

CITY OF EVANSTON, ILLINOIS
Single Audit Report

For the Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

The Honorable Daniel Bliss, Mayor and
Members of the City Council
Evanston, Illinois

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying Schedule of Expenditures of Federal Awards of the City of Evanston, Illinois (City), for the year ended December 31, 2020 and the related notes (the financial statement).

Management's Responsibility for the Schedule of Expenditures of Federal Awards

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the City for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Shado J. Renteria". The signature is written in a cursive style with a large initial 'S'.

Chicago, Illinois
September 16, 2021

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Identifying Number	Award Date	Passed-Through to Subrecipients	Federal Expenditures
DEPARTMENT OF AGRICULTURE					
Passed through the Illinois State Board of Education Child and Adult Food Care Program	10.558	ISBE 20-4226-00 - 05-016-510P-00	January 1, 2020	N/A	38,352
Passed through the Illinois State Board of Education Summer Food Service Program for Children	10.559	ISBE 20-4225-00 - 05-016-510P-00	March 16, 2020	N/A	691,178
Total Department of Agriculture					<u>729,530</u>
DEPARTMENT OF COMMERCE					
Passed through the Illinois Department of Natural Resources NOAA - Coastal Zone Management Administration Awards	11.419	20-N19-10.6	January 15, 2020	N/A	15,000
Total Department of Commerce					<u>15,000</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/Entitlement Grants					
Entitlement year 43	14.218	B17MC-170012	October 31, 2017	976	21,706
Entitlement year 44	14.218	B18MC-170012	July 31, 2018	0	104,456
Entitlement year 45	14.218	B19MC-170012	July 22, 2019	8,002	295,265
Entitlement year 46	14.218	B20MC-170012	August 21 2020	211,838	1,171,441
Sub-Total Community Development Block Grants/Entitlement Grants *				<u>220,816</u>	<u>1,592,868</u>
COVID-19 - Community Development Block Grants/Entitlement Grants					
Entitlement year 46	14.218	E20MW-170012	December 10, 2020	N/A	105,777
Sub-Total COVID-19 - Community Development Block Grants/Entitlement Grants *					<u>105,777</u>
Emergency Solutions Grant Program	14.231	E20MC-170012	August 21 2020	74,620	86,512
Total Emergency Solutions Grant Program				<u>74,620</u>	<u>86,512</u>
COVID-19 - Emergency Solutions Grant Program	14.231	E20MW170012	July 17, 2020	239,662	246,539
				<u>239,662</u>	<u>246,539</u>
Home Investment Partnerships Program	14.239	M18-MC-170218	July 31 2018	188,928	188,928
Home Investment Partnerships Program	14.239	M19-MC-170218	July 22 2019	4,564	235,869
Home Investment Partnerships Program	14.239	M20-MC-170218	August 21 2020	17,052	24,367
Total Home Investment Partnerships Program				<u>210,544</u>	<u>449,164</u>
ARRA - Neighborhood Stabilization Program	14.256	S10-MC-170012	January 14, 2010	N/A	8,761
Total Department of Housing and Urban Development					<u>2,489,621</u>
DEPARTMENT OF JUSTICE					
Passed through the City of Chicago Department of Police Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0598	November 20, 2018	N/A	10,238
Total Department of Justice					<u>10,238</u>
DEPARTMENT OF TRANSPORTATION					
Passed through Illinois Department of Transportation					
Highway Planning and Construction	20.205	D-91-301-16	August 1, 2018	N/A	136,370
Highway Planning and Construction	20.205	D-91-290-18	March 8, 2019	N/A	19,334
Total Highway Planning and Construction					<u>155,704</u>
Passed through Illinois Department of Transportation					
State and Community Highway Safety	20.600	000OP20011	July 16, 2019	N/A	36,955
State and Community Highway Safety	20.600	100OP20011	July 16, 2019	N/A	51,020
Total State and Community Highway Safety					<u>87,975</u>
Total Department of Transportation					<u>243,679</u>
DEPARTMENT OF TREASURY					
COVID-19 - CoronaVirus Relief Fund	21.019	HHS-89969666719	April 29,2020	N/A	51,632
Passed through Cook County, Illinois COVID-19 - CoronaVirus Relief Fund	21.019	Duns #074390907	August 26,2020	N/A	619,214
Total Department of Treasury					<u>670,846</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

*Denotes a major program

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Identifying Number	Award Date	Passed-Through to Subrecipients	Federal Expenditures
DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY					
Passed through the Illinois Department of Public Health Beach Monitoring and Notification Program Implementation	66.472	05380404H	February 25, 2020	N/A	15,098
Passed through Illinois Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds	66.468	L175108	February 25, 2021	N/A	676,581
Total Department of Environmental Protection Agency					<u>691,679</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Age Options Special Programs for the Aging Title III, Part B Grants For Supportive Services & Senior Centers	93.044	CSFA= 402-01-0027	October 1, 2019	N/A	9,000
Administration For Community Living -Medicare Enrollment Assistance Program	93.071	SHIP171813	February 24, 2020	N/A	1,000
Special Programs for the Aging Title III, Part C Nutrition	93.045	T3C1	September 21, 2020	N/A	41,142
Passed through the Illinois Department of Public Health Public Health Emergency Preparedness	93.074	07180027H	July 29, 2019	N/A	33,590
Public Health Emergency Preparedness	93.074	1017180027I	July 29, 2019	N/A	32,537
Public Health Emergency Preparedness - Cities Readiness Prep	93.074	07580003H	September 24, 2019	N/A	30,340
Public Health Emergency Preparedness - Cities Readiness Prep	93.074	1017580003I	September 24, 2019	N/A	17,583
Total Public Health Emergency Preparedness					<u>114,050</u>
Immunization Cooperative Agreements Vaccines For Children	93.268	05080028H	November 15, 2019	N/A	1,200
Public Health Emergency Response: Cooperative Agreement For Emergency Response: Public Health Crisis Response	93.354	1 NU90TP922077	April 30,2020	N/A	58,457
Passed through Public Health Institute of Metropolitan Chicago HIV Prevention Activities - Health Dept Based	93.940	not available	July 29, 2020	N/A	4,663
Total Department of Health and Human Services					<u>178,370</u>
DEPARTMENT OF HOMELAND SECURITY					
FEMA Public Assistance Project #139983	97.036	4489-031-24582-00 PW#24-0	March 26, 2020	N/A	313,594
FEMA Public Assistance Project #139984	97.036	4489-031-24582-00 PW#26-0	March 26, 2020	N/A	90,415
Total Department of Homeland Security					<u>404,009</u>
INSTITUTE OF MUSEUM & LIBRARY SERVICES					
Passed through Office of Sec of State - IL State Library Grants to States Library Services and Technology Act	45.310	21SL498145	July 8, 2020	N/A	1,876
National Leadership Grants COVID-19 - Grants For Museums & Libraries	45.312	CAGML-247937-OMLS-20	October 1, 2020	N/A	20,631
Total Institute of Museum & Library Services					<u>22,507</u>
NATIONAL SCIENCE FOUNDATION					
Passed through Northwestern University Office of Community Education and Human Resources	47.076	1850543,1837661,SP0048483	October 2018	N/A	100,129
Total National Science Foundation					<u>100,129</u>
Total Expenditures of Federal Awards					<u>\$ 5,606,750</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

*Denotes a major program

CITY OF EVANSTON, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

NOTE 1 – REPORTING ENTITY

This report on Federal Awards includes the federal awards of the City of Evanston, Illinois (City). The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board (GASB).

The City of Evanston is the primary government according to GASB criteria. On April 30, 2014, the Township was discontinued and dissolved following the March 18, 2014 general election vote taken by the registered voters of the Evanston Township. Pursuant to 60 ILCS 1/27-15 and 1/27-20, effective 12:00 a.m. May 1, 2014, the City of Evanston assumed all rights, powers, assets, property, obligations and duties of the Evanston Township, including the responsibilities of providing the services that were previously provided by the Township. Beginning May 1, 2014, the functions of the Township are reported along with the City.

NOTE 2 – BASIS OF PRESENTATION

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

The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$220,816
Emergency Solutions Grant Program	14.231	\$74,620
Emergency Solutions Grant Program - COVID CARES Act	14.231	\$239,662
HOME Investment Partnerships Program	14.239	\$210,544

CITY OF EVANSTON, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

NOTE 4 – PROGRAM INCOME

The City of Evanston received the following program income amounts for the year ended December 31, 2020. The balances of receipts are from letter of credit drawdowns for the program. The program expenditures for the year include expenditures of this program income.

Program Title	Federal CFDA Number	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$74,016
Home Investment Partnerships Program	14.239	\$43,541
ARRA- Neighborhood Stabilization Program	14.256	\$8,761

NOTE 5– NOTES RECEIVABLE OUTSTANDING

The City of Evanston has several notes receivable outstanding as of December 31, 2020. These loans are for various uses. The Community Development Block Grants/Entitlement Grants Loan funds a number of programs to make decent housing available and affordable to low- and moderate-income families, and to help low- and moderate-income residents maintain their property. The Home Investment Partnerships Program Loan provides loans to housing developers to acquire, rehab or construct housing for low- and moderate-income households.

Program Title	Federal CFDA Number	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$1,893,876
Home Investment Partnerships Program	14.239	\$4,991,463

The notes receivable balances are not subject to continuing OMB Uniform Guidance compliance requirements.

NOTE 6– LOANS PAYABLE OUTSTANDING

The City of Evanston has the following loans payable outstanding as of December 31, 2020. These loans are from The Capitalization Grants for Drinking Water and Clean Water State Revolving Funds. Projects funded were the sewer lining at Emerson and Davis streets, rehab of large diameter sewers and rehab of the Cleveland Street sewer.

CITY OF EVANSTON, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

NOTE 6– LOANS PAYABLE OUTSTANDING - Continued

Program Title	Federal CFDA Number	Amount
Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$804,734
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$811,640

The loan payable balances are not subject to continuing OMB Uniform Guidance compliance requirements.

NOTE 7 – NONCASH ASSISTANCE

Of the federal expenditures presented in the schedule of expenditures of federal awards, the City of Evanston did not receive any noncash assistance during the year ended December 31, 2020.

NOTE 8 – FEDERAL INSURANCE

The City of Evanston had no federal insurance awards for the year ended December 31, 2020.

NOTE 9 – INDIRECT COST RATE

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Daniel Bliss, Mayor and
Members of the City Council
Evanston, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of Evanston, Illinois (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 December 31, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Chicago, Illinois
September 16, 2021

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

- 1) Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**
- 2) Internal control over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified? _____ Yes X None reported
- 3) Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

- 1) Internal control over major federal programs:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified? _____ Yes X None reported
- 2) Type of auditors’ report issued on compliance for major federal programs: **Unmodified**
- 3) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B Programs: _____ \$750,000

Auditee qualified as low risk auditee? _____ X Yes _____ No

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.