimum fund balance established by policy, then the excess may be utilized for any lawful purpose as determined by the Board of Health. It is recommended that the first priority for utilizing the unassigned fund balance be to fund any deficit fund balance if applicable to meet the minimum 25% funding level, transfer funds to the building improvement/capital projects fund and use as beginning cash balance in support of annual budget, if necessary. The Board of Health recognizes that any such funds should be appropriated for nonrecurring expenditures as they represent prior year surpluses that may or may not recur in the future.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the District considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

None of the restricted net positions or restricted fund balance results from enabling legislation adopted by the District.

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

o. Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

p. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds, if any, when reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds fund financial statements to indicate that they are not available for appropriation and are not expendable available financial resources.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

The District is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds, municipal bonds and The Illinois Funds (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value).

It is the District's policy to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity and in general, avoid speculative instruments.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an independent third party acting as the District's agent. All of the District's deposits were covered by either FDIC or collateral at June 30, 2023.

b. Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money markets or similar investment pools.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The investment policy does not limit the maximum maturity length of investments. However, the policy does require the District to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than two years from the date of purchase. However, reserve funds may be invested in securities exceeding two years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by limiting investment types and diversifying the portfolio so that potential losses on individual securities will be minimized. Diversification reduces the risk that potential losses on individual securities might exceed the income generated from the remainder of the portfolio.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. The District's investment policy does not address custodial credit risk.

Concentration of credit risk - the District's investment policy requires diversification of the portfolio but does not contain any specific diversification targets.

3. PROPERTY TAXES

The District's property taxes are levied each year on all real property located within the District on or before the last Tuesday in December. The annual tax levy ordinance for 2022 taxes due and payable by the taxpayers in 2022 was passed in December 2022. Property taxes attach as an enforceable lien and are extended against the assessed valuation of the District on January 1.

Normally, taxes are due and payable in two installments in June and September at the County Collector's office. The District receives significant distributions of tax collections approximately one month after these due dates. Revenue from property taxes are recognized in the period they are intended to finance; the District considers 75% of the 2022 tax levy to finance the 2024 fiscal year. Property tax revenue recognized in fiscal year 2023 represents the 75% of the 2021 tax levy due and payable by the taxpayers in 2022 and 25% of the 2022 tax levy due and payable by taxpayers in 2023. The 2023 tax levy has not been recorded as a receivable at June 30, 2023. Although the tax attached as a lien on property as of January 1, 2023 the tax will not be levied until December 2023, and, accordingly, is not measurable at June 30, 2023.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|-------------------|-------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Tangible capital assets not being depreciated | | | | |
| Land | \$ 374,000 | \$ - | \$ - | \$ 374,000 |
| Construction in progress | 115,719 | 748,954 | 134,047 | 730,626 |
| Total tangible capital assets not being depreciated | 489,719 | 748,954 | 134,047 | 1,104,626 |
| Tangible capital assets being depreciated | | | | |
| Building and improvements | 8,650,865 | 41,890 | - | 8,692,755 |
| Furniture, fixtures and equipment | 530,627 | 132,077 | 53,017 | 609,687 |
| Total tangible capital assets being depreciated | 9,181,492 | 173,967 | 53,017 | 9,302,442 |
| Intangible capital assets being amortized | | | | |
| Furniture, fixtures and equipment | - | 128,407 | - | 128,407 |
| Total intangible capital assets being amortized | - | 128,407 | - | 128,407 |
| Less accumulated depreciation for tangible capital assets | | | | |
| Building and improvements | 3,034,634 | 308,427 | - | 3,343,061 |
| Furniture, fixtures and equipment | 388,314 | 66,889 | 53,017 | 402,186 |
| Total accumulated depreciation for tangible capital assets | 3,422,948 | 375,316 | 53,017 | 3,745,247 |
| Less accumulated amortization for intangible capital assets | | | | |
| Furniture, fixtures and equipment | - | 12,478 | - | 12,478 |
| Total accumulated amortization for intangible capital assets | - | 12,478 | - | 12,478 |
| Total tangible and intangible capital assets being depreciated and amortized, net | 5,758,544 | (85,420) | - | 5,673,124 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 6,248,263</u> | <u>\$ 663,534</u> | <u>\$ 134,047</u> | <u>\$ 6,777,750</u> |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

| | |
|--|--------------------------|
| Administration | \$ 38,743 |
| Maternal and child health | 1,581 |
| Infectious disease prevention and management | 1,371 |
| Special projects | 306,566 |
| Wellness and health promotion | <u>39,533</u> |
| TOTAL DEPRECIATION AND AMORTITIZATION EXPENSE | <u>\$ 387,794</u> |

5. LONG-TERM DEBT

a. Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities during the fiscal year:

| | Beginning Balances | Increases | Decreases | Ending Balances | Current Portions |
|--|-----------------------|---------------------|------------------|---------------------|---------------------|
| Compensated absences* | \$ 555,824 | \$ - | \$ 56,908 | 498,916 | \$ - |
| Other postemployment benefit liability* | 403,893 | 9,517 | - | 413,410 | 17,306 |
| IMRF - net pension liability* | - | 2,635,441 | - | 2,635,441 | - |
| Lease payable* | - | 128,407 | 12,727 | 115,680 | 24,210 |
| TOTAL | \$ 959,717 | \$ 2,773,365 | \$ 69,635 | \$ 3,663,447 | \$ 41,516 |

*These liabilities generally retired by the General Fund.

b. Leases

Champaign-Urbana Public Health District entered into a lease arrangement on February 17, 2022, for a right-to-use postage meter. Payments of \$433 are due in quarterly installments, through May 2027. Total intangible right-to-use assets acquired under this agreement are \$8,236.

Champaign-Urbana Public Health District entered into a lease arrangement on January 20, 2023, for the right-to-use copiers. Payments of \$2,194 are due in monthly installments, through January 2028. Total intangible right-to-use assets acquired under this agreement are \$120,171.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

b. Leases (Continued)

Future principal and interest payments, were as follows:

| Fiscal Year Ending December 31, | Leases | |
|---------------------------------------|-------------------|-----------------|
| | Principal | Interest |
| 2024 | \$ 24,210 | \$ 3,854 |
| 2025 | 25,117 | 2,947 |
| 2026 | 26,051 | 2,013 |
| 2027 | 27,020 | 895 |
| 2028 | 13,282 | - |
| TOTAL | \$ 115,680 | \$ 9,709 |

6. INDIVIDUAL FUND DISCLOSURES

a. Transfers

Transfers in/out during the year ended June 30, 2023 consisted of the following:

| | Transfer In | Transfer Out |
|-----------------------|-------------------|-------------------|
| General | \$ - | \$ 606,089 |
| Nonmajor Governmental | 606,089 | - |
| TOTAL | \$ 606,089 | \$ 606,089 |

The purposes of the significant transfers to/from other funds are as follows:

- \$606,089 was transferred from the General Fund to the Nonmajor Governmental Funds (Capital Projects Fund) to cover capital improvement expenditures. This transfer will not be repaid.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Due From/To other Funds

Individual fund interfund receivables/payables are as follows:

| | Due To | Due From |
|-----------------------|-----------------|-----------------|
| General | \$ - | \$ 8,482 |
| Nonmajor Governmental | 8,482 | - |
| TOTAL | <u>\$ 8,482</u> | <u>\$ 8,482</u> |

The purposes of the advance to/from other funds are as follows:

- \$8,482 due from the Nonmajor Governmental Funds (Capital Projects Fund) to General Fund to cover capital improvement expenditures. Repayment is expected within one year.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health insurance; and natural disasters. The District is insured for property, general liability, workers' compensation, employee health and other risks accounted for in the General and Insurance Fund. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

8. CONTINGENT LIABILITIES

a. Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Carle Foundation and Presence Health have lawsuits requesting to be exempt from the real estate property tax for various years covering 2003-2012. To be classified as a contingent liability in the financial statements, an item must be probable and estimable. The District does not believe the liabilities for the remaining litigated properties meet the probability test at this time; the District estimates a liability of \$119,721 to Presence Health and \$139,438 to Carle Foundation that is not recognized in the financial statements.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. CONTINGENT LIABILITIES (Continued)

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

9. DEFINED BENEFIT PENSION PLAN

The District contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2022 (most recent available), IMRF membership consisted of:

| | |
|--|-------------------|
| Inactive employees or their beneficiaries currently receiving benefits | 103 |
| Inactive employees entitled to but not yet receiving benefits | 123 |
| Active employees | <u>114</u> |
| TOTAL | <u><u>340</u></u> |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits.

For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended June 30, 2023 was 6.04% of covered payroll.

Net Pension Liability (Asset)

The District's net pension liability (asset) was measured as of December 31, 2022 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

| | |
|--------------------------|-------------------|
| Actuarial valuation date | December 31, 2022 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.25% |
| Salary increases | 2.85% to 13.75% |
| Interest rate | 7.25% |
| Asset valuation method | Fair value |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Net Pension Liability (Asset) (Continued)

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability (Asset) |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2022 | \$ 27,078,544 | \$ 31,145,396 | \$ (4,066,852) |
| Changes for the period | | | |
| Service cost | 552,748 | - | 552,748 |
| Interest | 1,941,241 | - | 1,941,241 |
| Difference between expected and actual experience | 1,582,108 | - | 1,582,108 |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 443,520 | (443,520) |
| Employee contributions | - | 317,507 | (317,507) |
| Net investment income | - | (3,703,434) | 3,703,434 |
| Benefit payments and refunds | (1,158,349) | (1,158,349) | - |
| Other | - | 316,211 | (316,211) |
| Net changes | 2,917,748 | (3,784,545) | 6,702,293 |
| BALANCES AT DECEMBER 31, 2022 | \$ 29,996,292 | \$ 27,360,851 | \$ 2,635,441 |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the District recognized pension expense of \$779,370. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 1,663,941 | \$ - |
| Changes in assumption | - | 78,758 |
| Net difference between projected and actual earnings on pension plan investments | 2,299,310 | - |
| Contributions made after measurement date | 186,357 | - |
| TOTAL | \$ 4,149,608 | \$ 78,758 |

\$186,357 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | |
|---------------------------------|---------------------|
| 2024 | \$ 597,174 |
| 2025 | 1,094,875 |
| 2026 | 1,000,737 |
| 2027 | 1,191,707 |
| 2028 | - |
| Thereafter | - |
| TOTAL | \$ 3,884,493 |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) | \$ 6,340,617 | \$ 2,635,441 | \$ (258,885) |

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

b. Benefits Provided

The District provides postemployment health care and life insurance benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the District's retirement plans. All health care benefits are provided through the District's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching age 65 years, Medicare becomes the primary insurer and the District's plan becomes secondary.

The District also provides explicit retiree benefits to the following:

- 50% single coverage for certain retirees if the employee was a member of management. Insurance does not continue post-65 years of age.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At June 30, 2023 (most recent valuation available), membership consisted of:

| | |
|--|------------------|
| Retirees and beneficiaries currently receiving benefits | 1 |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active employees | <u>88</u> |
| TOTAL | <u><u>89</u></u> |
| Participating employers | <u><u>1</u></u> |

d. Total OPEB Liability

The District's total OPEB liability of \$413,410 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 3, 2023.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2023, as determined by as actuarial valuation as of July 3, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

| | |
|-----------------------------|---------------------------------|
| Actuarial valuation date | July 3, 2023 |
| Actuarial cost method | Entry-age normal |
| Actuarial value of assets | Not applicable |
| Salary increases | 4.00% |
| Discount rate | 4.13% |
| Healthcare cost trend rates | 6.00% Initial 4.50% Ultimate |

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| BALANCES AT JULY 1, 2022 | <u>\$ 403,893</u> |
| Changes for the period | |
| Service cost | 11,630 |
| Interest | 16,165 |
| Differences between expected and actual experience | - |
| Assumption changes* | (972) |
| Benefit payments | <u>(17,306)</u> |
| Net changes | <u>9,517</u> |
| BALANCES AT JUNE 30, 2023 | <u><u>\$ 413,410</u></u> |

*There were changes in assumptions related to the discount rate.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.13% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) than the current rate:

| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 389,680 | \$ 413,410 | \$ 439,148 |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the District calculated using the healthcare rate of (4.50% to 6.00%) as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 5.00%) or 1 percentage point higher (5.50% to 7.00%) than the current rate:

| | 1% Decrease (3.50% to 5.00%) | Current Healthcare Rate (4.50% to 6.00%) | 1% Increase (5.50% to 7.00%) |
|----------------------|---------------------------------|--|---------------------------------|
| Total OPEB liability | \$ 445,815 | \$ 413,410 | \$ 384,813 |

For the year ended June 30, 2023, the District recognized OPEB expense of \$49,240. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------|--------------------------------------|-------------------------------------|
| Changes in assumptions | \$ - | \$ 39,723 |
| TOTAL | \$ - | \$ 39,723 |

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

| Year Ending June 30, | |
|-------------------------|-------------|
| 2024 | \$ (5,803) |
| 2025 | (5,803) |
| 2026 | (5,803) |
| 2027 | (5,803) |
| 2028 | (5,803) |
| Thereafter | (10,708) |
| TOTAL | \$ (39,723) |

REQUIRED SUPPLEMENTARY INFORMATION

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2023

| | Original and Final Budget | Actual |
|---|--------------------------------------|---------------|
| REVENUES | | |
| Taxes | \$ 3,940,458 | \$ 4,151,726 |
| Licenses and permits | 286,000 | 291,590 |
| Intergovernmental | 8,738,527 | 7,970,360 |
| Charges for services | 1,868,780 | 1,713,776 |
| Investment income | 7,000 | 120,013 |
| Miscellaneous | 136,545 | 13,292 |
| Total revenues | 14,977,310 | 14,260,757 |
| EXPENDITURES | | |
| Current | | |
| Administration | 2,329,766 | 1,290,612 |
| Champaign County Public Health Department - Contract | 1,322,187 | 969,041 |
| Environmental health | 761,647 | 713,625 |
| Maternal and child health | 3,004,231 | 2,601,397 |
| Special projects | 1,946,666 | 1,567,775 |
| Teen and adult services | 3,123,325 | 3,329,601 |
| Wellness and health promotion | 1,936,188 | 1,769,582 |
| Indirect allocations | 58,218 | - |
| Debt service | | |
| Principal | - | 12,727 |
| Interest and fiscal charges | - | 2,172 |
| Capital outlay | 200,345 | 217,329 |
| Total expenditures | 14,682,573 | 12,473,861 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 294,737 | 1,786,896 |
| OTHER FINANCING SOURCES (USES) | | |
| Lease issuance | - | 128,407 |
| Transfers (out) | (1,447,400) | (606,089) |
| Total other financing sources (uses) | (1,447,400) | (477,682) |
| NET CHANGE IN FUND BALANCE | \$ (1,152,663) | 1,309,214 |
| FUND BALANCE, JULY 1 | | 6,695,000 |
| FUND BALANCE, JUNE 30 | | \$ 8,004,214 |

(See independent's auditor report.)

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 515,638 | \$ 489,077 | \$ 468,234 | \$ 474,047 | \$ 446,460 | \$ 410,652 | \$ 480,761 | \$ 490,349 | \$ 477,566 | \$ 411,768 |
| Contributions in relation to the actuarially determined contribution | 515,638 | 489,077 | 468,234 | 474,047 | 446,460 | 410,652 | 480,761 | 490,349 | 477,566 | 411,768 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 4,850,243 | \$ 4,994,348 | \$ 5,096,320 | \$ 5,197,596 | \$ 5,001,826 | \$ 5,441,679 | \$ 5,672,768 | \$ 6,165,222 | \$ 6,681,303 | \$ 6,818,666 |
| Contributions as a percentage of covered payroll | 10.63% | 9.79% | 9.19% | 9.12% | 8.93% | 7.55% | 8.47% | 7.95% | 7.15% | 6.04% |
| Additional contributions | \$ - | \$ - | \$ - | \$ - | \$ 250,000 | \$ - | \$ - | \$ - | \$ 750,000 | \$ - |

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years until the remaining period reaches ten years (then ten-year rolling period); the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent's auditor report.)

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Nine Calendar Years

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | | | | | | | |
| Service cost | \$ 553,162 | \$ 515,493 | \$ 564,055 | \$ 528,182 | \$ 469,155 | \$ 539,626 | \$ 563,919 | \$ 558,803 | \$ 552,748 |
| Interest | 1,197,165 | 1,310,260 | 1,436,386 | 1,477,396 | 1,467,150 | 1,591,946 | 1,703,925 | 1,779,197 | 1,941,241 |
| Differences between expected and actual experience | (80,532) | 641,232 | (595,910) | (657,099) | 657,908 | 289,833 | 76,944 | 1,000,122 | 1,582,108 |
| Changes of assumptions | 609,347 | 25,724 | (25,484) | (590,899) | 639,735 | - | (319,115) | - | - |
| Benefit payments, including refunds of member contributions | (732,266) | (772,462) | (847,040) | (832,703) | (896,657) | (849,953) | (928,086) | (1,041,662) | (1,158,349) |
| Net change in total pension liability | 1,546,876 | 1,720,247 | 532,007 | (75,123) | 2,337,291 | 1,571,452 | 1,097,587 | 2,296,460 | 2,917,748 |
| Total pension liability - beginning | 16,051,747 | 17,598,623 | 19,318,870 | 19,850,877 | 19,775,754 | 22,113,045 | 23,684,497 | 24,782,084 | 27,078,544 |
| TOTAL PENSION LIABILITY - ENDING | \$ 17,598,623 | \$ 19,318,870 | \$ 19,850,877 | \$ 19,775,754 | \$ 22,113,045 | \$ 23,684,497 | \$ 24,782,084 | \$ 27,078,544 | \$ 29,996,292 |
| PLAN FIDUCIARY NET POSITION | | | | | | | | | |
| Contributions - employer | \$ 495,655 | \$ 495,395 | \$ 456,068 | \$ 458,538 | \$ 693,496 | \$ 366,352 | \$ 468,616 | \$ 1,253,856 | \$ 443,520 |
| Contributions - member | 230,338 | 239,450 | 227,025 | 264,130 | 245,527 | 257,577 | 267,113 | 270,302 | 317,507 |
| Net investment income | 979,329 | 85,313 | 1,177,753 | 3,149,568 | (997,252) | 3,649,797 | 3,249,443 | 4,262,352 | (3,703,434) |
| Benefit payments, including refunds of member contributions | (732,266) | (772,462) | (847,040) | (832,703) | (896,657) | (849,953) | (928,086) | (1,041,662) | (1,158,349) |
| Other (net transfer) | 50,651 | (87,827) | 103,835 | (700,548) | 456,226 | 12,116 | (180,705) | 89,033 | 316,211 |
| Net change in plan fiduciary net position | 1,023,707 | (40,131) | 1,117,641 | 2,338,985 | (498,660) | 3,435,889 | 2,876,381 | 4,833,881 | (3,784,545) |
| Plan fiduciary net position - beginning | 16,057,703 | 17,081,410 | 17,041,279 | 18,158,920 | 20,497,905 | 19,999,245 | 23,435,134 | 26,311,515 | 31,145,396 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 17,081,410 | \$ 17,041,279 | \$ 18,158,920 | \$ 20,497,905 | \$ 19,999,245 | \$ 23,435,134 | \$ 26,311,515 | \$ 31,145,396 | \$ 27,360,851 |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | \$ 517,213 | \$ 2,277,591 | \$ 1,691,957 | \$ (722,151) | \$ 2,113,800 | \$ 249,363 | \$ (1,529,431) | \$ (4,066,852) | \$ 2,635,441 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Plan fiduciary net position as a percentage of the total pension liability | 97.06% | 88.21% | 91.48% | 103.65% | 90.44% | 98.95% | 106.17% | 115.02% | 91.21% |
| Covered payroll | \$ 4,759,418 | \$ 5,321,109 | \$ 5,044,996 | \$ 4,978,702 | \$ 5,133,057 | \$ 5,627,522 | \$ 5,931,855 | \$ 6,006,716 | \$ 6,844,557 |
| Employer's net pension liability (asset) as a percentage of covered payroll | 10.87% | 42.80% | 33.54% | (14.50%) | 41.18% | 4.43% | (25.78%) | (67.71%) | 38.50% |

Changes in assumptions related to retirement age and mortality were made in 2015. There was a change in the discount rate assumption from 2015 to 2016.

Changes in assumptions related to retirement age and mortality were made in 2017. There was a change in the discount rate assumption from 2017 to 2018.

Changes in assumptions related to retirement age and mortality were made in 2020.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent's auditor report.)

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2022 | 2023 |
|---|-------------------|-------------------|
| TOTAL OPEB LIABILITY | | |
| Service cost | \$ 16,814 | \$ 11,630 |
| Interest | 9,449 | 16,165 |
| Differences between expected and actual experience | - | - |
| Changes of assumptions | (50,251) | (972) |
| Benefit payments | (11,148) | (17,306) |
| Net change in total pension liability | (35,136) | 9,517 |
| Total OPEB liability - beginning | 439,029 | 403,893 |
| TOTAL OPEB LIABILITY - ENDING | \$ 403,893 | \$ 413,410 |
| Covered-employee payroll | \$ 5,485,949 | \$ 5,532,978 |
| Employer's total OPEB liability as a percentage of covered-employee payroll | 7.36% | 7.47% |

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There was a change in assumptions related to the discount rate in 2022 and 2023.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

BUDGETS

An appropriated budget is legally adopted on an annual fiscal year basis for the General Fund. The level of budgetary control is by the fund. The budget is adopted on a basis consistent with GAAP.

NONMAJOR GOVERNMENTAL FUNDS

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2023

| | Special Revenues | | | Capital | Total |
|---|-------------------------|------------------|-------------------|-------------------|--|
| | IMRF | Audit | Insurance | Projects | Nonmajor Governmental Funds |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 441,931 | \$ 44,532 | \$ 183,759 | \$ 114,320 | \$ 784,542 |
| Receivables | | | | | |
| Property taxes | 167,754 | - | - | - | 167,754 |
| Accounts | 40,366 | - | 10,734 | 11,947 | 63,047 |
| Prepaid items | - | - | 86,154 | - | 86,154 |
| TOTAL ASSETS | \$ 650,051 | \$ 44,532 | \$ 280,647 | \$ 126,267 | \$ 1,101,497 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ 6,137 | \$ - | \$ 6,137 |
| Due to other funds | - | - | - | 8,482 | 8,482 |
| Accrued liabilities | 14,252 | - | 3,159 | - | 17,411 |
| Unearned revenue - other | - | - | - | 1,150 | 1,150 |
| Total liabilities | 14,252 | - | 9,296 | 9,632 | 33,180 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred property taxes | 223,281 | - | - | - | 223,281 |
| Total deferred inflows of resources | 223,281 | - | - | - | 223,281 |
| Total liabilities and deferred inflows of resources | 237,533 | - | 9,296 | 9,632 | 256,461 |
| FUND BALANCES | | | | | |
| Nonspendable - prepaid items | - | - | 86,154 | - | 86,154 |
| Restricted | | | | | |
| IMRF | 412,518 | - | - | - | 412,518 |
| Audit | - | 44,532 | - | - | 44,532 |
| Insurance | - | - | 185,197 | - | 185,197 |
| Unrestricted | | | | | |
| Assigned for capital purposes | - | - | - | 116,635 | 116,635 |
| Total fund balances | 412,518 | 44,532 | 271,351 | 116,635 | 845,036 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 650,051 | \$ 44,532 | \$ 280,647 | \$ 126,267 | \$ 1,101,497 |

(See independent's auditor report.)

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2023

| | Special Revenues | | | Capital | Total |
|--|-------------------------|------------------|-------------------|-------------------|--|
| | IMRF | Audit | Insurance | Projects | Nonmajor Governmental Funds |
| REVENUES | | | | | |
| Property taxes | \$ 281,781 | \$ - | \$ 168,958 | \$ - | \$ 450,739 |
| Intergovernmental | 210,811 | - | 57,913 | - | 268,724 |
| Miscellaneous | - | - | - | 129,061 | 129,061 |
| Total revenues | 492,592 | - | 226,871 | 129,061 | 848,524 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Administration | 46,920 | 15,600 | 14,111 | - | 76,631 |
| Champaign County Public Health | | | | | |
| Department - Contract | 41,032 | - | 22,776 | - | 63,808 |
| Environmental health | 26,085 | - | 26,565 | - | 52,650 |
| Maternal and child health | 100,840 | - | 47,053 | - | 147,893 |
| Special projects | 44,585 | - | 13,808 | - | 58,393 |
| Teen and adult services | 98,746 | - | 35,387 | - | 134,133 |
| Wellness and health promotion | 53,559 | - | 35,139 | - | 88,698 |
| Capital outlay | - | - | - | 699,951 | 699,951 |
| Total expenditures | 411,767 | 15,600 | 194,839 | 699,951 | 1,322,157 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 80,825 | (15,600) | 32,032 | (570,890) | (473,633) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 606,089 | 606,089 |
| Total other financing sources (uses) | - | - | - | 606,089 | 606,089 |
| NET CHANGE IN FUND BALANCES | 80,825 | (15,600) | 32,032 | 35,199 | 132,456 |
| FUND BALANCES, JULY 1 | 331,693 | 60,132 | 239,319 | 81,436 | 712,580 |
| FUND BALANCES, JUNE 30 | \$ 412,518 | \$ 44,532 | \$ 271,351 | \$ 116,635 | \$ 845,036 |

(See independent's auditor report.)

REPORT ON FEDERAL AWARDS

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**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***

Board of Directors
Champaign-Urbana Public Health District
Champaign, 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 the Champaign-Urbana Public Health District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
March 8, 2024

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT AUDITOR'S 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**

Board of Directors
Champaign-Urbana Public Health District
Champaign, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Champaign-Urbana Public Health District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility for the Auditor Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other 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, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 8, 2024, 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.

Sikich LLP

Naperville, Illinois
March 8, 2024

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

| Federal Grantor | Pass-Through Grantor | Program Title | Federal ALN Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|--|---------------------------------------|--|-----------------------------------|---------------------------------|---------------------|---|
| | | Child Nutrition Cluster | | | | |
| U.S. Department of Agriculture | Illinois State Board of Education | Summer Food Service Program For Children | 10.559 | 2022-09-010-059P-00 | \$ 43,320 | \$ - |
| U.S. Department of Agriculture | Illinois State Board of Education | Summer Food Service Program For Children | 10.559 | 2023-09-010-059P-00 | 20,051 | - |
| | | Total Child Nutrition Cluster | | | 63,371 | - |
| U.S. Department of Agriculture | Illinois Department of Human Services | WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557* | FCSBQ00824 | 643,259 | - |
| U.S. Department of Agriculture | Illinois Department of Human Services | WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557* | FCSBQ01164 | 99,653 | - |
| | | | | | 742,912 | - |
| U.S. Department of Agriculture | Illinois Department of Human Services | WIC Farmers' Market Nutrition Program (FMNP) | 10.572 | FCSAQ01247 | 1,000 | - |
| U.S. Department of Agriculture | Sola Gratia Farm | Farm to School Grant Program | 10.575 | N/A | 16,237 | - |
| | | Total U.S. Department of Agriculture | | | 823,520 | - |
| U.S. Environmental Protection Agency | Illinois Emergency Management Agency | State Indoor Radon Grant | 66.032 | 22RDNCHAM | 234 | - |
| U.S. Environmental Protection Agency | Illinois Emergency Management Agency | State Indoor Radon Grant | 66.032 | 23RDNCHAM | 2,883 | - |
| | | | | | 3,117 | - |
| U.S. Environmental Protection Agency | Illinois Department of Public Health | Performance Partnership Grants | 66.605 | 38080010K | 450 | - |
| U.S. Environmental Protection Agency | Champaign County Board of Health | Performance Partnership Grants | 66.605 | 38080009K | 1,175 | - |
| | | | | | 1,625 | - |
| | | Total U.S. Environmental Protection Agency | | | 4,742 | - |
| U.S. Department of Health and Human Services | Illinois Department of Human Services | Affordable Care Act (ACA) Personal Responsibility Education Program | 93.092 | FCSBP01830 | 79,608 | - |
| | | | | | 79,608 | - |
| U.S. Department of Health and Human Services | Illinois Department of Human Services | Social Services Block Grant | 93.667 | FCSBU05995 | 74,234 | - |
| U.S. Department of Health and Human Services | Illinois Department of Human Services | Opioid STR | 93.788 | 43CBZ03562 | 531,896 | 57,500 |
| U.S. Department of Health and Human Services | Illinois Department of Human Services | Refugee and Entrant Assistance State/Replacement Designee Administered Programs | 93.566 | FCSBK06300 | 22,847 | - |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2023

| Federal Grantor | Pass-Through Grantor | Program Title | Federal ALN Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|--|--------------------------------------|--|--------------------|----------------------|----------------|----------------------------------|
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Public Health Emergency Preparedness | 93.069 | 37180010K | \$ 75,926 | \$ - |
| U.S. Department of Health and Human Services | Champaign County Board of Health | Public Health Emergency Preparedness | 93.069 | 37180009K | 37,414 | - |
| | | | | | <u>113,340</u> | <u>-</u> |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | 38180611K | 173 | - |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Family Planning Services | 93.217 | 36180033K | <u>23,642</u> | <u>-</u> |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Immunization Cooperative Agreements | 93.268 | N/A | 55,568 | - |
| U.S. Department of Health and Human Services | Champaign County Board of Health | Immunization Cooperative Agreements | 93.268 | 38080009K | 258 | - |
| U.S. Department of Health and Human Services | Heluna Health | Immunization Cooperative Agreements | 93.268 | 20180049J | 173,190 | 115,427 |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | COVID-19 Immunization Cooperative Agreements | 93.268 | 15080610I | 97,417 | - |
| U.S. Department of Health and Human Services | Champaign County Board of Health | COVID-19 Immunization Cooperative Agreements | 93.268 | 15080609I | 76,542 | - |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | COVID-19 Immunization Cooperative Agreements | 93.268 | 38180810K | 61,694 | - |
| U.S. Department of Health and Human Services | Champaign County Board of Health | COVID-19 Immunization Cooperative Agreements | 93.268 | 38180809K | 39,811 | - |
| | | | | | <u>504,480</u> | <u>115,427</u> |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | COVID-19 Epidemiology & Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | 28180509J | 231,749 | - |
| U.S. Department of Health and Human Services | Champaign County Board of Health | COVID-19 Epidemiology & Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | 28180508J | 119,866 | - |
| | | | | | <u>351,615</u> | <u>-</u> |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | 27680010J | 77,656 | - |
| U.S. Department of Health and Human Services | Champaign County Board of Health | COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | 27680009J | 95,662 | - |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | 28080200J | 6,719 | - |
| | | | | | <u>180,037</u> | <u>-</u> |
| | | Medicaid Cluster | | | | |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Preventive Health Services-Sexually Transmitted Diseases Control Grants | 93.977 | 38180007K | 129,590 | - |
| | | Total Medicaid Cluster | | | <u>129,590</u> | <u>-</u> |

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2023

| Federal Grantor | Pass-Through Grantor | Program Title | Federal ALN Number | Program/Grant Number | Expenditures | Amount Provided to Subrecipients |
|--|--------------------------------------|--|-----------------------------------|---------------------------------|---------------------|---|
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Maternal and Child Health Services Block Grant to the States | 93.994 | 36380074K | \$ 50,000 | \$ - |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Maternal and Child Health Services Block Grant to the States | 93.994 | 26380004J | 35,005 | - |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | Maternal and Child Health Services Block Grant to the States | 93.994 | 33489001K | 5,504 | - |
| | | | | | <u>90,509</u> | <u>-</u> |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | HIV Care Formula Grants | 93.917* | 05780065H | 1,064,639 | - |
| U.S. Department of Health and Human Services | Illinois Department of Public Health | HIV Care Formula Grants | 93.917* | 38780065K | 353,067 | - |
| | | | | | <u>1,417,706</u> | <u>-</u> |
| U.S. Department of Health and Human Services | Illinois Public Health Association | HIV Prevention Activities- Health Department Based | 93.940 | 23-0112 | 120,807 | - |
| | | Total U.S. Department of Human Services | | | <u>3,640,484</u> | <u>172,927</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | | <u>\$ 4,468,746</u> | <u>\$ 172,927</u> |

*Denotes Major Program

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District 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 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 District, it is not intended to and does not present the financial position or changes in net position of the District.

Note B - Summary of Significant Accounting Policies

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

Note C - Subrecipients

The Champaign-Urbana Public Health District did provide awards to subrecipients under ALN number 93.788 for \$57,500 and ALN number 93.268 for \$115,427 during the year ended June 30, 2023.

Note D - Noncash Transactions

The District received \$55,568 of immunization commodities from the U.S. Department of Health and Human Services passed through the Illinois Department of Public Health under ALN number 93.268.

Note E - Loans

There were no federal loans, loan guarantees or insurance outstanding at June 30, 2023 and during the year then ended.

Note F - Indirect Cost Rate

The District has elected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:
Material weakness(es) identified? ☐ yes ☒ no
Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? ☐ yes ☒ no
Significant deficiency(ies) identified? ☒ yes ☐ none reported

Type of auditor's report issued on compliance
for major federal programs: *unmodified*

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major federal programs:

| <u>ALN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|----------------------|---|
| 10.557 | WIC Special Supplemental Nutrition Program for Women, Infants, and Children |
| 93.917 | HIV Care Formula Grants |

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

2023-001 Internal Control Deficiency over Review of Payroll Expenditures – WIC Special Supplemental Nutrition, Infants, and Children Listing Number 10.557, Grant Period - Year Ended June 30, 2023

Criteria: Title 2, Subtitle A Chapter II Part 200 Subpart D 200.303 Internal controls. The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During our testing of payroll expenditures, we noted seven out of the forty expenses we tested did not have Supervisor or Coordinator approval on the employee’s timecard. We consider this finding to be a Significant Deficiency with relation to the Allowable Costs Compliance Requirement.

Statistical sampling was not used when making sample selections.

Questioned Costs: \$0

Effect: The District did not have proper approval for hours worked in the program.

Cause: The condition was an administrative oversight.

Recommendation: We recommend the District improve their payroll review process to ensure all hours are approved by a Supervisor or Coordinator.

Views of Responsible Officials: Management agrees with the Single Audit finding and a response is included in the Corrective Action Plan.

Section IV - Prior Year Findings and Questioned Costs

None

CHAMPAIGN-URBANA PUBLIC HEALTH DISTRICT

Corrective Action Plan

For the Year Ended June 30, 2023

2023-001 Internal Control Deficiency over Review of Payroll Expenditures - WIC Special Supplemental Nutrition, Infants, and Children Listing Number 10.557, Grant Period - Year Ended June 30, 2023

Condition Found

During our testing of payroll expenditures, we noted seven out of the forty expenses we tested did not have Supervisor or Coordinator approval on the employee's timecard. We consider this finding to be a Significant Deficiency with relation to the Allowable Costs Compliance Requirement.

Corrective Action Plan

Payroll will send out a reminder email to Directors and Coordinators with a list of employees with timesheets not yet approved as of 2:45pm on the date approvals are due. Automatic approval will be delayed until 4:00pm to allow the payroll accountant more time to follow-up with Directors/Coordinators, if employees remain unapproved at 3pm.

Directors and Coordinators will review, have time sheets corrected and approved by 3pm on the date approvals are due.

Responsible Person for Corrective Action Plan

Amanda Knight, Director of Finance, and Brandon Meline, Director of Maternal & Child Health.

Implementation Date of Corrective Action Plan

02/09/2024