

# **KANE COUNTY, ILLINOIS**

## **REPORT ON FEDERAL AWARDS**

For the Year Ended November 30, 2016

# 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, as of and for the year ended November 30, 2016, 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 19, 2017. 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 financial statements of the Forest Preserve District of Kane County were not audited in accordance with *Government Auditing Standards*.

**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.

To the Chairman and  
Members of the County Board

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 were not 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 2016-001 that we consider to be a significant deficiency.

### **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. The management of 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.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
May 19, 2017

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, 2016. Kane County's major federal program is 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 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, 2016.

### **Report on Internal Control Over Compliance**

Management of Kane County's 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 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, as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise Kane County's basic financial statements. We issued our report thereon dated May 19, 2017, 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 19, 2017

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Agriculture</b>					
<i>Child Nutrition Cluster:</i>					
<i>School Breakfast Program:</i>					
2014 School Breakfast Program	10.553	IL State Board of Education	31045005P00	\$ 14,672	\$ -
2015 School Breakfast Program	10.553	IL State Board of Education	31045005P00	13,042	-
<i>Total School Breakfast Program:</i>				<u>27,714</u>	<u>-</u>
<i>National School Lunch Program:</i>					
2014 National School Lunch Program	10.555	IL State Board of Education	31045005P00	22,230	-
2015 National School Lunch Program	10.555	IL State Board of Education	31045005P00	20,361	-
2015 National School Lunch Program - Commodities	10.555	IL State Board of Education	31045005P00A7	524	-
<i>Total National School Lunch Program:</i>				<u>43,115</u>	<u>-</u>
<i>Summer Food Service Program for Children:</i>					
Summer Food Service Program for Children	10.559	IL Department of Public Health	55280021C	4,275	-
<i>Total Summer Food Service Program for Children:</i>				<u>4,275</u>	<u>-</u>
<i>Total Child Nutrition Cluster:</i>				<u>75,104</u>	<u>-</u>
<i>Farm and Ranch Lands Protection Program:</i>					
Farm and Ranch Lands Protection Program Agreement	10.913	Direct	68-5A12-13-356	134,753	-
<i>Total Farm and Ranch Lands Protection Program:</i>				<u>134,753</u>	<u>-</u>
<b>Total U.S. Department of Agriculture:</b>				<u>\$ 209,857</u>	<u>\$ -</u>
<b>U.S. Department of Housing and Urban Development</b>					
<i>Community Development Block Grants/Entitlement Grants</i>					
2013 Community Development Block Grant	14.218	Direct	B-13-UC-17-0008	\$ 34,455	\$ -
2014 Community Development Block Grant	14.218	Direct	B-14-UC-17-0008	481,982	-
2015 Community Development Block Grant	14.218	Direct	B-15-UC-17-0008	590,580	-
2016 Community Development Block Grant	14.218	Direct	B-16-UC-17-0008	11,229	-
Neighborhood Stabilization Program	14.225	Direct	B-08-UN-17-0003	145,843	-
<i>Total Community Development Block Grants/Entitlement Grants:</i>				<u>1,264,089</u>	<u>-</u>
<i>Total CDBG - Entitlement Grants Cluster:</i>				<u>1,264,089</u>	<u>-</u>



**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Housing and Urban Development (cont'd)</b>					
<i>HOME Investment Partnerships Program:</i>					
2012 HOME Investment Partnership Program	14.239	Direct	M-12-14-DC-17-0220	\$ 63,792	\$ -
2013 HOME Investment Partnership Program	14.239	Direct	M-13-14-DC-17-0220	26,711	-
2014 HOME Investment Partnership Program	14.239	Direct	M-14-14-DC-17-0220	386,327	-
2015 HOME Investment Partnership Program	14.239	Direct	M-15-14-DC-17-0220	205,068	-
<i>Total HOME Investment Partnerships Program:</i>				<u>681,898</u>	<u>-</u>
<i>Homeless Management Information Systems Technical Assistance Program:</i>					
Homeless Management Information System 2014	14.261	Direct	IL0335L5T171407	95,853	-
Homeless Management Information System 2015	14.261	Direct	IL0335L5T171508	33,082	-
<i>Total Homeless Management Information Systems Technical Assistance Program:</i>				<u>128,935</u>	<u>-</u>
<i>Continuum of Care Program :</i>					
Continuum of Care Program	14.267	Direct	IL0576L5T171300	1,208	-
Continuum of Care Program	14.267	Direct	IL0607L5T171400	17,863	-
<i>Total Continuum of Care Program:</i>				<u>19,071</u>	<u>-</u>
<b>Total U.S Department of Housing and Urban Development:</b>				<u>\$ 2,093,993</u>	<u>\$ -</u>
<b>U.S. Department of Justice</b>					
<i>Juvenile Accountability Block Grants:</i>					
Juvenile Accountability Incentive Block Grant FY16	16.523	IL Department of Human Services	FCSUR03914	\$ 15,353	\$ 15,353
Juvenile Accountability Incentive Block Grant FY15	16.523	IL Department of Human Services	FCSTR03375	6,869	6,869
<i>Total Juvenile Accountability Block Grants:</i>				<u>22,222</u>	<u>22,222</u>
<i>Juvenile Justice and Delinquency Prevention Allocation to States:</i>					
Juvenile Justice Council Implementation FY16 - Court Services	16.540	IL Department of Human Services	FCSTR03501	9,847	-
<i>Total Juvenile Justice and Delinquency Prevention Allocation to States:</i>				<u>9,847</u>	<u>-</u>
<i>Crime Victim Assistance:</i>					
Prosecutor Based Victim Assistance	16.575	IL Criminal Justice Information Authority	2016-VA-GX-0049	88,299	-
VOCA Child Advocacy Center Services	16.575	IL Criminal Justice Information Authority	60VFL215056	16,419	-
VOCA Child Advocacy Center Services	16.575	IL Criminal Justice Information Authority	70VFL215056	19,608	-
<i>Total Crime Victim Assistance:</i>				<u>124,326</u>	<u>-</u>

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Justice (cont'd)</b>					
<i>Drugs Court Discretionary Grant Program:</i>					
Kane County Drug Court Treatment & Recovery Support Services	16.585	Bureau of Justice Assistance	2014-DC-BX-0077	\$ 47,000	\$ -
<i>Total Drugs Court Discretionary Grant Program:</i>				<u>47,000</u>	<u>-</u>
State Criminal Alien Assistance Program	16.606	Direct		<u>199,294</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	2014-DJ-BX-0228	4,875	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	IL Criminal Justice Information Authority	2015-DJ-BX-0138	19,727	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	IL Criminal Justice Information Authority	60JAG415022	28,794	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	IL Criminal Justice Information Authority	70JAG415022	57,544	-
<i>Total Edward Byrne Memorial Justice Assistance Grant Program:</i>				<u>110,940</u>	<u>-</u>
<b>Total U.S. Department of Justice:</b>				<u>\$ 513,629</u>	<u>\$ 22,222</u>
<b>U.S. Department of Labor</b>					
<i>Trade Adjustment Assistance:</i>					
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	14-661005	\$ 307,258	\$ -
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	15-661005	79,064	-
<i>Total Trade Adjustment Assistance:</i>				<u>386,322</u>	<u>-</u>
<i>WIA/WIOA Cluster:</i>					
<i>WIA/WIOA Adult Program:</i>					
WIA Administration *	17.258	IL Department of Commerce & Economic Opportunity	14-681005	69,102	-
WIA Administration *	17.258	IL Department of Commerce & Economic Opportunity	15-681005	75,412	-
WIA Adult Programs *	17.258	IL Department of Commerce & Economic Opportunity	14-681005	143,008	19,711

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Labor (cont'd)</b>					
WIA Adult Programs *	17.258	IL Department of Commerce & Economic Opportunity	15-681005	\$ 1,505,437	\$ 120,572
WIA Adult Programs *	17.258	IL Department of Commerce & Economic Opportunity	16-681005	51,858	-
WIA Incentive Grants *	17.258	IL Department of Commerce & Economic Opportunity	13-632005	7,217	-
WIA Incentive Grants *	17.258	IL Department of Commerce & Economic Opportunity	14-632005	2,640	-
<i>Total WIA/WIOA Adult Program:</i>				<u>1,854,674</u>	<u>140,283</u>
<i>WIA/WIOA Youth Activities:</i>					
WIA Administration *	17.259	IL Department of Commerce & Economic Opportunity	14-681005	80,619	-
WIA Administration *	17.259	IL Department of Commerce & Economic Opportunity	15-681005	90,009	-
WIA Youth Activities *	17.259	IL Department of Commerce & Economic Opportunity	14-681005	366,374	336,550
WIA Youth Activities *	17.259	IL Department of Commerce & Economic Opportunity	15-681005	1,246,172	1,151,885
WIA Youth Activities *	17.259	IL Department of Commerce & Economic Opportunity	16-681005	134,272	127,352
WIA Incentive Grants *	17.259	IL Department of Commerce & Economic Opportunity	13-632005	7,660	-
WIA Incentive Grants *	17.259	IL Department of Commerce & Economic Opportunity	14-632005	2,816	-
<i>Total WIA/WIOA Youth Activities:</i>				<u>1,927,922</u>	<u>1,615,787</u>
<i>WIA/WIOA Dislocated Worker Formula Grants:</i>					
WIA Administration *	17.278	IL Department of Commerce & Economic Opportunity	14-681005	80,620	-
WIA Administration *	17.278	IL Department of Commerce & Economic Opportunity	15-681005	77,845	-
WIA Dislocated Worker Formula Grants *	17.278	IL Department of Commerce & Economic Opportunity	14-681005	110,678	-
WIA Dislocated Worker Formula Grants *	17.278	IL Department of Commerce & Economic Opportunity	15-681005	1,504,116	127,464

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA		Grant Number	Federal	Payments to
	Number	Pass-Through Agency		Expenditures	Sub-Recipients
<b>U.S. Department of Labor (cont'd)</b>					
WIA Dislocated Worker Formula Grants *	17.278	IL Department of Commerce & Economic Opportunity	16-681005	\$ 174,375	\$ -
WIA Dislocated Worker Formula Grants *	17.278	IL Department of Commerce & Economic Opportunity	15-653005	52,190	-
WIA Incentive Grants *	17.278	IL Department of Commerce & Economic Opportunity	13-632005	10,754	-
WIA Incentive Grants *	17.278	IL Department of Commerce & Economic Opportunity	14-632005	4,058	-
<i>Total WIA/WIOA Dislocated Worker Formula Grants:</i>				<u>2,014,636</u>	<u>127,464</u>
<i>Total WIA/WIOA Cluster:</i>				<u>5,797,232</u>	<u>1,883,534</u>
<b>Total U.S. Department of Labor:</b>				<u>\$ 6,183,554</u>	<u>\$ 1,883,534</u>
<b>U.S. Department of Transportation</b>					
<i>Highway Planning and Construction Cluster:</i>					
<i>Highway Planning and Construction:</i>					
Highway Planning and Construction	20.205	IL Department of Transportation	n/a	\$ 1,149,006	\$ -
<i>Total Highway Planning and Construction:</i>				<u>1,149,006</u>	<u>-</u>
<i>Total Highway Planning and Construction Cluster:</i>				<u>1,149,006</u>	<u>-</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:					
Regional Planning Liaison	20.505	Chicago Metropolitan Agency for Planning	C-16-0010	94,193	-
Regional Planning Liaison	20.505	Chicago Metropolitan Agency for Planning	C-17-0010	74,033	-
Long Range Transportation Planning Program (LRTP)	20.505	Chicago Metropolitan Agency for Planning	C-16-0018	130,704	-
<i>Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:</i>				<u>298,930</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	4,887	-
<i>Total Job Access and Reverse Commute Program:</i>				<u>4,887</u>	<u>-</u>
<i>Total Transit Services Programs Cluster:</i>				<u>4,887</u>	<u>-</u>

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Transportation (cont'd)</b>					
<i>Interagency Hazardous Materials Public Sector Training and Planning Grants:</i>					
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	IL Emergency Management Agency	15HMEKANE	\$ 9,620	\$ -
<i>Total Interagency Hazardous Materials Public Sector Training and Planning Grants:</i>				<u>9,620</u>	<u>-</u>
<b>Total U.S. Department of Transportation:</b>				<u>\$ 1,462,443</u>	<u>\$ -</u>
<b>U.S. Environmental Protection Agency</b>					
<i>State Indoor Radon Grant:</i>					
State Indoor Radon Grant	66.032	IL Department of Public Health	n/a	\$ 5,987	\$ -
<i>Total State Indoor Radon Grant:</i>				<u>5,987</u>	<u>-</u>
<i>Performance Partnership Grants:</i>					
Performance Partnership Grants - Potable Water Supply	66.605	IL Department of Public Health	65380162D	10,888	-
<i>Total Performance Partnership Grants:</i>				<u>10,888</u>	<u>-</u>
<b>Total U.S. Environmental Protection Agency:</b>				<u>\$ 16,875</u>	<u>\$ -</u>
<b>U.S. Department of Health and Human Services</b>					
<i>Public Health Emergency Preparedness:</i>					
Bioterrorism Preparedness	93.069	IL Department of Public Health	77180043E	\$ 110,315	\$ -
Bioterrorism Preparedness	93.069	IL Department of Public Health	67180043D	193,021	-
Cities Readiness Initiative	93.069	IL Department of Public Health	77180106E	25,498	-
Cities Readiness Initiative	93.069	IL Department of Public Health	67180106D	61,101	-
Ebola Virus Disease (EVD) Outbreak Supplemental Program	93.069	IL Department of Public Health	6780155D	68,609	-
<i>Total Public Health Emergency Preparedness:</i>				<u>458,544</u>	<u>-</u>
<i>Project Grants and Cooperative Agreements for Tuberculosis Control Programs:</i>					
TB Directly Observed Therapy	93.116	IL Department of Public Health	55180254C	32,750	-
<i>Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs:</i>				<u>32,750</u>	<u>-</u>

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Health and Human Services</b>					
<i>Substance Abuse and Mental Health Services - Projects of Regional and National Significance:</i>					
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Substance Abuse & Mental Health Services Administration	1H79TI025918-01	\$ 404,000	\$ -
<i>Total Substance Abuse and Mental Health Services - Projects of Regional and National Significance:</i>				<u>404,000</u>	<u>-</u>
<i>Immunization Cooperative Agreements:</i>					
Immunization Cooperative Agreements - Vaccines for Children	93.268	IL Department of Public Health	65180011D	45,562	-
Immunization Cooperative Agreements - Vaccines for Children	93.268	IL Department of Public Health	55180238C	9,297	-
<i>Total Immunization Cooperative Agreement:</i>				<u>54,859</u>	<u>-</u>
<i>Teen Pregnancy Prevention Program:</i>					
Replicating Evidence Based Teen Pregnancy Prevention Program	93.297	IL Department of Human Services	FCSVP03991	26,323	-
Replicating Evidence Based Teen Pregnancy Prevention Program	93.297	IL Department of Human Services	FCSUP03991	27,215	-
<i>Total Teen Pregnancy Prevention Program:</i>				<u>53,538</u>	<u>-</u>
<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	FCSVS04101	23,013	-
Maternal Infant Early Childhood Home Visitation (MIECHV)	93.505	IL Department of Human Services	FCSUS03570	24,158	-
Maternal Infant Early Childhood Home Visitation (MIECHV)	93.505	IL Department of Human Services	FCSUS03071	24,332	-
<i>Total Affordable Care Act (ACA) Maternal, Infant and Early Childhood Home Visiting Program:</i>				<u>71,503</u>	<u>-</u>
<i>Child Support Enforcement:</i>					
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2015-55-007-KAK	51,324	-
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	614KSAO0004	615,202	-
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	717KSAO0004	78,351	-
<i>Total Child Support Enforcement:</i>				<u>744,877</u>	<u>-</u>
<i>CCDF Cluster:</i>					
<i>Child Care and Development Block Grant:</i>					
Early Childhood Network Grant (AOK)	93.575	IL Department of Human Services	FCSUI01760	13,800	-
<i>Total Child Care and Development Block Grant:</i>				<u>13,800</u>	<u>-</u>
<i>Total CCDF Cluster:</i>				<u>13,800</u>	<u>-</u>

**KANE COUNTY, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended November 30, 2016

Federal Grantor / Program/Cluster Title	CFDA Number	Pass-Through Agency	Grant Number	Federal Expenditures	Payments to Sub-Recipients
<b>U.S. Department of Health and Human Services (cont'd)</b>					
<i>State Court Improvement Program:</i>					
State Court Improvement Program: Child Protection Data Courts Project	93.586	Administrative Office of Illinois Courts	n/a	\$ 2,121	\$ -
<i>Total State Court Improvement Program:</i>				<u>2,121</u>	<u>-</u>
<i>Social Services Block Grant:</i>					
Title XX Block Grant	93.667	IL Department of Human Services	FCSVU03179	3,832	-
Title XX Block Grant	93.667	IL Department of Human Services	FCSUU03179	17,260	-
<i>Total Social Services Block Grant:</i>				<u>21,092</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	73286009E	27,785	-
Chronic Disease & School Health Program	93.757	IL Department of Human Services	63287009D	97,200	-
<i>Total State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF):</i>				<u>124,985</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services:</b>				<u><u>\$ 1,982,069</u></u>	<u><u>\$ -</u></u>
<b>U.S. Department of Homeland Security</b>					
<i>Emergency Management Performance Grants:</i>					
Emergency Management Performance Grants	97.042	IL Emergency Management Agency	7015EMAKANE	\$ 104,401	\$ -
<i>Total Emergency Management Performance Grants:</i>				<u>104,401</u>	<u>-</u>
<b>Total U.S. Department of Homeland Security:</b>				<u><u>\$ 104,401</u></u>	<u><u>\$ -</u></u>
<b>Total Expenditures of Federal Awards:</b>				<u><u>\$ 12,566,821</u></u>	<u><u>\$ 1,905,756</u></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, 2016

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### **NOTE 1 – BASIS OF PRESENTATION**

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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, 2016. 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.

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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.

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### **NOTE 3 – INDIRECT COST RATE**

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Kane County has elected to use the 10% de minimis indirect cost rate.



# KANE COUNTY, ILLINOIS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2016

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### SECTION I – SUMMARY OF AUDITORS' RESULTS

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#### *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:

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:(B)

CFDA Numbers

Name of Federal Program or Cluster

17.258, 17.259, 17.278

WIA/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, 2016

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

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#### ***Finding 2016-001: Off Balance Sheet Bank Accounts (repeat finding 2015-001)***

**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 will send out monthly reminders to each Office to provide the monthly reconciliations and account activity as had been agreed. The Finance Department will also maintain a tracking log in order to assess the continued performance of the agreed-upon procedures. To the extent Funds already exist in the General Ledger for the off-book accounts, the summarized activity will be posted to the General Ledger. Appropriate Funds will be created for the off-book accounts that are currently not associated with an existing Fund in the General Ledger according to the new GASB standards regarding fiduciary accounting. The Finance Department will work with all remaining Offices administering off-book accounts to develop similar sets of monthly procedures.

# **KANE COUNTY, ILLINOIS**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2016**

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### **SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

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None.

# KANE COUNTY, ILLINOIS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2016

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### SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

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<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2015-001	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.	See current year finding 2016-001.