



PEORIA COUNTY, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
COUNTY BOARD AND MANAGEMENT

For the Year Ended December 31, 2018

The background of the lower half of the page features a teal horizontal band at the top, followed by a large, abstract graphic of overlapping, semi-transparent geometric shapes in shades of gray and white, creating a sense of depth and complexity. In the bottom right corner, there is an orange rectangular box containing the text 'SIKICH.COM'.

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PEORIA COUNTY, ILLINOIS
AUDITOR’S COMMUNICATION TO THE COUNTY BOARD AND MANAGEMENT
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June 27, 2019

To the Members of the Peoria County Board,
the Circuit Clerk and Management
Peoria County, Illinois
Peoria, Illinois

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process was sent to you on January 18, 2019.

Our management letter including a listing of future pronouncements that may affect Peoria County, Illinois, are enclosed within this document.

This information is intended solely for the use of Peoria County, Illinois and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: Chad A. Lucas, CPA
Partner

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

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June 27, 2019

To the Members of the Peoria County Board,
the Circuit Clerk and Management
Peoria County, Illinois
Peoria, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peoria County, Illinois (County) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 14, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending December 31, 2018 with the exception of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

Management's estimate of the depreciation of capital assets is based on estimated useful lives. We evaluated the key factors and assumptions used to develop the depreciation of costs in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts for accounts receivables is based on actual collections in the subsequent year and collections made on a historical basis. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of insurance claims that have been incurred but not reported are based on an analysis of current and past experience of claims paid after the fiscal year end. We evaluated the key factors and assumptions used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability is based on the difference between the actuarially determined total pension liability and the plan's fiduciary net position for the three different IMRF plans. We evaluated the key factors and assumptions used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post employment benefit plan liability is based on the total OPEB liability as there are no assets accumulated in a trust for the plan. We evaluated the key factors and assumptions used to develop the estimate of the other post employment benefit plan liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed audit adjustments that, in our judgment, indicated matters that could have a significant effect on the County's financial reporting process. We have included a list of those audit adjustments, which were all corrected by management. In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information listed in the table of contents of the comprehensive annual financial report which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the County Board, Circuit Clerk and management of Peoria County, Illinois and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Sikich LLP

Sikich LLP
Springfield, Illinois

PEORIA COUNTY
Year End: December 31, 2018
Adjusting Journal Entries
Date: 1/1/2018 To 12/31/2018

Number	Date	Name	Account No	Reference	Debit	Credit
AJE 1	12/31/2018	Debt Issuance	003-003-37601 003	9462		-2,045,967.00
AJE 1	12/31/2018	RADIO & TELEPHONE EQUIP	003-003-55109 003	9462	2,045,967.00	
		To record Motorola Solutions lease at the fund level.				
AJE 2	12/31/2018	LIABILITY CLAIM RESERVE	082-21340 082	7003. 1		-742,500.00
AJE 2	12/31/2018	CHANGE IN RESERVE-LIAB	082-082-53048 082	7003. 1	742,500.00	
		To record additional claims liability per State's Attorney				

Future Accounting Pronouncements (Continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before End of Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is applicable for the fiscal year ending December 31, 2020. Earlier application is permitted.

GASB Statement No. 90, *Majority Equity Interests*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The requirements of this statement are effective for the fiscal year ending December 31, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides for a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for the fiscal year ending December 31, 2021. Earlier application is encouraged.



CERTIFICATIONS

6LNLFFKFDVHJDUIGDOLFURVRIWROGFRSHWHQVUDQHGDRWKHWRSRQSHUFHWRIDOOOLFURVRIWDFVSDUWBUV
 ZRUOGZLGHDGFDUULHVWKHIROORZLQHUWLFJDLWRQ



Gold
Microsoft Partner



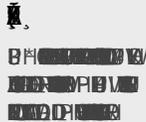
- Microsoft Small Business Specialist
- MCPOLBRIBWLBHMRDO
- MCSEOLBRIBWLBHMRDO
- CCNA BRIBWLBHMRDO
- CCDABWLBHMRDO
- CCEA BWLBHMRDO
- MRMSOLBRIBWLBHMRDO
- CISABWLBHMRDO
- CNEBWLHGRHMRDO
- MS CSMOLBRIBWLBHMRDO
- MS CAEOLBRIBWLBHMRDO
- MCDBA OLBRIBWLBHMRDO



THE LEADING EDGE ALLIANCE

7KHHDGLQHSOLDQHVWVKHVHFRGODUJHVWLVWUHQWLRDODVVRFLDWLRBILGHSHGHW
 DFFRXWLDGFRXOWLDVWVWUHQWLRDODVVRFLDWLRBILGHSHGHW
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 XOWLDWLRDQFRBDDQKLOHRHULWVWUHQWLRDODVVRFLDWLRBILGHSHGHW
 DGGULYHWREHWKHSUHUSURYLGHURISURIHVVLRDOVHUYLFHVWVWUHQWLRDODVVRFLDWLRBILGHSHGHW

*International Accounting Bulletin, 2011



LOCATIONS

Akron, OH	Decatur, IL		Rockford, IL
Boston, MA	Denver, CO	Milwaukee, WI	
Chicago, IL		Minneapolis, MN	St. Louis, MO
Columbus, OH	Indianapolis, IN	Naperville, IL	