

**COUNTY OF RACINE  
FINANCE & HUMAN RESOURCES COMMITTEE**

Supervisor Robert N. Miller, Chairman  
Supervisor Brett Nielsen, Vice Chairman  
Supervisor Q.A. Shakoor, II, Secretary  
Supervisor Janet Bernberg  
Supervisor Mike Dawson

Supervisor Thomas H. Pringle  
Supervisor John A. Wisch  
Kaitlyn Faust, Youth in Governance Representative  
Daniel Rosli, Youth in Governance Representative

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\*\*\* THIS LOCATION IS HANDICAP ACCESSIBLE. If you have other special needs, please contact the Racine County Board Office, 730 Wisconsin Avenue, Racine, Wisconsin 53403 (262) 636-3571, fax (262) 636-3491 or the TTD/RELAY 1-800-947-3529. \*\*\*

NOTICE OF MEETING OF THE  
FINANCE AND HUMAN RESOURCES COMMITTEE

DATE: **WEDNESDAY October 3, 2018**

TIME: **5:00 P.M.**

PLACE: **IVES GROVE OFFICE COMPLEX  
AUDITORIUM  
14200 WASHINGTON AVENUE  
STURTEVANT, WISCONSIN 53177**

AGENDA –

1. Convene Meeting
2. Chairman Comments – Youth In Governance/Comments
3. Public Comments
4. Approval of Minutes from the September 19, 2018 committee meeting.
5. Finance Department – Alexandra Tillmann – 2017 Single Audit – 2018 – Report.
6. Corporation Counsel – Michael Lanzdorf – Authorizing the County Treasurer to Cancel all unpaid penalties and interest on the taxes due for the property located at 1236 Thirteenth street Pursuant to WI. Stat 75.105 – 2018 – Resolution – Requesting: 1<sup>st</sup> & 2<sup>nd</sup> Reading at the October 9, 2018 County Board Meeting.
7. Closed Session – 5:20 P.M. (Approximately 5 Minutes) - IT IS ANTICIPATED THAT THE FINANCE AND HUMAN RESOURCES COMMITTEE WILL MEET IN A CLOSED SESSION PURSUANT TO SECTION 19.85(1)(c) OF THE WISCONSIN STATE STATUTES TO DISCUSS LEGAL COUNSEL THE FOLLOWING CLAIM AGAINST RACINE COUNTY: 1) ANDREW ROESGEN AND AMERICAN FAMILY INSURANCE

THE COMMITTEE RESERVES THE RIGHT TO RECONVENE IN REGULAR SESSION TO TAKE POSSIBLE ACTION ON ITEMS DISCUSSED IN CLOSED SESSION

8. Regular Session – 5:25 p.m. (Approximate)

9. Communication & Report Referrals from County Board Meeting:

a. Bankruptcy items:

|  |  |
|--|--|
| Type of Action:  | Person/Persons   |
| Order of Discharge   | Myra Theresa Belen; Julie Ann Maher;<br>Jenna M. Wielepski     |
| No Proof of Claim Deadline   | Le Andra Cole Berryhill;                                       |
| Notice & Motion to Dismiss – Confirmed Plan  | Ricky Bright Sr.; Alfred Beltoya;                              |
| Case Closed without a Discharge  | Roy B & Deborah Barbra Stevenson;                              |
| Chapter 13 Bankruptcy Case   | Saul Mendez & Dana Louise Aquero;<br>Noelle Cassandra Goodwin; |
| Notice Motion of Educators Credit Union for Relief from automatic stay and abandonment | Erick Adam & Stacy Marie Ortiz;                                |

b. Foreclosure items:

| Attorney              | Lending Company              | Person/Persons                   | Amt. owed Racine CO |
|-----------------------|------------------------------|----------------------------------|---------------------|
| Chris R. Velnetske    | US Bank National Association | Brian E. Walton & Peggy A. James | ?                   |
| Edward J. Bruner, Jr. | Educators Credit Union       | Brent Al Barthels                | \$354.28            |

c. Andrea Ogren on behalf of herself has filed a claim against Racine County for property damage to her automobile in the amount of \$616.80 for paint damage to her vehicle.

10. Staff Report – No Action Items.

- a) Next Normal Finance & Human Resources Committee meeting will be on Thursday October 25, 2018
- b) Budget Training will be October 9, 2019 after the County Board Meeting
- c) Budget Meetings for Finance & Human Resources Committee will be on Tuesday October 16 & Wednesday October 17 at 6:00 pm

11. Adjournment

# FINANCE & HUMAN RESOURCES COMMITTEE ACTION ONLY

**Requestor/Originator** Finance & Human Resources Committee

**Committee/Individual Sponsoring:** Finance & Human Resources Committee

**Date of Committee Meeting:** 10/3/2018

**Signature of Committee Chairperson  
/Designee:** \_\_\_\_\_

**Description:** Approval of the minutes from the September 19, 2018 Meeting  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Motion:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Action:** **County Board Supervisors**  
 Approve  
 Deny

**Youth In Governance**  
 Approve  
 Deny

**FINANCE AND HUMAN RESOURCES COMMITTEE MEETING**  
**September 19, 2018**

IVES GROVE OFFICE COMPLEX  
PUBLIC WORKS CONFERENCE ROOM  
14200 WASHINGTON AVENUE  
STURTEVANT, WISCONSIN 53177

Meeting attended by: Chairman Miller, Supervisors Dawson, Pringle, Shakoor II and Wisch, Youth Representative Faust and Rosli, County Executive Jonathan Delagrave, Chief of Staff MT Boyle, Finance Director Alexandra Tillmann, Human Resources Director Karen Galbraith, Finance & Budget Manager Kris Tapp, Emergency Management Coordinator David Maack, Communications Director Jackie Bratz, Fiscal Manager Brian Nelson, Project Manager Liam Doherty, Asst. Corporation Counsel Sara McNutt, Sheriff Christopher Schmaling and John Knepel Baker Tilly.

Excused: Supervisors Bernberg and Nielsen.

**Agenda Item #1 – Convene Meeting.**

Meeting Called to Order at 5:00pm by Chairman Miller.

**Agenda Item #2 – Youth in Governance/Comments.**

Youth in Governance statement was read by Youth Representative Faust.

**Agenda Item #3 – Public Comments.**

None.

**Agenda Item #4 – Approval of Minutes from the September 5, 2018 committee meeting.**

**Action:** Approve the minutes from the September 5, 2018 meeting. **Motion Passed.** Moved: Supervisor Pringle. Seconded: Supervisor Dawson. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

**Agenda Item #5 – Finance Department – Alexandra Tillmann – the County of Racine Comprehensive Annual Financial Report – For the Year Ended December 31, 2017 – 2018 – Requesting Report.**

**Action:** Accept the County of Racine Comprehensive Annual Financial Report – For the Year Ended December 31, 2017 – 2018 and forward as a report to the County Board – 2018 – Report. **Motion Passed.** Moved: Supervisor Pringle. Seconded: Supervisor Dawson. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

**Agenda Item #7 – County Executive – Jonathan Delagrave – Increase as of September 29, 2018 positions Non-Rep – Exempt E030 Dispatch Supervisor, Non-Rep – Exempt E040 – Pub Safety System Admin, Non-Rep – Exempt E060 Asst. Director Communications, and Non-Rep – Non-Exempt N070 – Dispatch Technicians by \$1.25 an hour – 2018 – Resolution – Requesting: 1st Reading at the September 25, 2018 County Board Meeting.**

**Action:** Accept the increase as of September 29, 2018 positions Non-Rep – Exempt E030 Dispatch Supervisor, Non-Rep – Exempt E040 – Pub Safety System Admin, Non-Rep – Exempt E060 Asst. Director Communications, and Non-Rep – Non-Exempt N070 – Dispatch Technicians by \$1.25 an hour – 2018 – Resolution – Requesting: 1st Reading at the September 25, 2018 County Board Meeting. **Motion Passed.** Moved: Supervisor Pringle. Seconded: Supervisor Shakoor. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

**Agenda Item #6 – David Maack – Authorizing the Office of Emergency Management to apply for and accept a FFY 2019 Emergency Planning and Community Right to Know Act (EPCRA) Grant in the amount of approximately \$36,091 and Emergency Management Performance Grant (EMPG) in the amount of approximately \$97,419 from the State of Wisconsin Division of Emergency Management – 2018 – Resolution –Requesting: 1st & 2nd Reading at the September 25, 2018 County Board Meeting.**

**Action:** Accept and authorize the Office of Emergency Management to apply for and accept a FFY 2019 Emergency Planning and Community Right to Know Act (EPCRA) Grant in the amount of approximately \$36,091 and Emergency Management Performance Grant (EMPG) in the amount of approximately \$98,965 from the State of Wisconsin Division of Emergency Management – 2018 – Resolution –Requesting: 1st & 2nd Reading at the September 25, 2018 County Board Meeting. **Motion Passed.** Moved: Supervisor Pringle. Seconded: Supervisor Dawson. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

**Agenda Item #8 – Sheriff’s Office – Sheriff Christopher Schmaling – Changes to Racine County Ordinance Chapter 17 for improvement to recruitment – 2018 – Ordinance – Requesting 1<sup>st</sup> Reading at the September 25, 2018 County Board Meeting.**

**Action:** Accept the changes to Racine County Ordinance Chapter 17 for improvement to recruitment with the change that the Civil Services Commission with certify the psychiatric review – 2018 – Ordinance – Requesting 1st Reading at the September 25, 2018 County Board Meeting. **Motion Passed.** Moved: Supervisor Shakoor. Seconded: Supervisor Dawson. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

**Agenda Item #9 – Communication & Report Referrals from County Board Meeting:**

**Action:** Receive and file items a - d. **Motion Passed.** Moved: Supervisor Pringle. Seconded: Supervisor Shakoor. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

**Agenda Item #10 – Staff Report- No Action Items.**

- a) October 9, 2018 at 5:45 pm – Budget Training for County Board Supervisors
- b) 2019 County Executive Budget will be presented to the County Board on October 9, 2018
- c) Next Finance & Human Resources Committee meeting will be on October 3, 2018

**Agenda Item #11– Adjournment.**

**Action:** Adjourn meeting at 6:50pm. **Motion Passed.** Moved: Supervisor Wisch. Seconded: Supervisor Dawson. Youth Representative Vote: All Aye No Nays. Advisory Vote: All Ayes No Nays.

REQUEST FOR COUNTY BOARD ACTION

|      |      |   |                    |
|------|------|---|--------------------|
| YEAR | 2018 |   | Resolution Request |
|      |      |   | Ordinance Request  |
|      |      | X | Report Request     |

Requestor/Originator: Finance Department - Alexandra Tillmann

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 10/3/2018 Date of County Board Meeting to be Introduced: \_\_\_\_\_

1st Reading:  1st & 2nd Reading:  \*

\* Include a paragraph in the memo regarding why 1st & 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Racine County 2017 Single Audit  
\_\_\_\_\_  
\_\_\_\_\_

**SUBJECT MATTER:**

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

Any request which requires the expenditure or transfer of funds must be accompanied by the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.

**The Committee believes that this action furthers the following goals:**

- Make Racine County the most accessible county in Wisconsin for business to grow, develop and create family supporting jobs.
- Develop a system that encourages employees, elected officials and citizens to suggest ideas for service enhancement and productivity improvements including a measurement of customer satisfaction.
- Foster an environment where intergovernmental cooperation is encouraged to produce better services and efficiencies.
- Reduce or limit the growth of the tax levy as set forth in Resolution No. 2002-59S.
- To make Racine County a healthy, safe, clean, crime-free community and environment.

**COUNTY OF RACINE**

Racine, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2017

# COUNTY OF RACINE

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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 Honorable Members of the Board of Supervisors  
County of Racine  
Racine, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Racine, Wisconsin as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County of Racine's basic financial statements and have issued our report thereon dated July 31, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County of Racine'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 County of Racine's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Racine'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 were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a material weakness.

## **Compliance and Other Matters**

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

## **County of Racine's Response to Finding**

The County of Racine's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Racine'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*

Milwaukee, Wisconsin  
July 31, 2018

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

Independent Auditors' Report

To the Honorable Members of the Board of Supervisors  
County of Racine  
Racine, Wisconsin

**Report on Compliance for Each Major Federal and Major State Program**

We have audited the County of Racine, Wisconsin's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the County of Racine's major federal and major state programs for the year ended December 31, 2017. The County of Racine's major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County of Racine's major federal and major state 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; 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); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance, and the *State Single Audit Guidelines* 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 or major state program occurred. An audit includes examining, on a test basis, evidence about the County of Racine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal and Major State Program**

In our opinion, the County of Racine 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 and major state programs for the year ended December 31, 2017.

### **Other Matter**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal and major state program is not modified with respect to this matter.

### **County of Racine's Response to Finding**

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

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

Management of the County of Racine 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 the County of Racine's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or major state 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 and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Racine'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 or state 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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state 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 or state 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.

### **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 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *State Single Audit Guidelines***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Racine, Wisconsin as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County of Racine's basic financial statements. We issued our report thereon dated July 31, 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. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* 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 and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
September 26, 2018

**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2017

| Grantor Agency /<br>Program Title  | Federal<br>CFDA<br>Number | Pass-<br>Through<br>Agency | Pass-<br>Through<br>Agency ID | Expenditures     | Payments to<br>Subrecipients |
|--|---------------------------|----------------------------|-------------------------------|------------------|------------------------------|
| <b>FEDERAL PROGRAMS</b>  |                           |                            |                               |                  |                              |
| <b>U. S. Department of Agriculture</b>   |                           |                            |                               |                  |                              |
| Child Nutrition Cluster  |                           |                            |                               |                  |                              |
| School Breakfast Program   | 10.553                    | DPI                        | 515370                        | \$ 23,604        | \$ -                         |
| National School Lunch Program  | 10.555                    | DPI                        | 515370                        | 40,383           | -                            |
| Total Child Nutrition Cluster  |                           |                            |                               | <u>63,987</u>    | <u>-</u>                     |
| SNAP Cluster   |                           |                            |                               |                  |                              |
| State Administration Matching Grants for the Supplemental Nutrition Assistance Program | 10.561                    | DHS                        | 277, 284                      | 806,318          | -                            |
| Total SNAP Cluster   |                           |                            |                               | <u>806,318</u>   | <u>-</u>                     |
| Total U.S. Department of Agriculture   |                           |                            |                               | <u>870,305</u>   | <u>-</u>                     |
| <b>U.S. Department of Housing and Urban Development</b>                                |                           |                            |                               |                  |                              |
| Community Development Block Grant/State's Program                                      | 14.228                    | DOA                        | CSOAR 16-05                   | 50,000           | 50,000                       |
| Total U.S. Department of Housing and Urban Development                                 |                           |                            |                               | <u>50,000</u>    | <u>50,000</u>                |
| <b>U.S. Department of Justice</b>  |                           |                            |                               |                  |                              |
| CEASE Grant (Drug Enforcement Administration)  | 16.000                    | DOJ                        | N/A                           | 2,932            | -                            |
| Edward Byrne Grant (Federal Task Force Operations)                                     | 16.738                    | DOJ                        | 2016-DJ-01-12233              | 125,176          | 84,124                       |
| Edward Byrne Grant (Courtroom Security Grant)  | 16.738                    | DOJ                        | GL-20307-52200                | 18,066           | -                            |
| OJA - Edward Byrne Memorial Formula Grant (Treatment Court)                            | 16.738                    | DOJ                        | 2017-TD-04                    | 116,491          | -                            |
| Subtotal   |                           |                            |                               | <u>259,733</u>   | <u>84,124</u>                |
| Total U.S. Department of Justice   |                           |                            |                               | <u>262,665</u>   | <u>84,124</u>                |
| <b>U.S. Department of Labor</b>  |                           |                            |                               |                  |                              |
| H-1B Job Training Grants   | 17.268                    | Kenosha Cty/DWD            | DWD-JC-RCWDC-WIOA-16-17       | 175,426          | -                            |
| WIOA Cluster   |                           |                            |                               |                  |                              |
| WIA Adult Program  | 17.258                    | Kenosha Cty/DWD            | DWD-JC-RCWDC-WIOA-16-17       | 281,412          | -                            |
| WIA Youth Activities   | 17.259                    | Kenosha Cty/DWD            | DWD-JC-RCWDC-WIOA-16-17       | 794,632          | -                            |
| WIA Dislocated Worker Formula Grants   | 17.278                    | Kenosha Cty/DWD            | DWD-JC-RCWDC-WIOA-16-17       | 372,202          | -                            |
| Total WIOA Cluster   |                           |                            |                               | <u>1,448,246</u> | <u>-</u>                     |
| Total U.S. Department of Labor   |                           |                            |                               | <u>1,623,672</u> | <u>-</u>                     |

See notes to schedule of expenditures of federal and state awards.

**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2017

| Grantor Agency /<br>Program Title                                  | Federal<br>CFDA<br>Number | Pass-<br>Through<br>Agency | Pass-<br>Through<br>Agency ID | Expenditures   | Payments to<br>Subrecipients |
|--|---------------------------|----------------------------|-------------------------------|----------------|------------------------------|
| <b>FEDERAL PROGRAMS (cont.)</b>                                    |                           |                            |                               |                |                              |
| <b>U.S. Department of Transportation</b>                           |                           |                            |                               |                |                              |
| Transit Services Programs Cluster                                  |                           |                            |                               |                |                              |
| Enhanced Mobility of Seniors and Individuals with Disabilities     | 20.513                    | DOT                        | 1245-2017-1                   | \$ 64,579      | \$ -                         |
| Total Transit Services Program Cluster                             |                           |                            |                               | <u>64,579</u>  | <u>-</u>                     |
| Highway Safety Cluster   |                           |                            |                               |                |                              |
| State and Community Highway Safety (Alternatives to Incarceration) | 20.600                    | DOT                        | 41000-0000005073              | 60,000         | -                            |
| Alcohol Impaired Driving Countermeasures Grants                    | 20.601                    | DOT                        | FG-2018-RACINE C-04189        | 35,787         | 7,602                        |
| Occupant Protection Incentive Grant (Seatbelt Enforcement)         | 20.602                    | DOT                        | FG-2018-RACINE C-04205        | 67,385         | 48,277                       |
| Total Highway Safety Cluster                                       |                           |                            |                               | <u>163,172</u> | <u>55,879</u>                |
| Hazardous Materials Emergency Preparedness Training                | 20.703                    | DOT                        | PDMC-PL-05-WI-2014-003        | 15,000         | -                            |
| Total U.S. Department of Transportation                            |                           |                            |                               | <u>242,751</u> | <u>55,879</u>                |
| <b>U.S. Department of Education</b>                                |                           |                            |                               |                |                              |
| Special Education-Grants for Infants and Families                  | 84.181                    | DHS                        | 550                           | 211,888        | -                            |
| Total U.S. Department of Education                                 |                           |                            |                               | <u>211,888</u> | <u>-</u>                     |
| <b>U. S. Department of Health and Human Services</b>               |                           |                            |                               |                |                              |
| Title III, Part F - Preventive Health                              | 93.043                    | DHS                        | 560510                        | 13,398         | -                            |
| Aging Cluster  |                           |                            |                               |                |                              |
| Special Programs for the Aging_ Title III, Part C                  | 93.044                    | DHS                        | 560340                        | 127,359        | -                            |
| Title III, Part C - Nutrition Services                             | 93.045                    | DHS                        | 560350, 560360                | 478,976        | -                            |
| Nutrition Services Incentive Program                               | 93.053                    | DHS                        | 560422                        | 37,651         | -                            |
| Total Aging Cluster  |                           |                            |                               | <u>643,986</u> | <u>-</u>                     |
| National Family Caregiver Support, Title III, Part E               | 93.052                    | DHS                        | 560520                        | 60,976         | -                            |
| Anti-Heroin Task Force Grant                                       | 93.276                    | DOJ                        | 455COPSHEROIN15               | 85,099         | 47,133                       |
| High Intensity Drug Traffic Area DOJ Grant                         | 93.276                    | DOJ                        | B0324P1                       | 64,929         | 5,043                        |
| Subtotal   |                           |                            |                               | <u>150,028</u> | <u>52,176</u>                |
| HEALTH INS INFORMATN SHIP  | 93.324                    | DHS                        | 560432                        | 3,373          | -                            |
| Maternal, Infant, and Early Childhood Home Visiting Cluster        |                           |                            |                               |                |                              |
| Home Visiting Program  | 93.505                    | DCF                        | 1008                          | 923,583        | 923,583                      |
| Total Maternal, Infant, and Early Childhood Home Visiting Cluster  |                           |                            |                               | <u>923,583</u> | <u>923,583</u>               |
| Promoting Safe and Stable Families                                 | 93.556                    | DCF                        | 3306                          | 62,341         | -                            |

See notes to schedule of expenditures of federal and state awards.

**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2017

| Grantor Agency /<br>Program Title  | Federal<br>CFDA<br>Number | Pass-<br>Through<br>Agency | Pass-<br>Through<br>Agency ID    | Expenditures         | Payments to<br>Subrecipients |
|--|---------------------------|----------------------------|----------------------------------|----------------------|------------------------------|
| <b>FEDERAL PROGRAMS (cont.)</b>  |                           |                            |                                  |                      |                              |
| <b>U. S. Department of Health and Human Services (cont.)</b>                   |                           |                            |                                  |                      |                              |
| TANF Cluster   |                           |                            |                                  |                      |                              |
| Block Grants for Temporary Assistance for Needy Families                       | 93.558                    | DHS                        | 561, 852, 3377, 3380             | \$ 2,114,813         | \$ -                         |
| Total TANF Cluster   |                           |                            |                                  | <u>2,114,813</u>     | <u>-</u>                     |
| Child Support Enforcement  | 93.563                    | DCF                        | 701, 7477, 7482, 7506, 7588      | 2,352,062            | -                            |
| Low Income Home Energy Assistance Block Grant                                  | 93.568                    | DOA                        | AD1599972.51                     | 314,045              | -                            |
| CCDF Cluster   |                           |                            |                                  |                      |                              |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596                    | DCF                        | 831, 840, 852                    | 531,674              | -                            |
| Total CCDF Cluster   |                           |                            |                                  | <u>531,674</u>       | <u>-</u>                     |
| Child Welfare Service Grants - State Grants                                    | 93.645                    | DCF                        | 3413, 3561, 3681                 | 176,963              | -                            |
| Foster Care - Title IV-E   | 93.658                    | DCF                        | 3413, 3554, 3561, 3681           | 1,679,076            | -                            |
| ARRA-Adoption Assistance   | 93.659                    | DCF                        | 3574                             | 52,294               | -                            |
| Social Services Block Grant  | 93.667                    | DHS                        | 561                              | 958,047              | -                            |
| Chafee Foster Care Independence Program  | 93.674                    | DCF                        | 3360A                            | 41,985               | -                            |
| Children's Health Insurance Program  | 93.767                    | DHS                        | 277                              | 103,178              | -                            |
| Medicaid Cluster   |                           |                            |                                  |                      |                              |
| Medical Assistance Program   | 93.778                    | DHS                        | 878, 881, 560081, 560087, 560091 | 1,867,550            | -                            |
| Medical Assistance Program - CLTS  | 93.778                    | DHS                        | 872, 878, 881                    | 817,092              | -                            |
| Total Medicaid Cluster   |                           |                            |                                  | <u>2,684,642</u>     | <u>-</u>                     |
| Block Grants for Community Mental Health Services                              | 93.958                    | DHS                        | 515, 569                         | 120,307              | -                            |
| Block Grants for Prevention and Treatment of Substance Abuse                   | 93.959                    | DHS                        | 570, 586, 589                    | 582,506              | -                            |
| Total U.S. Department of Health and Human Services                             |                           |                            |                                  | <u>13,569,277</u>    | <u>975,759</u>               |
| <b>U.S. Department of Homeland Security</b>                                    |                           |                            |                                  |                      |                              |
| Emergency Management Performance Grants  | 97.042                    | DMA                        | 4040-0007                        | 85,949               | -                            |
| Total U.S. Department of Homeland Security                                     |                           |                            |                                  | <u>85,949</u>        | <u>-</u>                     |
| <b>TOTAL FEDERAL PROGRAMS</b>  |                           |                            |                                  | <u>\$ 16,916,507</u> | <u>\$ 1,165,762</u>          |

See notes to schedule of expenditures of federal and state awards.



**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2017

| Grantor Agency /<br>Program Title   | State ID<br>Number | Pass-<br>Through<br>Agency | Pass-<br>Through<br>Agency/Grant ID | Expenditures   | Payments to<br>Subrecipients |
|---|--------------------|----------------------------|-------------------------------------|----------------|------------------------------|
| <b>STATE PROGRAMS</b>   |                    |                            |                                     |                |                              |
| <b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b> |                    |                            |                                     |                |                              |
| County Staff and Support  | 115.150            | N/A                        | 9214-17-52-00                       | \$ 130,054     | \$ -                         |
| Land and Water Resource Management  | 115.400            | N/A                        | 9214-17-52-00                       | <u>52,084</u>  | <u>-</u>                     |
| Total Wisconsin Department of Agriculture, Trade, and Consumer Protection |                    |                            |                                     | <u>182,138</u> | <u>-</u>                     |
| <b>Wisconsin Department of Natural Resources</b>                          |                    |                            |                                     |                |                              |
| Recreational Aids - Snowmobile Trail and Area                             | 370.485            | N/A                        | S-4768                              | 44,417         | -                            |
| Water Safety Aid  | 370.550            | N/A                        | 227.52                              | 41,328         | -                            |
| Wildlife Damage Claim and Abatement                                       | 370.553            | N/A                        | 1472550044RA                        | <u>858</u>     | <u>-</u>                     |
| Total Wisconsin Department of Natural Resources                           |                    |                            |                                     | <u>86,603</u>  | <u>-</u>                     |
| <b>Wisconsin Department of Transportation</b>                             |                    |                            |                                     |                |                              |
| Elderly and Handicapped County Aids                                       | 395.101            | N/A                        | N/A                                 | <u>463,134</u> | <u>-</u>                     |
| Total Wisconsin Department of Transportation                              |                    |                            |                                     | <u>463,134</u> | <u>-</u>                     |
| <b>Wisconsin Department of Corrections</b>                                |                    |                            |                                     |                |                              |
| State Probation & Parole Offenders  | 410.116            | N/A                        | 302.33(2)(a)3                       | <u>240,600</u> | <u>-</u>                     |
| Total Wisconsin Department of Corrections                                 |                    |                            |                                     | <u>240,600</u> | <u>-</u>                     |
| <b>Wisconsin Department of Health Services</b>                            |                    |                            |                                     |                |                              |
| Infant Mortality - Racine   | 435.11019          | City of Racine             | 110190                              | 254,803        | -                            |
| IMAA State Share ACA CY   | 435.276            | N/A                        | 276                                 | 60,918         | -                            |
| IMAA Fed Share ACA CY   | 435.277            | N/A                        | 277                                 | 414            | -                            |
| IMAA State Share  | 435.283            | N/A                        | 283                                 | 799,651        | -                            |
| IMAA Federal Share  | 435.284            | N/A                        | 284                                 | 21,695         | -                            |

See notes to schedule of expenditures of federal and state awards.

**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2017

| Grantor Agency /<br>Program Title                      | State ID<br>Number | Pass-<br>Through<br>Agency | Pass-<br>Through<br>Agency/Grant ID | Expenditures | Payments to<br>Subrecipients |
|--|--------------------|----------------------------|-------------------------------------|--------------|------------------------------|
| <b>STATE PROGRAMS (cont.)</b>                          |                    |                            |                                     |              |                              |
| <b>Wisconsin Department of Health Services (cont.)</b> |                    |                            |                                     |              |                              |
| Adult Protective Services                              | 435.312            | N/A                        | 312                                 | \$ 214,490   | \$ -                         |
| Children's Cop   | 435.377            | N/A                        | 377                                 | 158,533      | -                            |
| Alzheimer's Family Support                             | 435.381            | N/A                        | 381                                 | 83,912       | -                            |
| Coordinated Services County                            | 435.515            | N/A                        | 515                                 | 46,114       | -                            |
| Community Mental Health                                | 435.516            | N/A                        | 516                                 | 963,375      | -                            |
| Birth to Three Initiative                              | 435.550            | N/A                        | 550.000                             | 207,941      | -                            |
| Basic County Allocation                                | 435.561            | N/A                        | 561                                 | 5,473,366    | -                            |
| FPI NON-FED  | 435.600            | N/A                        | 60                                  | 36,568       | -                            |
| Base County Allocation - State Match                   | 435.681            | N/A                        | 681                                 | 225,853      | -                            |
| CLTS Other GPR   | 435.871            | N/A                        | 871                                 | 284,058      | -                            |
| CLTS Autism GPR  | 435.874            | N/A                        | 874                                 | 264,374      | -                            |
| CLTS Other CWA Admin GPR                               | 435.877            | N/A                        | 877                                 | 24,018       | -                            |
| IM REG PILOT Second 6MTHS                              | 435.880            | N/A                        | 880                                 | 22,342       | -                            |
| Aging & Dis Resource Ctr                               | 435.560100         | GWAAR                      | 560100                              | 1,115,970    | -                            |
| Benefit Specialist County                              | 435.560320         | GWAAR                      | 560320                              | 30,870       | -                            |
| EBS OCI Replacement                                    | 435.560327         | GWAAR                      | 560327                              | 14,017       | -                            |
| Senior Community Svs Prog                              | 435.560330         | GWAAR                      | 560330                              | 13,034       | -                            |
| Title 3C-1 Cong Meal Prog                              | 435.560350         | GWAAR                      | 560350                              | 76,727       | -                            |
| Title 3C-2 Home Meals                                  | 435.560360         | GWAAR                      | 560360                              | 29,660       | -                            |
| Elder Abuse Service                                    | 435.560490         | GWAAR                      | 560490                              | 65,013       | -                            |
|  |                    |                            |                                     | 10,487,716   | -                            |
| <b>Wisconsin Department of Children and Families</b>   |                    |                            |                                     |              |                              |
| CF Children First                                      | 437.070            | N/A                        | 700                                 | 184,434      | -                            |
| Food Stamp Agency Incentives                           | 437.0965           | N/A                        | 965                                 | 36,291       | -                            |
| AFDC Agency Incentives                                 | 437.0975           | N/A                        | 975                                 | 476          | -                            |
| Medicaid Agency Incentives                             | 437.098            | N/A                        | 980                                 | 12,507       | -                            |

See notes to schedule of expenditures of federal and state awards.

**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2017

| Grantor Agency /<br>Program Title                            | State ID<br>Number | Pass-<br>Through<br>Agency | Pass-<br>Through<br>Agency/Grant ID | Expenditures         | Payments to<br>Subrecipients |
|--|--------------------|----------------------------|-------------------------------------|----------------------|------------------------------|
| <b>STATE PROGRAMS (cont.)</b>                                |                    |                            |                                     |                      |                              |
| <b>Wisconsin Department of Children and Families (cont.)</b> |                    |                            |                                     |                      |                              |
| JJ Community Intervention Program                            | 437.341            | N/A                        | 3410                                | \$ 152,830           | \$ -                         |
| JJ AODA  | 437.3411           | N/A                        | 3411                                | 65,914               | -                            |
| JJ Early Intervention  | 437.3412           | N/A                        | 3412                                | 38,700               | -                            |
| JJ Youth Aids  | 437.3413           | N/A                        | 3413                                | 4,268,119            | -                            |
| Basic County Allocation                                      | 437.3561           | N/A                        | 3561                                | 1,482,193            | -                            |
| CW Children & Families Allocations                           | 437.3681           | N/A                        | 3681                                | 119,149              | -                            |
| PDS Partnership Fees   | 437.394            | N/A                        | 3940                                | (8,782)              | -                            |
| CS MSL Incentive Even FFY                                    | 437.7332           | N/A                        | 7332                                | 110,037              | -                            |
| CS State GPR Funding/PR Funding Allocation                   | 437.7502           | N/A                        | 7502                                | 426,078              | -                            |
| CS Medical Support GPR Earned Federal Match                  | 437.7606           | N/A                        | 7606                                | 9,236                | -                            |
| CS Federal Parent Locator Services                           | 437.7903           | N/A                        | 7903                                | (9,900)              | -                            |
| Total Wisconsin Department of Children and Families          |                    |                            |                                     | <u>6,887,282</u>     | <u>-</u>                     |
| <b>Wisconsin Department of Justice</b>                       |                    |                            |                                     |                      |                              |
| JDAI - Annie E Casey Foundation                              | 455.xxx            | N/A                        | 2014-JD-01-12286                    | 2,619                | -                            |
| Victim Witness   | 455.532            | N/A                        | DJ-CVS-27                           | <u>202,963</u>       | <u>-</u>                     |
| Total Wisconsin Department of Justice                        |                    |                            |                                     | <u>205,582</u>       | <u>-</u>                     |
| <b>Wisconsin Department of Military Affairs</b>              |                    |                            |                                     |                      |                              |
| Emergency Planning Grant                                     | 465.337            | N/A                        | 4040-0007                           | <u>27,181</u>        | <u>-</u>                     |
| Total Wisconsin Department of Military Affairs               |                    |                            |                                     | <u>27,181</u>        | <u>-</u>                     |
| <b>Wisconsin Department of Administration</b>                |                    |                            |                                     |                      |                              |
| Land Information Program Aid to Counties                     | 505.166            | N/A                        | AD179103                            | 25,000               | -                            |
| Public Utility Benefits Program                              | 505.371            | N/A                        | AD1599973.51                        | 266,737              | 266,737                      |
| State Task Force Operation                                   | 505.630            | N/A                        | 2016-DJ-01-12233                    | <u>86,616</u>        | <u>60,313</u>                |
| Total Wisconsin Department of Administration                 |                    |                            |                                     | <u>378,353</u>       | <u>327,050</u>               |
| <b>TOTAL STATE PROGRAMS</b>                                  |                    |                            |                                     | <u>\$ 18,958,589</u> | <u>\$ 327,050</u>            |

See notes to schedule of expenditures of federal and state awards.

## COUNTY OF RACINE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2017

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

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The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state grant activity of the County of Racine under programs of the federal and state government for the year ended December 31, 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) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of the County of Racine, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Racine.

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

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Expenditures reported on the schedule are reported on the accrual or 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. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

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#### **NOTE 3 – CARS/SPARC REPORT DATES**

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The Schedule of Expenditures of Federal and State Awards includes adjustments through the June 1, 2018 Community Aids Reporting System (CARS) reports and the December 31, 2017 SPARC report.

## COUNTY OF RACINE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2017

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#### **NOTE 4 – PASS-THROUGH ENTITIES**

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Federal and state awards have been passed through the following entities:

|                |   |
|----------------|---|
| DPI            | Wisconsin Department of Public Instruction    |
| DHS            | Wisconsin Department of Human Services        |
| Kenosha Cty    | Kenosha County, Wisconsin                     |
| DOA            | Wisconsin Department of Administration        |
| DOJ            | Wisconsin Department of Justice               |
| City of Racine | City of Racine, Wisconsin                     |
| DOT            | Wisconsin Department of Transportation        |
| DCF            | Wisconsin Department of Children and Families |
| DWD            | Wisconsin Department of Workforce Development |
| GWAAR          | Greater Wisconsin Agency on Aging Resources   |
| DMA            | Wisconsin Department of Military Affairs      |

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#### **NOTE 5 – INDIRECT COST RATE**

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The County of Racine has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

**COUNTY OF RACINE**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2017

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***FINANCIAL STATEMENTS***

Type of auditors’ report issued on whether the financial statements were prepared in accordance with GAAP:

*unmodified*

Internal control over financial reporting:

- > Material weakness(es) identified?                      X   yes           no
- > Significant deficiencies identified that are not considered to be material weaknesses?                           yes      X   none reported

Noncompliance material to basic financial statements noted?

       yes      X   no

***FEDERAL AND STATE AWARDS***

Internal control over major programs:

- |  | <u>Federal Programs</u>                      | <u>State Programs</u>                        |
|--|--|--|
| > Material weakness(es) identified?  | <u>      </u> yes <u>  X  </u> no            | <u>      </u> yes <u>  X  </u> no            |
| > Significant deficiencies identified that are not considered to be material weakness(es)? | <u>      </u> yes <u>  X  </u> none reported | <u>      </u> yes <u>  X  </u> none reported |

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

*unmodified*

*unmodified*

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

       yes   X   no                      X   yes        no

Auditee qualified as low-risk auditee?

       yes   X   no                           yes   X   no

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

\$ 750,000

Dollar threshold used to distinguish between Wisconsin Department of Health Services type A and type B programs:

\$ 563,734

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

\$ 250,000

## COUNTY OF RACINE

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2017

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#### SECTION I – SUMMARY OF AUDITORS' RESULTS (cont.)

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##### *FEDERAL AND STATE AWARDS (cont.)*

Identification of major federal programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u>   |
|---------------------|---|
| 10.561              | SNAP Cluster – State Administration Matching Grants for the Supplemental Nutrition Assistance Program |
| 93.505              | Home Visiting Program   |
| 93.563              | Child Support Enforcement   |
| 93.778              | Medicaid Cluster – Medical Assistance Program   |

Identification of major state programs:

| <u>State ID Numbers</u> | <u>Name of State Program</u>               |
|-------------------------|--|
| 435.561                 | Basic County Allocation                    |
| 435.681                 | Basic County Allocation – State Match      |
| 437.3561                | Base County Allocation                     |
| 437.3681                | CW Children & Families Allocation          |
| 437.7502                | CS State GPR Funding/PR Funding Allocation |
| 505.371                 | Public Utility Benefits Program            |

## COUNTY OF RACINE

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2017

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

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##### ***FINDING 2017-001: INTERNAL CONTROL OVER FINANCIAL REPORTING***

##### ***REPEAT OF FINDING 2016-001***

##### ***Material Journal Entries and Preparation of Financial Statements***

**Criteria:** AU-C Section 265 requires auditors to report a material weakness if material journal entries are identified by the auditors, material changes are made to the schedule of expenditures of federal and state awards, or the auditor prepares the annual financial statements and footnotes.

**Condition:** Material journal entries were identified during the course of the audit. Also, as your auditors, we prepared the County of Racine's annual financial statements.

**Cause:** Due to limited resources, County of Racine staff was not able to identify certain adjustments to the County of Racine's books and the County of Racine contracted with the auditors to prepare the financial statements.

**Effect:** The financial statements need to contain all of the required disclosures and account balances without material changes by the auditors.

**Recommendation:** We recommend that the County of Racine put in place procedures in order to reduce the risk of material adjustments as well as determining if resources would be available to prepare a complete set of financial statements.

**Management's Response:** Due to staffing changes and moving to a new financial system, staff has continued to contract with the auditors to prepare the County's financial statements. Management will work with auditors on the preparation of financial statements in future audits with the goal of completing the County of Racine's annual financial statements in house without auditor assistance. Current processes are being reviewed to and will be updated to ensure proper internal controls are in place and procedures are being followed to make all closing entries properly and in a timely matter.



## COUNTY OF RACINE

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2017

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

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##### *FINDING 2017-002*

##### **REPEAT FINDING: 2016-003**

**State ID Number and Title:**

N/A General Requirements

**State Grantor:**

Wisconsin Department of Children and Families

**Criteria:** Program requirements as identified in the Department of Children and Family Services General Requirements identify specific tests that auditors should perform related to the Random Moment Sampling (RMS) system. Those procedures include verifying documentation supporting the RMS responses provided by the County of Racine.

**Condition/Context:** Out of 40 responses tested, we found one response that did not contain supporting documentation for the date and time of the response. The sample was not a statistically valid sample.

**Cause:** The County of Racine did not ensure that the RMS response was properly documented and supported.

**Effect:** The caseworker could be working on a different program than what the RMS sample states which could result in the inaccurate allocation of expenditures to affected programs.

**Questioned Costs:** None noted.

**Recommendation:** We recommend internal review of procedures for ensuring that RMS responses are supported by underlying records.

**Management's Response:** The Income Maintenance Consortium regularly provides individual, group, and Consortium trainings which are relevant to the operations and workload management. In those trainings, the importance of good documentation of RMS responses is emphasized. Income Maintenance has a large workload and staffing levels are challenging, however, management is confident that by continuing to address the importance and role of proper responses and documentation, this discrepancy can be mitigated in the future.



|                  |                                     |                    |
|------------------|-------------------------------------|--------------------|
| YEAR <u>2018</u> | <input checked="" type="checkbox"/> | Resolution Request |
|                  | <input type="checkbox"/>            | Ordinance Request  |
|                  | <input type="checkbox"/>            | Report Request     |

Requestor/Originator: John Serketich - Corporation Counsel

Committee/Individual Sponsoring: Finance & Human Resources

Committee: 10/3/2018 be Introduced: 10/9/2018

1st Reading:  1st & 2nd Reading:  \*

\* Include a paragraph in the memo regarding why 1st & 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Resolution by the Finance & Human Resources Committee Authorizing the County Treasurer to Cancel All  
Unpaid Penalties and Interest on the Taxes Due for the Property Located at 1236 Thirteenth Street  
Purasant to Wis. Stat § 75.105

**SUBJECT MATTER:**

**The attached memo describes in detail the nature of resolution /ordinance /report**

**Any request which requires the expenditure or transfer of funds must be**

THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.

**The Committee believes that this action furthers the following goals:**

- Make Racine County the most accessible county in Wisconsin for business to grow, develop and create family supporting jobs.
- Develop a system that encourages employees, elected officials and citizens to suggest ideas for service enhancement and productivity improvements including a measurement of customer satisfaction.
- Foster an environment where intergovernmental cooperation is encouraged to produce better services & efficiencies.
- Reduce or limit the growth of the tax levy as set forth in Resolution No. 2002-59S.
- To make Racine County a healthy, safe, clean, crime-free community and environment.

MEMORANDUM

**TO:** JONATHAN DELAGRAVE, RACINE COUNTY EXECUTIVE  
JANE NIKOLAI, RACINE COUNTY TREASURER

**FROM:** AMY CONNOLLY, DIRECTOR OF CITY DEVELOPMENT, CITY OF RACINE  
LAURA MILLION, BUSINESS DEVELOPMENT MANAGER, RCEDC

**RE:** REQUEST TO WAIVE UNPAID PENALTIES AND INTEREST FOR 1236 THIRTEENTH STREET

**DATE:** SEPTEMBER 26, 2018

This memorandum was prepared to provide an overview of the property at 1236 Thirteenth Street, the challenges associated with the property and the opportunity to secure a new owner and attract a new tenant to the site. Action by Racine County under Wis Stats §75.105 to waive unpaid penalties and interest on the site is being requested to facilitate reuse of the property.

**SITE HISTORY**

In June 2017, Imperial Laundry Services, which held a long term lease at 1236 Thirteenth Street, filed for receivership. The filing was the 2<sup>nd</sup> and final time the 26 year old company filed for receivership. In September 2017, the company's equipment assets were liquidated and 121 employees were notified that their positions would end.

Located in the City of Racine's Uptown area, the building is currently unoccupied. The property owner, Van Maren Investments, Limited, engaged a broker to sell the 32,224 SF concrete block warehouse building. The property is listed for \$389,900 and has an accepted offer of \$309,000.

It should be noted that the building owner and the previous building occupant are different entities and are not related.

**PROPERTY CHALLENGES**

Under Imperial Laundry Services triple net lease with Van Maren Investments, the company was required to pay property taxes and utility bills for 1236 Thirteenth Street. Included in Imperial Laundry Services' unpaid debts associated with the property are \$107,262.48 in taxes, \$108,878.10 in special charges, and \$228,905.28 in utility bills for 2011-2017.

| Property Debts 2011-2017                  | Amounts             |
|---|---------------------|
| Back Taxes                                | \$107,262.48        |
| Special Charges (Interest and Penalties)* | \$108,878.10        |
| Delinquent Utility Bills                  | \$228,905.28        |
| <b>Total Due to City and County</b>       | <b>\$445,045.86</b> |
| *As of October 31, 2018                   |                     |

It should be noted that in 2016, Racine County initiated an in rem tax foreclosure suit against 1236 Thirteenth Street that resulted in Imperial Laundry entering into a payment plan that collected \$78,679.50 prior to Imperial Laundry going into receivership in 2017. Of those funds collected, the County followed the statutory formula on applying delinquent payments. The result was that the County paid the Racine Waterworks Commission and the City over \$66,000 to cover \$39,097.95 for an outstanding water bill, \$2,264.26 in special assessments, and \$24,878.19 in interest on those outstanding bills and charges dating back to 2011. The County net proceeds from the collected payments totaled \$12,439.10 in penalties.

### **BUSINESS PROSPECT**

The City of Racine and RCEDC have engaged with a potential buyer for 1236 Thirteenth Street and the building owner has received an offer to purchase for the site. The prospect business, a small clothing manufacturer that sells its product through e-commerce sites, is currently located in Zion, IL. The company employs 15 and expects to add 3 positions in the first year of locating in Wisconsin and 6-10 positions within the next 5 years. If the prospect company moves forward with purchase of the building, the company anticipates investing an additional \$100,000 to \$160,000 in renovation costs and equipment at the site over and above a negotiated purchase of the building. The building also will require replacement of the roof at a cost of \$80,000.

### **PROPERTY OWNER REQUEST**

The back taxes and unpaid utility bills are a significant impediment to selling the building to the prospect business or any future prospects that may seek to purchase the site. To reduce the barrier, the City of Racine's Water and Wastewater Commissions agreed to waive \$178,905.28 of the \$228,905.28 at the September 25 meeting. The seller is responsible for paying \$50,000 toward the unpaid bill.

Action by the County is also being requested by the property owner. The request is for the County to waive 100% of the outstanding penalties and interest charges for 1236 Thirteenth St, estimated at \$108,878.10. The unpaid back taxes for 2011-2017 totaling \$107,262.48 would be paid by the property owner upon sale of the property. Action by the County would be allowable under Wis Stats §75.105 subject to conditions noted by Wisconsin DNR be completed by the new buyer of the property. Initial findings from a Phase II Environmental Assessment and discussions with Wisconsin DNR indicate that this action would be supported.

### **SUMMARY**

All parties want to prevent continued accumulation of unpaid encumbrances on the site that lead to a long term vacancy and blight in the Uptown area. The environmental assessment of the property documents contamination, and if the property does not transfer to new ownership, it is likely to fall into further disrepair and compound existing blighted conditions in the area. Conversely, if the penalties and interest are waived to allow the pending sale, the property is likely to be maintained and improve the neighborhood and tax base.

Securing a new property owner for 1236 Thirteenth Street will provide significant benefit to the community and the surrounding area including improving property maintenance, payment of property taxes and utility bills, and provision of new job opportunities to area residents.

RCEDC and the City respectfully request the County's consider approval of this request.