



Management
Effingham County, Illinois

In planning and performing our audit of the financial statements of Effingham County, Illinois (the County) as of and for the year ended November 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated June 26, 2025, on the entity's internal control. This letter does not affect our report on the financial statements dated June 26, 2025, nor our internal control communication dated June 26, 2025.

Capital Outlay Classification

During our review, we noted that the County did not consistently classify capital asset acquisitions in the appropriate capital outlay line items. Specifically, some capital assets were not reported under capital outlay, while certain non-capital items were included in those accounts. This misclassification may result in a misstatement of capital assets at year-end. We recommend that the accounts payable clerk perform a year-end review of all capital outlay accounts to ensure that expenditures are properly classified. This review should include identifying items that do not meet the capitalization threshold and reclassifying them accordingly, as well as summarizing and reclassifying capital items that were not posted to capital outlay accounts throughout the year.

Interfund Activity Not Properly Balanced

During our audit of the financial statements, we identified issues with how interfund transfers were recorded and reconciled. Specifically, certain interfund transactions were recorded as an expenditure in one fund and as a transfer in another, rather than being consistently recorded as transfers in both funds. We also noted that a transfer recorded in the prior year fiscal year, which was supposed to be reversed in the current year, was not recorded. We recommend that management implement a formal year-end reconciliation process to ensure that all interfund transfers are properly recorded and balanced across all funds. Accurate recording and reconciliation of interfund transfers are essential for reliable financial reporting and compliance with governmental accounting standards.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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This communication is intended solely for the information and use of management, chairman and members of the County Board, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Champaign, Illinois
June 26, 2025