

KANE COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended November 30, 2017

KANE COUNTY, ILLINOIS

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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

INDEPENDENT AUDITORS' REPORT

To the Chairman and
Members of the County Board
Kane County, 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Kane County, Illinois as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise Kane County's basic financial statements, and have issued our report thereon dated May 23, 2018. Our report includes a reference to other auditors who audited the financial statements of the Forest Preserve District of Kane County, as described in our report on Kane County's financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kane County's internal control over financial reporting (internal control) to determine the 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 Kane County's internal control. Accordingly, we do not express an opinion on the effectiveness of Kane County'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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

To the Chairman and
Members of the County Board

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kane County'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*.

Management of Kane County's Response to Finding

The management of Kane County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Kane County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

Oak Brook, Illinois
May 23, 2018



REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for the Major Federal Program

We have audited Kane County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Kane County's major federal program for the year ended November 30, 2017. Kane County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Kane County's basic financial statements include the operations of the Forest Preserve District of Kane County, which received \$852,830 in federal awards which is not included in Kane County's schedule of expenditures of federal awards during the year ended November 30, 2017. Our audit, described below, did not include the operations of the Forest Preserve District of Kane County because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

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 program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Kane County's major federal program 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 Regulations* 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 Kane County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Chairman and
Members of the County Board

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

Opinion on the Major Federal Program

In our opinion, Kane County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2017.

Report on Internal Control Over Compliance

Management of Kane County 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 Kane County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Kane 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 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.

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.

To the Chairman and
Members of the County Board

Purpose of this Report

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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Kane County, Illinois as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise Kane County's basic financial statements. We issued our report thereon dated May 23, 2018, 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. Our report includes a reference to other auditors who audited the financial statements of the Forest Preserve District of Kane County, as described in our report on Kane County's 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
May 23, 2018

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Agriculture					
<i>Child Nutrition Cluster:</i>					
<i>School Breakfast Program:</i>					
2017 School Breakfast Program	10.553	IL State Board of Education	31045005P00	\$ 20,985	\$ -
<i>Total School Breakfast Program:</i>				20,985	-
<i>National School Lunch Program:</i>					
2017 National School Lunch Program	10.555	IL State Board of Education	31045005P00	33,671	-
2015 National School Lunch Program - Commodities	10.555	IL State Board of Education	31045005P00A7	8,180	-
<i>Total National School Lunch Program:</i>				41,851	-
<i>Summer Food Service Program for Children:</i>					
Summer Food Service Program for Children	10.559	IL Department of Public Health	55820021C	3,800	-
<i>Total Summer Food Service Program for Children:</i>				3,800	-
<i>Total Child Nutrition Cluster:</i>				66,636	-
Total U.S. Department of Agriculture:				<u>\$ 66,636</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development					
<i>Community Development Block Grants/Entitlement Grants Cluster:</i>					
2014 Community Development Block Grant	14.218	Direct	B-14-UC-17-0008	\$ 319,116	\$ -
2015 Community Development Block Grant	14.218	Direct	B-15-UC-17-0008	335,024	-
2016 Community Development Block Grant	14.218	Direct	B-16-UC-17-0008	560,459	-
2017 Community Development Block Grant	14.218	Direct	B-17-UC-17-0008	82,711	-
Neighborhood Stabilization Program	14.218	Direct	B-08-UN-17-0003	299,762	-
Neighborhood Stabilization Program	14.218	Illinois Housing Development Authority	NSP III PID#75022	6,293	-
<i>Total Community Development Block Grants/Entitlement Grants:</i>				1,603,365	-
<i>Total CDBG - Entitlement Grants Cluster:</i>				1,603,365	-

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Housing and Urban Development (cont'd)					
<i>HOME Investment Partnerships Program:</i>					
2013 HOME Investment Partnership Program	14.239	Direct	M-13-14-DC-17-0220	\$ 31,135	\$ -
2014 HOME Investment Partnership Program	14.239	Direct	M-14-14-DC-17-0220	17,479	-
2015 HOME Investment Partnership Program	14.239	Direct	M-15-14-DC-17-0220	12,403	-
2016 HOME Investment Partnership Program	14.239	Direct	M-16-14-DC-17-0220	280,385	-
2017 HOME Investment Partnership Program	14.239	Direct	M-17-14-DC-17-0220	58,343	-
<i>Total HOME Investment Partnership Program:</i>				<u>399,745</u>	<u>-</u>
<i>Homeless Management Information System Technical Assistance:</i>					
Homeless Management Information System 2015	14.261	Direct	IL0335L5T171508	85,820	-
Homeless Management Information System 2016	14.261	Direct	IL0335L5T171609	31,085	-
<i>Total Homeless Management Information Systems Technical Assistance:</i>				<u>116,905</u>	<u>-</u>
<i>Continuum of Care Program:</i>					
Continuum of Care Program	14.267	Direct	IL0607L5T171500	45,389	-
<i>Total Continuum of Care Program:</i>				<u>45,389</u>	<u>-</u>
Total U.S Department of Housing and Urban Development:				<u>\$ 2,165,404</u>	<u>\$ -</u>
U.S. Department of Justice					
<i>Juvenile Justice and Delinquency Prevention:</i>					
Juvenile Justice Council Implementation FY17 - Court Services	16.540	IL Department of Human Services	7FCSVR04138	\$ 47,469	\$ -
<i>Total Juvenile Justice and Delinquency Prevention:</i>				<u>47,469</u>	<u>-</u>
<i>Crime Victim Assistance:</i>					
Prosecutor Based Victim Assistance	16.575	IL Criminal Justice Information Authority	2016-VA-GX-0049	50,700	-
VOCA Child Advocacy Center Services	16.575	IL Criminal Justice Information Authority	2016-VA-GX-0049	44,770	-
<i>Total Crime Victim Assistance:</i>				<u>95,470</u>	<u>-</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Justice (cont'd)					
<i>Drug Court Discretionary Grant Program:</i>					
Kane County Drug Court Treatment & Recovery Support Services	16.585	Bureau of Justice Assistance	2014-DC-BX-0077	\$ 25,000	\$ -
<i>Total Drug Court Discretionary Grant Program:</i>				<u>25,000</u>	<u>-</u>
<i>Edward Byrne Memorial Justice Assistance Grant Program:</i>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	IL Criminal Justice Information Authority	2016-DJ-BX-0981	9,366	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	IL Criminal Justice Information Authority	16-DJ-BX-0083	57,674	-
<i>Total Edward Byrne Memorial Justice Assistance Grant Program:</i>				<u>67,040</u>	<u>-</u>
<i>Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers:</i>					
NCA Grant (National Children's Alliance)	16.758	Children's Advocacy Centers of Illinois	GENE-IL-SA16	9,000	-
NCA Grant (National Children's Alliance)	16.758	Children's Advocacy Centers of Illinois	GENE-IL-SA17	3,900	-
<i>Total Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers:</i>				<u>12,900</u>	<u>-</u>
<i>Equitable Sharing Program:</i>					
Equitable Sharing Program	16.922	Direct	IL045013A	3,049	-
<i>Total Equitable Sharing Program:</i>				<u>3,049</u>	<u>-</u>
Total U.S. Department of Justice:				<u>\$ 250,928</u>	<u>\$ -</u>
U.S. Department of Labor					
<i>Trade Adjustment Assistance:</i>					
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	15-661005	\$ 396,255	\$ -
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	16-661005	135,858	-
<i>Total Trade Adjustment Assistance:</i>				<u>532,113</u>	<u>-</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Labor (cont'd)					
<i>WIOA Cluster:</i>					
<i>WIOA Adult Program:</i>					
Workforce Investment Act Title I-B Administration *	17.258	IL Department of Commerce & Economic Opportunity	15-681005	\$ 95,008	\$ -
Workforce Investment Act Title I-B Administration *	17.258	IL Department of Commerce & Economic Opportunity	16-681005	143,719	-
Workforce Investment Act Title I-B Incentive *	17.258	IL Department of Commerce & Economic Opportunity	14-632005	8,370	-
Workforce Investment Act Title I-B Incentive *	17.258	IL Department of Commerce & Economic Opportunity	15-632005	2,668	-
Workforce Investment Act Title I-B Grants Adult *	17.258	IL Department of Commerce & Economic Opportunity	15-681005	38,271	-
Workforce Investment Act Title I-B Grants Adult *	17.258	IL Department of Commerce & Economic Opportunity	16-681005	1,357,402	148,906
Workforce Investment Act Title I-B Grants Adult *	17.258	IL Department of Commerce & Economic Opportunity	17-681005	284,525	49,590
<i>Total WIOA Adult Program:</i>				<u>1,929,963</u>	<u>198,497</u>
<i>WIOA Youth Activities:</i>					
Workforce Investment Act Title I-B Administration *	17.259	IL Department of Commerce & Economic Opportunity	15-681005	113,397	-
Workforce Investment Act Title I-B Administration *	17.259	IL Department of Commerce & Economic Opportunity	16-681005	166,900	-
Workforce Investment Act Title I-B Incentive *	17.259	IL Department of Commerce & Economic Opportunity	14-632005	8,926	-
Workforce Investment Act Title I-B Incentive *	17.259	IL Department of Commerce & Economic Opportunity	15-632005	2,845	-
Workforce Investment Act Title I-B Grants Youth *	17.259	IL Department of Commerce & Economic Opportunity	16-681005	1,463,227	1,325,182
Workforce Investment Act Title I-B Grants Youth *	17.259	IL Department of Commerce & Economic Opportunity	17-681005	82,399	82,399
<i>Total WIOA Youth Activities:</i>				<u>1,837,694</u>	<u>1,407,581</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Labor (cont'd)					
<i>WIOA Dislocated Worker Formula Grants:</i>					
Workforce Investment Act Title I-B Administration *	17.278	IL Department of Commerce & Economic Opportunity	15-681005	\$ 98,073	\$ -
Workforce Investment Act Title I-B Administration *	17.278	IL Department of Commerce & Economic Opportunity	16-681005	152,992	-
Workforce Investment Act Title I-B Incentive *	17.278	IL Department of Commerce & Economic Opportunity	14-632005	12,865	-
Workforce Investment Act Title I-B Incentive *	17.278	IL Department of Commerce & Economic Opportunity	15-632005	3,920	-
Workforce Investment Act Title I-B Grants Dislocated *	17.278	IL Department of Commerce & Economic Opportunity	15-681005	33,318	-
Workforce Investment Act Title I-B Grants Dislocated *	17.278	IL Department of Commerce & Economic Opportunity	16-681005	1,298,570	119,193
Workforce Investment Act Title I-B Grants Dislocated *	17.278	IL Department of Commerce & Economic Opportunity	17-681005	67,948	29,264
Workforce Investment Act Title I-B Grants Dislocated *	17.278	IL Department of Commerce & Economic Opportunity	15-653005	43,375	-
Workforce Investment Act Title I-B Grants Dislocated *	17.278	IL Department of Commerce & Economic Opportunity	16-651005	137,844	-
<i>Total WIOA Dislocated Worker Formula Grants:</i>				<u>1,848,905</u>	<u>148,457</u>
<i>Total WIOA Cluster:</i>				<u>5,616,562</u>	<u>1,754,535</u>
Total U.S. Department of Labor:				<u>\$ 6,148,675</u>	<u>\$ 1,754,535</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Transportation					
<i>Highway Planning and Construction Cluster:</i>					
<i>Highway Planning and Construction:</i>					
Highway Planning and Construction	20.205	IL Department of Transportation	Various	\$ 2,020,134	\$ -
<i>Total Highway Planning and Construction:</i>				<u>2,020,134</u>	<u>-</u>
<i>Total Highway Planning and Construction Cluster:</i>				<u>2,020,134</u>	<u>-</u>
<i>Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:</i>					
Regional Planning Liaison	20.505	Chicago Metropolitan Agency for Planning	C-16-0010	58,171	-
<i>Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:</i>				<u>58,171</u>	<u>-</u>
<i>Transit Services Programs Cluster:</i>					
<i>Job Access and Reverse Commute Program:</i>					
Job Access and Reverse Commute Program	20.516	Association for Individual Development	Various	5,830	-
<i>Total Job Access and Reverse Commute Program:</i>				<u>5,830</u>	<u>-</u>
<i>Total Transit Services Programs Cluster:</i>				<u>5,830</u>	<u>-</u>
Total U.S. Department of Transportation:				<u><u>\$ 2,084,135</u></u>	<u><u>\$ -</u></u>
U.S. Environmental Protection Agency					
<i>State Indoor Radon Grant:</i>					
State Indoor Radon Grant	66.032	IL Department of Public Health	n/a	\$ 6,000	\$ -
<i>Total State Indoor Radon Grant:</i>				<u>6,000</u>	<u>-</u>
<i>Performance Partnership Grants:</i>					
Performance Partnership Grants - Potable Water Supply	66.605	IL Department of Public Health	65380162D	10,875	-
<i>Total Performance Partnership Grants:</i>				<u>10,875</u>	<u>-</u>
Total U.S. Environmental Protection Agency:				<u><u>\$ 16,875</u></u>	<u><u>\$ -</u></u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Health and Human Services					
<i>Medical Reserve Corps Small Grant Program:</i>					
Medical Reserve Corp Grant	93.008	National Association of County and City Health Officials	MRC 17-0077	\$ 13,000	\$ -
<i>Total Medical Reserve Corps Small Grant Program:</i>				<u>13,000</u>	<u>-</u>
<i>Public Health Emergency Preparedness:</i>					
Bioterrorism Preparedness	93.069	IL Department of Public Health	87180043F	41,893	-
Bioterrorism Preparedness	93.069	IL Department of Public Health	77180043E	193,980	-
Cities Readiness Initiative	93.069	IL Department of Public Health	87180106F	14,919	-
Cities Readiness Initiative	93.069	IL Department of Public Health	77180106E	40,812	-
Ebola Virus Disease (EVD) Outbreak Supplemental Program	93.069	IL Department of Public Health	67180155D	5,279	-
<i>Total Public Health Emergency Preparedness:</i>				<u>296,883</u>	<u>-</u>
<i>Birth Defects and Developmental Disabilities - Prevention and Surveillance:</i>					
Zika Training for Spanish-speaking CHWs & Education of At-Risk Women	93.073	IL Department of Public Health	72280263E	10,191	-
<i>Total Birth Defects and Developmental Disabilities - Prevention and Surveillance:</i>				<u>10,191</u>	<u>-</u>
<i>Substance Abuse and Mental Health Services - Projects of Regional and National Significance:</i>					
Drug Rehabilitation Court	93.243	Substance Abuse & Mental Health Svcs Admin	5H79TI025918-02	320,366	-
<i>Total Substance Abuse and Mental Health Services - Projects of Regional and National Significance:</i>				<u>320,366</u>	<u>-</u>
<i>Immunization Cooperative Agreements:</i>					
Immunization Cooperative Agreements - Vaccines for Children	93.268	IL Department of Public Health	75180015E	29,900	-
Immunization Cooperative Agreements - Vaccines for Children	93.268	IL Department of Public Health	65180011D	4,438	-
<i>Total Immunization Cooperative Agreement:</i>				<u>34,338</u>	<u>-</u>
<i>Centers for Disease Control and Prevention Investigations and Technical Assistance:</i>					
Vector Surveillance & Control Grant	93.283	IL Department of Human Services	85380246F	34,791	-
Vector Surveillance & Control Grant	93.283	IL Department of Human Services	65380255D	16,836	-
Vector Surveillance & Control Grant	93.283	IL Department of Human Services	65380255D	34,616	-
<i>Total Centers for Disease Control and Prevention Investigations and Technical Assistance:</i>				<u>86,243</u>	<u>-</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Health and Human Services (cont'd)					
<i>Teen Pregnancy Prevention Program:</i>					
Replicating Evidence Based Teen Pregnancy Prevention Program	93.297	IL Department of Human Services	FCSVP03991	\$ 38,523	\$ -
Replicating Evidence Based Teen Pregnancy Prevention Program	93.297	IL Department of Human Services	FCSUP03991	154,897	-
<i>Total Pregnancy Prevention Program:</i>				<u>193,420</u>	<u>-</u>
 <i>Maternal, Infant, and Early Childhood Visiting Cluster:</i>					
 <i>Affordable Care Act (ACA) - Maternal, Infant, and Early Childhood Home Visiting Program:</i>					
Maternal Infant Early Childhood Home Visitation (MIECHV)	93.505	IL Department of Human Services	FCSWS04101	22,442	-
Maternal Infant Early Childhood Home Visitation (MIECHV)	93.505	IL Department of Human Services	FCSVS04101	42,446	-
MIHOPE Grant	93.505	IL Department of Human Services	n/a	3,500	-
<i>Total Affordable Care Act (ACA) - Maternal, Infant, and Early Childhood Home Visiting Program:</i>				<u>68,388</u>	<u>-</u>
<i>Total Maternal, Infant, and Early Childhood Visiting Cluster:</i>				<u>68,388</u>	<u>-</u>
 <i>Child Support Enforcement:</i>					
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2017-55-013-K1C	549,373	-
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2015-55-007-KAK	25,578	-
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2018-55-007-KD	7,896	-
<i>Total Child Support Enforcement:</i>				<u>582,847</u>	<u>-</u>
 <i>Child Care and Development Fund Cluster:</i>					
 <i>Child Care and Development Block Grant:</i>					
Early Childhood Network Grant (AOK)	93.575	IL Department of Human Services	FCSVS01362	95,148	-
<i>Total Child Care and Development Block Grant:</i>				<u>95,148</u>	<u>-</u>
<i>Total Child Care and Development Fund Cluster:</i>				<u>95,148</u>	<u>-</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2017

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
U.S. Department of Health and Human Services (cont'd)					
<i>Social Services Block Grant:</i>					
Title XX Block Grant	93.667	IL Department of Human Services	FCSWU03179	\$ 8,753	\$ -
Title XX Block Grant	93.667	IL Department of Human Services	FCSVU03179	22,666	-
<i>Total Social Services Block Grant:</i>				<u>31,419</u>	<u>-</u>
 <i>State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF):</i>					
Chronic Disease & School Health Program	93.757	IL Department of Human Services	83286010F	5,000	-
Chronic Disease & School Health Program	93.757	IL Department of Human Services	73286009E	47,215	-
Chronic Disease & School Health Program	93.757	IL Department of Human Services	63287009D	5,638	-
<i>Total State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF):</i>				<u>57,853</u>	<u>-</u>
 <i>Opioid STR:</i>					
State Targeted Response to the Opioid Crisis Grant (SY18)	93.788	IL Department of Human Services	43CWZ03196	16,445	-
<i>Total Opioid STR:</i>				<u>16,445</u>	<u>-</u>
Total U.S. Department of Health and Human Services:				<u>\$ 1,806,541</u>	<u>\$ -</u>
 U.S. Department of Homeland Security					
<i>Emergency Management Performance Grants:</i>					
Emergency Management Performance Grants	97.042	IL Emergency Management Agency	17EMAKANE	\$ 29,007	\$ -
<i>Total Emergency Management Performance Grants:</i>				<u>29,007</u>	<u>-</u>
Total U.S. Department of Homeland Security:				<u>\$ 29,007</u>	<u>\$ -</u>
Total Expenditures of Federal Awards:				<u>\$ 12,568,201</u>	<u>\$ 1,754,535</u>

* Denotes a major program

KANE COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS As of and for the Year Ended November 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of Kane County, Illinois under programs of the federal government for the year ended November 30, 2017. 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 County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The reporting entity for Kane County is based upon criteria established by the Governmental Accounting Standards Board. Kane County is the primary government according to GASB criteria, while the Forest Preserve District of Kane County is a component unit. Federal awards received directly by the Forest Preserve District of Kane County are not included in this report since the Forest Preserve District of Kane County has been audited by other auditors for their grants and those amounts would be reported in a separate report, if required.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying 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.

NOTE 3 – INDIRECT COST RATE

Kane County has elected not to use the 10% de minimis indirect cost rate.

KANE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- > Material weakness (es) identified? yes X no
- > Significant deficiency (ies) identified? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

FEDERAL AWARDS

Internal control over major programs:

- > Material weakness (es) identified? yes X no
- > Significant deficiency (ies) identified? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?

 yes X no

Auditee qualified as low-risk auditee?

 X yes no

Identification of major federal programs:

CFDA Numbers

Name of Federal Program or Cluster

17.258, 17.259, 17.278

WIOA Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

KANE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Finding 2017-001: Off Balance Sheet Bank Accounts (repeat finding 2016-001)

Criteria: A properly functioning internal control system should encompass the entirety of the County's operations. The operation of accounts outside the County's internal control environment circumvents the control procedures implemented by the County.

Condition: Several departments and offices of the County utilize bank accounts that are not maintained in the County's general ledger software and that have activity/processes operating outside the County's control environment.

Cause: Departments and offices have the ability to open and operate bank accounts without requirement to be reported in the County's general ledger or follow the policies and procedures established within the County's control environment.

Effect or Potential Effect: The ability to open and operate bank accounts without being maintained in the general ledger may lead to the County's financial statements failing to include all bank accounts held in the County's name or properly report revenues and expenditures. By operating the accounts outside the County's control procedures and policies, errors may go undetected that would otherwise be identified by the County's control procedures.

Recommendations for Corrective Action: We recommend that all bank accounts opened and operated by the County's departments and offices be maintained on the County's general ledger. We also recommend that transactional activity running through these off-book accounts be required to follow the same approval and review procedures required for all other County activity.

Management Response: In Fiscal Year 2016, the County engaged Baker Tilly in agreed upon procedures to aid in the development of processes and procedures that will mitigate the risks related to the maintenance of bank accounts outside the County's centralized procedures and financial accounting software system. Baker Tilly focused on the five Offices responsible for the largest volume of activity not operated through the County's centralized processes: the Office of the Circuit Clerk, the Office of the County Clerk, the Court Services Office, the Sheriff's Office and the Treasurer's Office. Baker Tilly determined that each of these Offices had implemented proper controls over transaction processing involving these off-book accounts. In addition, each of these Offices agreed to provide to the Finance Department on a monthly basis reconciled book balances and a summary of activity (limited to total increases and total decreases), with the understanding that the information provided is to be used for repository purposes only.

The Finance Department has developed and is in the process of refining a system of sending out monthly reminders to each Office to provide the monthly reconciliations and account activity as had been agreed. The Finance Department is maintaining a tracking log in order to assess the continued performance of the agreed-upon-procedures. Appropriate Funds have now been created for all of the off-book accounts that previously had not been associated with an existing Fund in the General Ledger. The Finance Department will continue to work on collecting and reviewing the bank account and bank reconciliation information, and on preparing the necessary journal entries to record the transactions as frequently and timely as possible.

KANE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2017

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

KANE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2017

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2016-001	Several departments and offices of the County utilize bank accounts that are not maintained in the County's general ledger software and that have activity/processes operating outside the County's control environment.	This finding has not been fully resolved in 2017.