

**KANE COUNTY, ILLINOIS**

**SINGLE AUDIT  
FOR THE FISCAL YEAR ENDED  
NOVEMBER 30, 2012**

# KANE COUNTY, ILLINOIS

Single Audit  
For the Fiscal Year Ended November 30, 2012  
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**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**

To the Chairman and Members  
of the County Board  
Kane County, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Kane County, Illinois (County), as of and for the year ended November 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 29, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with 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. Other auditors audited the financial statements of the Forest Preserve District of Kane County (District), as described in our report on the County's financial statements. The financial statements of the District were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

Management of the County, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We noted certain matters that we reported to management of the County in a separate letter dated April 29, 2013.

This report is intended solely for the information and use of the Kane County Board, management, others within the County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Werner, Rogers, Doran & Ruyon, LLC*

April 29, 2013



**Independent Auditor's Report on Compliance with Requirements That  
Could Have a Direct and Material Effect on Each Major Program and on  
Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Chairman and Members  
of the County Board  
Kane County, Illinois

**Compliance**

We have audited Kane County, Illinois' (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended November 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Forest Preserve District of Kane County (the "District") a discretely presented component unit of the County. Federal awards expended by the District, if any, are not included in the schedule of federal awards for the year ended November 30, 2012. Our audit, described below, did not include the operations of the District because the District engaged other auditors to perform an audit which was not performed in accordance with OMB Circular A-133.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 County'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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2012.

## Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 County'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended November 30, 2012, and have issued our report thereon dated April 29, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Kane County Board, management, others within the County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Werner, Rogers, Doran & Ruzon, LLC*

April 29, 2013

**KANE COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2012

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Pass-Through the Illinois State Board of Education			
Kane County Juvenile Justice Center			
School Breakfast Program 2012	10.553	31045005P00	\$ 48,130
School Breakfast Program 2013	10.553	31045005P00	<u>4,942</u>
Total CFDA #10.553			<u>53,072</u>
Food Commodities Distribution	10.555	31045005P00	4,797
National School Lunch Program 2012	10.555	31045005P00	31,718
National School Lunch Program 2013	10.555	31045005P00	<u>3,324</u>
Total CFDA #10.555			<u>39,839</u>
Direct Award from the Natural Resource Conservation Service			
Kane County Development Department			
Farm and Ranch Lands Protection Program	10.913	73-5A12-7-1801	<u>501,408</u>
Total U.S. Department of Agriculture			<u>594,319</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Pass-Through the Illinois Department of Commerce & Economic Opportunity			
Community Development Block Grant - IKE - 2011	14.218	B-08-DI-17-0001	838,219
Direct Award from the U.S. Department of Housing and Urban Development			
Kane County Community Development Department			
Community Development Block Grants/Entitlement Grants - 2009	14.218	B-UC-17-0008	307,336
Community Development Block Grants/Entitlement Grants - 2010	14.218	B-UC-17-0008	313,566
Community Development Block Grants/Entitlement Grants - 2011	14.218	B-UC-17-0008	<u>620,829</u>
Total Community Development Block Grants/Entitlement Grants			<u>1,241,731</u>
Neighborhood Stabilization Program	14.218	B-08-UN-17-0003	<u>266,461</u>
Total CFDA #14.218			<u>2,346,411</u>
Neighborhood Stabilization Program 3	14.228	B-11-DN-17-0001	170,995
Homeless Management Information System	14.235	IL0335B5T171003	88,765
HOME Investment Partnership Program - 2010	14.239	M-DC170220	1,011,910
HOME Investment Partnership Program - 2011	14.239	M-DC170220	<u>56,509</u>
Total CFDA #14.239			<u>1,068,419</u>
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	S09-UY-17-0008	34,838
Lead Based Paint Hazard Control Grant Program	14.900	FR-5500-N-02A	204,578
Pass-Through the City of Aurora, Illinois			
Kane County Community Development Department			
Lead Based Paint Hazard Control Grant Program	14.900	FR-5500-N-02A	<u>17,335</u>
Total CFDA #14.900			<u>221,913</u>
Total U.S. Department of Housing and Urban Development			<u>3,931,341</u>

**KANE COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2012

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
Direct Award from the U.S. Department of Justice Kane County State's Attorney's Office Equitable Sharing Program	16.111	N/A	\$ 6,754
Pass-Through the Illinois Criminal Justice Information Authority Kane County Court Services Juvenile Accountability Initiative Block Grant	16.523	JAL509040	24,089
Pass-Through the Illinois Criminal Justice Information Authority Kane County State's Attorney's Office VOCA Child Advocacy Center Services	16.575	VFL212056	5,564
VOCA Child Advocacy Center Services	16.575	VFL211056	22,254
Total CFDA #16.575			<u>27,818</u>
Prosecutor Based Victim Assistance	16.579	VFL211035	81,121
Direct Award from the U.S. Department of Justice Kane County Sheriff's Office State Alien Assistance Program	16.606	2012-AP-BX	358,776
Pass-Through the Illinois Criminal Justice Information Authority Kane County State's Attorney's Office Multi-Jurisdictional Drug Prosecution	16.738	JAG409022	143,967
Pass-Through the City of Aurora, Illinois Kane County Sheriff's Office Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX	<u>30,357</u>
<b>Total U.S. Department of Justice</b>			<u>672,882</u>
<b>U.S. DEPARTMENT OF LABOR:</b>			
Pass-Through the Illinois Department of Commerce & Economic Opportunity Kane County Department of Employment and Education Trade Adjustment Assistance	17.245	10-661005	16,560
Trade Adjustment Assistance	17.245	10-662005	132,347
Trade Adjustment Assistance	17.245	11-661005	4,807
Total CFDA # 17.245			<u>153,714</u>
<i>Workforce Investment Act Cluster</i>			
Workforce Investment Act Title I-B Grants-Administration	17.255	11-681005	490,328
Workforce Investment Act Title I-B Grants-Administration	17.255	12-681005	36,850
Total CFDA #17.255			<u>527,178</u>
Workforce Investment Act Title I-B Grants-Adult	17.258	10-681005	1,283
Workforce Investment Act Title I-B Grants-Adult	17.258	11-681005	1,543,828
Workforce Investment Act Title I-B Grants-Adult	17.258	12-681005	255,315
Total CFDA #17.258			<u>1,800,426</u>
Workforce Investment Act Title I-B Grants-Youth	17.259	10-681005	391,743
Workforce Investment Act Title I-B Grants-Youth	17.259	11-681005	1,242,493
Workforce Investment Act Title I-B Grants-Youth	17.259	12-681005	403,623
Total CFDA #17.259			<u>2,037,859</u>



**KANE COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended November 30, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
Workforce Investment Act Title I-B Grants-Dislocated	17.278	10-681005	\$ 137,019
Workforce Investment Act Title I-B Grants-Dislocated	17.278	11-681005	1,547,548
Workforce Investment Act Title I-B Grants-Dislocated	17.278	12-681005	328,037
Workforce Investment Act Title I-B Grants-Trade Case Management	17.278	10-653005	18,730
Workforce Investment Act Title I-B Grants-Trade Case Management	17.278	11-653005	22,710
Total CFDA #17.278			<u>2,054,044</u>
<i>Total Workforce Investment Act Cluster</i>			<u>6,419,507</u>
Workforce Investment Act Title I-B Incentive	17.267	09-672005	<u>63,770</u>
Total U.S. Department of Labor			<u>6,636,991</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>			
Pass-Through the Illinois Department of Transportation			
Kane County Division of Transportation			
Highway Planning and Construction Grants			
Bike Path	20.205	N/A	556,553
Bridges	20.205	N/A	2,320,192
Interconnects	20.205	N/A	1,025,507
Roads	20.205	N/A	2,103,754
Right of Ways	20.205	N/A	542,070
Total CFDA #20.205			<u>6,548,076</u>
Pass-Through the Illinois Emergency Management Agency			
Kane County Local Emergency Planning Committee			
Hazardous Material Emergency Preparedness Planning	20.703	311HMEPKANE	<u>555</u>
Total U.S. Department of Transportation			<u>6,548,631</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Pass-Through the Illinois Department of Public Health			
Kane County Health Department			
Potable Water Supply	66.605	25380264	<u>8,600</u>
Total U.S. Environmental Protection Agency			<u>8,600</u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
Direct Award from the U.S. Department of Energy			
Kane County Environmental Management Department			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE0000818	<u>984,509</u>
Total U.S. Department of Energy			<u>984,509</u>
<b>ELECTION ASSISTANCE COMMISSION</b>			
Pass-Through the Illinois State Board of Elections			
Kane County - County Clerk			
Help America Vote Act - Phase III	90.401	13-0206	<u>97,164</u>
Total Election Assistance Commission			<u>97,164</u>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>			
Pass-Through the National Association of County and City Health Officials			
Kane County Office of Emergency Management			
Medical Reserve Corps Capacity Building Awards	93.008	IMRCSG101005-01	5,000

**KANE COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended November 30, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
Pass-Through the Illinois Department of Public Health			
Kane County Health Department			
Cities Readiness (SY 12)	93.069	27180106	\$ 64,813
Cities Readiness (SY 13)	93.069	37180106	19,561
Bioterrorism Preparedness (SY 12)	93.069	27181043	195,275
Bioterrorism Preparedness (SY 13)	93.069	37181043	43,580
Total CFDA #93.069			<u>323,229</u>
Tuberculosis Directly Observed Therapy	93.116	5180455	240,045
Pass-Through the Partnership at Drugfree.org			
Kane County Sheriff's Office			
Drug-Free Communities Support Program Grants □	93.276	Pact360	1,664
Pass-Through the Illinois Department of Public Health			
Kane County Health Department			
Vector Surveillance Program - West Nile Virus (SY 12)	93.283	15380030	89,304
Pass-Through the Illinois Department of Human Services			
Kane County Health Department			
Maternal Infant Early Childhood Home Visitation (MIECHV) Grant	93.505	11GQ02071	85,112
Maternal Infant Early Childhood Home Visitation (MIECHV) Grant	93.505	11GQ02198	6,700
Total CFDA #93.505			<u>91,812</u>
Pass-Through the Illinois Department of Human Services			
Kane County Department of Employment and Education			
Serving the Client Program	93.558	281XQFD0032	2,017
Pass-Through the Illinois Department of Healthcare and Family Services			
Kane County State's Attorney			
Title IV-D of the Social Security Act	93.563	21KSAO00004	306,958
Title IV-D of the Social Security Act	93.563	31KSAO00004	174,170
Kane County Circuit Clerk			
Title IV-D - Child Support Enforcement Program	93.563	21KCC000044	13,914
Title IV-D - Child Support Enforcement Program	93.563	31KCC000044	11,868
Total CFDA #93.563			<u>506,910</u>
Pass-Through the Illinois Department of Human Services			
Kane County Health Department			
Healthy Child Care Illinois (SY 12)	93.575	11GQ00282	20,200
Healthy Child Care Illinois (SY 13)	93.575	FCSRI01760	19,650
Early Childhood Network Grant (AOK) (SY 12)	93.575	11GQ01352	103,554
Early Childhood Network Grant (AOK) (SY 13)	93.575	FCSRE01362	25,900
Total CFDA #93.575			<u>169,304</u>
Pass-Through the Illinois State Board of Elections			
Kane County - County Clerk			
Help America Vote Act - Voting Access for Individuals with Disabilities	93.617	13-0206	25,636
Total U.S. Department of Health and Human Services			<u>1,454,921</u>

**KANE COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended November 30, 2012**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Pass-Through the Illinois Emergency Management Agency			
Kane County Office of Emergency Management			
Emergency Management Assistance Grant Program	97.042	2011EMAKANE	\$ 7,310
Emergency Management Assistance Grant Program	97.042	3012EMAKANE	<u>93,433</u>
Total CFDA #97.042			<u>100,743</u>
Citizen's Corps Program	97.067	3011CCPKANE	<u>1,845</u>
Total U.S. Department of Homeland Security			<u>102,588</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 21,031,946</u></u>

## KANE COUNTY, ILLINOIS

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended November 30, 2012

### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Kane County (federal awards, if any, of the Kane County Forest Preserve District, a component unit of Kane County for financial reporting purposes, are not included), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### Subrecipients

Of the federal expenditures presented in the schedule, the following federal awards were provided to subrecipients.

Federal Grantor/Program Title	Federal CFDA Number	Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development -		
Community Development Block Grants	14.218	\$ 1,047,010
Neighborhood Stabilization Program	14.218	171,907
Community Development Block Grant - IKE - 2011	14.218	493,648
HOME Investment Partnership Program	14.239	279,510
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	34,838
U.S. Department of Labor -		
Workforce Investment Act Title I-B Grants - Youth	17.259	1,905,027
U.S. Department of Justice -		
Juvenile Accountability Initiative Block Grant	16.523	24,081
Total provided to subrecipients		<u>\$ 3,956,021</u>

### Insurance and Loans

Of the federal expenditures presented in the schedule, the County did not have any federal insurance in effect during the year, and did not have any federal loans or loan guarantees outstanding at year end.

### Property

The County has received property, mainly in the form of road and bridge construction projects through the resources provided by the U.S. Department of Transportation. There are several ongoing construction projects and recent projects completed for which the County has recorded federal expenditures for the infrastructure and construction in progress performed by the State of Illinois with the use of federal funding. The County is the beneficiary of the construction projects. Certain estimates relating to the percentage of completion of the projects and the ultimate percentage of the federal share of the projects have been made in recording the expenditures in the accompanying Schedule of Expenditures of Federal Awards for the grants provided by the U.S. Department of Transportation.

# KANE COUNTY, ILLINOIS

## Schedule of Findings and Questioned Costs For the Year Ended November 30, 2012

### Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Kane County.

#### INTERNAL CONTROL OVER FINANCIAL REPORTING:

2. No material weaknesses were disclosed during the audit of the financial statements.
3. No significant deficiencies that were not considered to be material weaknesses were disclosed during the audit of the financial statements.
4. No instances of noncompliance material to the financial statements of Kane County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

#### FEDERAL AWARDS

5. No material weaknesses were disclosed during the audit of compliance over major federal award programs.
6. No significant deficiencies that were not considered to be material weaknesses were disclosed during the audit of compliance over major federal award programs.
7. The auditor's report on compliance for the major federal award programs for Kane County expresses an unqualified opinion on the County's major federal programs.
8. There were no audit findings relative to the major federal award programs for Kane County that were required to be reported in accordance with Circular A-133, § .510(a).
9. The following programs were tested as major programs:

U.S. Department of Housing and Urban Development	
Community Development Block Grants	CFDA No. 14.218
HOME Investment Partnership Program	CFDA No. 14.239
U.S. Department of Labor	
Workforce Investment Act Cluster	CFDA Nos. 17.255, 17.258, 17.259, & 17.278
U.S. Department of Transportation	
Highway Planning and Construction Grants	CFDA No. 20.205
U.S. Department of Energy	
ARRA - Energy Efficiency and Conservation Block Grant Program	CFDA No. 81.128

10. The threshold for distinguishing between Types A and B programs was \$630,958.
11. Kane County was not determined to be a low-risk auditee.

## KANE COUNTY, ILLINOIS

### Schedule of Findings and Questioned Costs For the Year Ended November 30, 2012

#### **Financial Statement Findings**

There were no financial statement findings reported for the fiscal year ended November 30, 2012.

#### **Federal Award Findings**

There were no federal award findings reported for the fiscal year ended November 30, 2012.

### Summary Schedule of Prior Year Audit Findings For the Year Ended November 30, 2012

#### **Prior Year Financial Statement Findings**

There were no financial statement findings reported for the fiscal year ended November 30, 2011.

#### **Prior Year Federal Award Finding**

There was one federal award finding reported for the fiscal year ended November 30, 2011.

#### ***Finding 2011-1***

*Condition:* During our audit of the Kane County Department of Employment and Education (KCDEE), it was noted KCDEE did not produce evidence that proper monitoring of subrecipients was performed. KCDEE did not receive and review all of the audited financial reports of subrecipients' federal funds to assist in planning for monitoring visits and did not ensure that corrective action, if any, noted in the reports had been taken.

*Current Status:* KCDEE was reorganized and the County followed through with proper subrecipient monitoring activities in fiscal year 2012. The finding has not been repeated.