

KANE COUNTY, ILLINOIS

REPORT ON FEDERAL AWARDS

For the Year Ended November 30, 2018

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, 2018, 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 20, 2019. 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 the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kane County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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
Kane County, Illinois

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 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
May 20, 2019

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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each 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 each of the Kane County's major federal programs for the year ended November 30, 2018. Kane County's major federal programs are 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 \$1,119,186 in federal awards which is not included in Kane County's schedule of expenditures of federal awards during the year ended November 30, 2018. 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 programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Kane County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal 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
Kane County, Illinois

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

Opinion on Each 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 each of its major federal programs for the year ended November 30, 2018.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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
Kane County, Illinois

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, 2018, and the related notes to the financial statements, which collectively comprise Kane County's basic financial statements. We issued our report thereon dated May 20, 2019, 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 20, 2019

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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>					
2018 School Breakfast Program	10.553	IL State Board of Education	31045005P00	\$ 21,217	\$ -
<i>Total School Breakfast Program:</i>				<u>21,217</u>	<u>-</u>
<i>National School Lunch Program:</i>					
2018 National School Lunch Program	10.555	IL State Board of Education	31045005P00	37,303	-
<i>Total National School Lunch Program:</i>				<u>37,303</u>	<u>-</u>
<i>Summer Food Service Program for Children:</i>					
Summer Food Service Program for Children	10.559	IL Department of Public Health	85280145F	3,175	-
<i>Total Summer Food Service Program for Children:</i>				<u>3,175</u>	<u>-</u>
<i>Total Child Nutrition Cluster:</i>				<u>61,695</u>	<u>-</u>
<i>Farm to School Grant Program:</i>					
USDA Farm to School Grant Program	10.575	Direct	N/A	11,873	-
<i>Total Farm to School Grant Program:</i>				<u>11,873</u>	<u>-</u>
Total U.S. Department of Agriculture:				<u>\$ 73,568</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development					
<i>Community Development Block Grants/Entitlement Grants Cluster:</i>					
2015 Community Development Block Grant *	14.218	Direct	B-15-UC-17-0008	\$ 553,846	\$ 59,945
2016 Community Development Block Grant *	14.218	Direct	B-16-UC-17-0008	626,424	239,452
2017 Community Development Block Grant *	14.218	Direct	B-17-UC-17-0008	592,340	110,773
2018 Community Development Block Grant *	14.218	Direct	B-18-UC-17-0008	277,972	187,936
Neighborhood Stabilization Program *	14.218	Illinois Housing Development Authority	NSP III PID#75022	2,217	-
Neighborhood Stabilization Program *	14.218	Direct	B-08-UN-17-0003	202,761	-
<i>Total Community Development Block Grants/Entitlement Grants:</i>				<u>2,255,560</u>	<u>598,106</u>
<i>Total CDBG - Entitlement Grants Cluster:</i>				<u>2,255,560</u>	<u>598,106</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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-DC-17-0220	\$ 83,804	\$ -
2014 HOME Investment Partnership Program *	14.239	Direct	M-14-DC-17-0220	469,348	-
2015 HOME Investment Partnership Program *	14.239	Direct	M-15-DC-17-0220	90,001	-
2016 HOME Investment Partnership Program *	14.239	Direct	M-16-DC-17-0220	64,192	-
2017 HOME Investment Partnership Program *	14.239	Direct	M-17-DC-17-0220	223,941	-
2018 HOME Investment Partnership Program *	14.239	Direct	M-18-DC-17-0220	61,221	-
<i>Total HOME Investment Partnership Program:</i>				<u>992,507</u>	<u>-</u>
<i>Homeless Management Information Systems Technical Assistance:</i>					
Homeless Management Information System 2016	14.261	Direct	IL0335L5T171609	90,091	-
Homeless Management Information System 2017	14.261	Direct	IL0335L5T171710	40,224	-
<i>Total Homeless Management Information Systems Technical Assistance:</i>				<u>130,315</u>	<u>-</u>
<i>Continuum of Care Program:</i>					
Continuum of Care Program	14.267	Direct	IL0635L5T171600	47,269	-
<i>Total Continuum of Care Program:</i>				<u>47,269</u>	<u>-</u>
Total U.S Department of Housing and Urban Development:				<u>\$ 3,425,651</u>	<u>\$ 598,106</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	FCSWRO4829	\$ 29,979	\$ -
Juvenile Justice Council Implementation FY18 - Court Services	16.540	IL Department of Human Services	FCSXRO4829	14,293	-
<i>Total Juvenile Justice and Delinquency Prevention:</i>				<u>44,272</u>	<u>-</u>
<i>Crime Victim Assistance:</i>					
Prosecutor Based Victim Assistance	16.575	IL Criminal Justice Information Authority	2016-VA-GX-0049	25,352	-
VOCA Child Advocacy Center Services	16.575	IL Criminal Justice Information Authority	2016-VA-GX-0049	103,263	-
<i>Total Crime Victim Assistance:</i>				<u>128,615</u>	<u>-</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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	\$ 200,406	\$ -
<i>Total Drug Court Discretionary Grant Program:</i>				<u>200,406</u>	<u>-</u>
<i>State Criminal Alien Assistance Program:</i>					
State Criminal Alien Assistance Program	16.606	Direct	N/A	184,753	-
<i>Total State Criminal Alien Assistance Program:</i>				<u>184,753</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	16-DJ-BX-0083	82,527	-
<i>Total Edward Byrne Memorial Justice Assistance Grant Program:</i>				<u>82,527</u>	<u>-</u>
Total U.S. Department of Justice:				<u><u>\$ 640,573</u></u>	<u><u>\$ -</u></u>
U.S. Department of Labor					
<i>Trade Adjustment Assistance:</i>					
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	16-661005	\$ 193,618	\$ -
Trade Adjustment Assistance	17.245	IL Department of Commerce & Economic Opportunity	17-661005	109,308	-
<i>Total Trade Adjustment Assistance:</i>				<u>302,926</u>	<u>-</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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 Grants Adult	17.258	IL Department of Commerce & Economic Opportunity	16-681005	\$ 1,178	\$ -
Workforce Investment Act Title I-B Grants Adult	17.258	IL Department of Commerce & Economic Opportunity	17-681005	1,400,428	187,522
Workforce Investment Act Title I-B Grants Adult	17.258	IL Department of Commerce & Economic Opportunity	18-681005	65,421	17,051
Workforce Investment Act Title I-B Grants Administration	17.258	IL Department of Commerce & Economic Opportunity	16-681005	1,341	-
Workforce Investment Act Title I-B Grants Administration	17.258	IL Department of Commerce & Economic Opportunity	17-681005	179,889	-
Workforce Investment Act Title I-B Grants Administration	17.258	IL Department of Commerce & Economic Opportunity	18-681005	23,934	-
Workforce Investment Act Title I-B Incentive	17.258	IL Department of Commerce & Economic Opportunity	15-632005	4,684	-
Workforce Investment Act Title I-B Incentive	17.258	IL Department of Commerce & Economic Opportunity	16-632005	496	-
<i>WIOA Youth Activities:</i>					
Workforce Investment Act Title I-B Grants Youth	17.259	IL Department of Commerce & Economic Opportunity	16-681005	26,822	18,916
Workforce Investment Act Title I-B Grants Youth	17.259	IL Department of Commerce & Economic Opportunity	17-681005	1,535,963	1,414,803
Workforce Investment Act Title I-B Grants Youth	17.259	IL Department of Commerce & Economic Opportunity	18-681005	5,678	-
Workforce Investment Act Title I-B Grants Administration	17.259	IL Department of Commerce & Economic Opportunity	16-681005	30,537	-
Workforce Investment Act Title I-B Grants Administration	17.259	IL Department of Commerce & Economic Opportunity	17-681005	197,299	-
Workforce Investment Act Title I-B Grants Administration	17.259	IL Department of Commerce & Economic Opportunity	18-681005	2,077	-
Workforce Investment Act Title I-B Incentive	17.259	IL Department of Commerce & Economic Opportunity	15-632005	4,994	-
Workforce Investment Act Title I-B Incentive	17.259	IL Department of Commerce & Economic Opportunity	16-632005	529	-
<i>Total WIOA Youth Activities:</i>				<u>1,803,899</u>	<u>1,433,719</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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 Grants Dislocated	17.278	IL Department of Commerce & Economic Opportunity	16-681005	\$ 5,222	\$ -
Workforce Investment Act Title I-B Grants Dislocated	17.278	IL Department of Commerce & Economic Opportunity	17-681005	1,895,354	201,457
Workforce Investment Act Title I-B Grants Dislocated	17.278	IL Department of Commerce & Economic Opportunity	18-681005	25,693	-
Workforce Investment Act Title I-B Grants Dislocated	17.278	IL Department of Commerce & Economic Opportunity	18-651005	4,532	-
Workforce Investment Act Title I-B Grants Dislocated	17.278	IL Department of Commerce & Economic Opportunity	17-651005	140,544	-
Workforce Investment Act Title I-B Grants Dislocated	17.278	IL Department of Commerce & Economic Opportunity	16-651005	24,407	-
Workforce Investment Act Title I-B Grants Administration	17.278	IL Department of Commerce & Economic Opportunity	16-681005	5,945	-
Workforce Investment Act Title I-B Grants Administration	17.278	IL Department of Commerce & Economic Opportunity	17-681005	243,464	-
Workforce Investment Act Title I-B Grants Administration	17.278	IL Department of Commerce & Economic Opportunity	18-681005	9,400	-
Workforce Investment Act Title I-B Incentive	17.278	IL Department of Commerce & Economic Opportunity	15-632005	6,880	-
Workforce Investment Act Title I-B Incentive	17.278	IL Department of Commerce & Economic Opportunity	16-632005	696	-
<i>Total WIOA Dislocated Worker Formula Grants:</i>				<u>2,362,137</u>	<u>201,457</u>
<i>Total WIOA Cluster:</i>				<u>5,843,407</u>	<u>1,839,749</u>
Total U.S. Department of Labor:				<u>\$ 6,146,333</u>	<u>\$ 1,839,749</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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	\$ 1,029,545	\$ -
<i>Total Highway Planning and Construction:</i>				<u>1,029,545</u>	<u>-</u>
<i>Total Highway Planning and Construction Cluster:</i>				<u>1,029,545</u>	<u>-</u>
<i>Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:</i>					
Unified Work Program - Regional Planning Liason	20.505	Chicago Metropolitan Agency for Planning	C-16-0010	152,298	-
<i>Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:</i>				<u>152,298</u>	<u>-</u>
Total U.S. Department of Transportation:				<u>\$ 1,181,843</u>	<u>\$ -</u>
U.S. Environmental Protection Agency					
<i>State Indoor Radon Grants:</i>					
State Indoor Radon Grant	66.032	IL Department of Public Health	N/A	\$ 5,997	\$ -
<i>Total State Indoor Radon Grants:</i>				<u>5,997</u>	<u>-</u>
<i>Performance Partnership Grants:</i>					
Performance Partnership Grants - Potable Water Supply	66.605	IL Department of Public Health	85380145F	10,788	-
<i>Total Performance Partnership Grants:</i>				<u>10,788</u>	<u>-</u>
Total U.S. Environmental Protection Agency:				<u>\$ 16,785</u>	<u>\$ -</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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>Public Health Emergency Preparedness:</i>					
Cities Readiness Initiative	93.069	IL Department of Public Health	87180106F	\$ 49,782	\$ -
Cities Readiness Initiative	93.069	IL Department of Public Health	97580011G	12,982	-
Bioterrorism Preparedness	93.069	IL Department of Public Health	87180043F	235,521	-
Bioterrorism Preparedness	93.069	IL Department of Public Health	97180043G	93,154	-
<i>Total Public Health Emergency Preparedness:</i>				391,439	-
<i>Immunization Cooperative Agreements:</i>					
Immunization Cooperative Agreements - Vaccines for Children	93.268	IL Department of Public Health	85180015F	49,451	-
Immunization Cooperative Agreements - Vaccines for Children	93.268	IL Department of Public Health	95180015G	13,174	-
<i>Total Immunization Cooperative Agreements:</i>				62,625	-
<i>Centers for Disease Control and Prevention Investigations and Technical Assistance:</i>					
Vector Surveillance & Control Grant	93.283	IL Department of Human Services	85380246F	81,095	-
<i>Total Centers for Disease Control and Prevention Investigations and Technical Assistance:</i>				81,095	-
<i>Teenage Pregnancy Prevention Program:</i>					
Replicating Evidence Based Teen Pregnancy Prevention Program	93.297	IL Department of Human Services	FCSWP03991	69,332	-
Replicating Evidence Based Teen Pregnancy Prevention Program	93.297	IL Department of Human Services	FCSXP03991	9,000	-
<i>Total Teenage Pregnancy Prevention Program:</i>				78,332	-
<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	37,596	-
Maternal Infant Early Childhood Home Visitation (MIECHV)	93.505	IL Department of Human Services	FCSXS04101	31,893	-
<i>Total Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program:</i>				69,489	-
<i>Total Maternal, Infant, and Early Childhood Visiting Cluster:</i>				69,489	-

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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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>Child Support Enforcement:</i>					
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2017-55-013-K2C	\$ 407,542	\$ -
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2017-55-013-K3C	188,692	-
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2018-55-007-KD	20,160	-
Title IV-D- Child Support Enforcement Program	93.563	IL Department of Healthcare and Family Services	2018-55-007-KD2	6,237	-
<i>Total Child Support Enforcement:</i>				<u>622,631</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	FCSWS04772	43,679	-
Early Childhood Network Grant (AOK)	93.575	IL Department of Human Services	FCSXS04772	45,617	-
<i>Total Child Care and Development Block Grant:</i>				<u>89,296</u>	<u>-</u>
<i>Total Child Care and Development Fund Cluster:</i>				<u>89,296</u>	<u>-</u>
<i>State Court Improvement Program:</i>					
State Court Improvement Program: Child Protection Data Courts Project	93.586	Administrative Office of Illinois Courts	N/A	4,151	-
<i>Total State Court Improvement Program:</i>				<u>4,151</u>	<u>-</u>
<i>Social Services Block Grant:</i>					
Title XX Block Grant	93.667	IL Department of Human Services	FCSWU03179	19,199	-
Title XX Block Grant	93.667	IL Department of Human Services	FCSXU05063	15,600	-
<i>Total Social Services Block Grant:</i>				<u>34,799</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	31,557	-
<i>Total State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF):</i>				<u>31,557</u>	<u>-</u>

KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2018

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>Opioid STR:</i>					
State Targeted Response to the Opioid Crisis Grant (SY18)	93.788	IL Dept of Human Services	43CWZ03196	\$ 287,894	\$ -
State Targeted Response to the Opioid Crisis Grant (SY18)	93.788	IL Department of Human Services	43CXZ03196	40,434	-
<i>Total Opioid STR:</i>				<u>328,328</u>	<u>-</u>
Total U.S. Department of Health and Human Services:				<u>\$ 1,793,742</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	EMC-2017-EP-00005-501	\$ 83,023	\$ -
Emergency Management Performance Grants	97.042	IL Emergency Management Agency	EMC-2018-EP-00004	33,608	-
<i>Total Emergency Management Performance Grants:</i>				<u>116,631</u>	<u>-</u>
Total U.S. Department of Homeland Security:				<u>\$ 116,631</u>	<u>\$ -</u>
Total Expenditures of Federal Awards:				<u>\$ 13,395,126</u>	<u>\$ 2,437,855</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, 2018

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, 2018. 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, 2018

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

14.239
14.218
20.205

Name of Federal Program or Cluster

HOME Investment Partnerships Program
CDBG – Entitlement Grants Cluster
Highway Planning and Construction 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, 2018

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

Finding 2018-001: Off Balance Sheet Bank Accounts (repeat finding 2017-001)

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, and with the understanding that the Circuit Clerk's Office would not be able to provide the requested information until the transition to the new Court Case Management system was complete and required changes in operations have been fully implemented.

KANE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

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

Finding 2018-001: Off Balance Sheet Bank Accounts (repeat finding 2017-001) – cont'd

Management Response (cont'd): In Fiscal Year 2017, several of the funds involving the off-book accounts in the Sheriff's Office, County Clerk's Office and Court Services were converted from agency funds to special revenue funds. The conversion from agency fund to special revenue fund necessitated the collection and recording of all transaction detail for those accounts, rather than just a summary of activity. We are pleased to report that each of the offices involved cooperated in providing the transaction detail for their off-book accounts involving special revenue funds by the end of the Fiscal Year. The Finance Department has developed and continues to refine a system of sending out reminders to each Office to provide the required reconciliations and account activity. The Finance Department maintains a tracking log in order to assess the continued performance of the agreed-upon-procedures. All offices except for the Circuit Clerk's Office have been providing the requested information. The Finance Department will continue to collect and review the bank account and bank reconciliation information, and to record the transaction data as frequently and timely as possible.

KANE COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2018

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

KANE COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS For the Year Ended November 30, 2018

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2017-001	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 2018.