

## **COUNTY OF RACINE**

Racine, Wisconsin

### REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2019

# 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, 2019, 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 29, 2020.

**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 2019-001, 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*.

## **The 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.

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

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)  
Milwaukee, Wisconsin  
July 29, 2020

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, 2019. 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, 2019.

### **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, 2019, 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 29, 2020, 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

*Baker Tilly US, LLP*

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)  
Milwaukee, Wisconsin  
September 22, 2020

**COUNTY OF RACINE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS</b>					
<b>U. S. Department of Agriculture</b>					
Child Nutrition Cluster					
School Breakfast Program	10.553	DPI	515370	\$ 22,722	\$ -
National School Lunch Program	10.555	DPI	515370	37,901	-
Total Child Nutrition Cluster				<u>60,623</u>	<u>-</u>
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	277, 284	718,588	-
Total SNAP Cluster				<u>718,588</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>779,211</u>	<u>-</u>
<b>U.S. Department of Justice</b>					
CEASE Grant	16.000	DOJ	N/A	2,516	299
Missing Children's Assistance	16.543	DOJ	N/A	9,300	-
Crime Victim Assistance	16.575	DOJ	12149	108,753	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ	2018-TD-04	121,228	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ	2017-DJ-01-14929	125,085	85,904
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ	GL-20307-52200	17,884	-
Subtotal				<u>264,197</u>	<u>85,904</u>
Total U.S. Department of Justice				<u>384,766</u>	<u>86,203</u>
<b>U.S. Department of Labor</b>					
WIA/WIOA Cluster					
WIOA Adult Program	17.258	DWD	DWD-RCHSD-WIOA-MULTI-18-19	122,016	-
WIOA Youth Activities	17.259	DWD	DWD-RCHSD-WIOA-MULTI-18-19	136,305	-
WIOA Dislocated Worker Formula Grants	17.278	DWD	DWD-RCHSD-WIOA-MULTI-18-19	85,646	-
Total WIA/WIOA Cluster				<u>343,967</u>	<u>-</u>
H-1B Job Training Grants	17.268	Kenosha Cty	DWD-RCHSD-WIOA-MULTI-18-19	571,732	-
Total U.S. Department of Labor				<u>915,699</u>	<u>-</u>

See accompanying 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, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>U.S. Department of Transportation</b>					
Transit Services Programs Cluster					
New Freedom (Enhanced Mobility)	20.513	DOT	1245-2018-1	\$ 65,641	\$ -
Total Transit Service Programs Cluster				<u>65,641</u>	<u>-</u>
Highway Safety Cluster					
Speed Enforcement	20.600	DOT	FG-2019-RACINE C-4787	50,405	25,576
Mobilization Equipment Grant	20.600	DOT	FG-2019-RACINE C-04659	3,995	-
Subtotal				<u>54,400</u>	<u>25,576</u>
Alcohol Impaired Driving Countermeasures Grants	20.601	DOT	FG-2019-RACINE C-04189	44,670	3,419
Alcohol Impaired Driving Countermeasures Grants	20.601	DOT	FG-2020-RACINE C-04189	4,631	3,915
Subtotal				<u>49,301</u>	<u>7,334</u>
Occupant Protection Incentive Grant (Seatbelt Enforcement)	20.602	DOT	FG-2019-RACINE C-04205	31,609	18,418
Occupant Protection Incentive Grant (Seatbelt Enforcement)	20.602	DOT	FG-2020-RACINE C-04205	9,112	5,506
Subtotal				<u>40,721</u>	<u>23,924</u>
Total Highway Safety Cluster				<u>144,422</u>	<u>56,834</u>
Total U.S. Department of Transportation				<u>210,063</u>	<u>56,834</u>
<b>U.S. Department of Education</b>					
Special Education-Grants for Infants and Families	84.181	DHS	550	214,113	-
Total U.S. Department of Education				<u>214,113</u>	<u>-</u>
<b>U. S. Department of Health and Human Services</b>					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	DHS	560510	4,897	-
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	DHS	560340	190,019	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	DHS	560350, 560360	418,768	-
Nutrition Services Incentive Program	93.053	DHS	560422	67,400	-
Total Aging Cluster				<u>676,187</u>	<u>-</u>

See accompanying 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, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>U. S. Department of Health and Human Services (cont.)</b>					
National Family Caregiver Support, Title III, Part E	93.052	DHS	560520	\$ 91,155	\$ -
Medicare Enrollment Assistance Program	93.071	DHS	560620	12,289	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	DHS	533184	153,962	-
Anti-Heroin Task Force Grant	93.276	DOJ	455COPSHEROIN15	58,734	38,997
Anti-Heroin Task Force Vent Hood Grant	93.276	DOJ	455COPSHEROIN18	4,040	-
High Intensity Drug Traffic Area DOJ Grant	93.276	DOJ	B0324P1	111,601	13,165
Subtotal				<u>174,375</u>	<u>52,162</u>
State Health Insurance Assistance Program	93.324	DHS	560432	3,486	-
Promoting Safe and Stable Families	93.556	DCF	3306	82,072	-
TANF Cluster					
Temporary Assistance for Needy Families	93.558	DHS	561	506,767	-
Temporary Assistance for Needy Families	93.558	DCF	1008, 3612A	295,796	-
Total TANF Cluster				<u>802,563</u>	<u>-</u>
Child Support Enforcement	93.563	DCF	701, 7477, 7482, 7506, 7588	3,201,018	-
Low Income Home Energy Assistance Block Grant	93.568	DOA	AD1599973.51	330,748	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	831, 840, 852	998,286	-
Total CCDF Cluster				<u>998,286</u>	<u>-</u>
Adoption and Legal Guardianship Incentive Payments	93.603	DCF	3394, 3394A	800	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	3413, 3561, 3681	185,096	-
Foster Care - Title IV-E	93.658	DCF	3396, 3413, 3554, 3561, 3681	1,827,130	-
Adoption Assistance	93.659	DCF	3574	34,049	-
Social Services Block Grant	93.667	DHS	561	943,399	-
Children's Health Insurance Program	93.767	DHS	284	90,702	-

See accompanying 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, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>U. S. Department of Health and Human Services (cont.)</b>					
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	878, 560081, 560087, 560091	\$ 2,067,062	\$ -
Medical Assistance Program - CLTS	93.778	DHS	872, 875	1,168,124	-
Medical Assistance Program - WIMCR	93.778	DHS	561	154,380	-
Total Medicaid Cluster				<u>3,389,566</u>	<u>-</u>
Opioid STR	93.788	DHS	515, 569	250,587	-
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	DCF	1008	481,263	-
Block Grants for Community Mental Health Services	93.958	DHS	570, 586, 589	122,526	-
Block Grants for Community Mental Health Services	93.958	DHS	570, 586, 589	47,977	-
Subtotal				<u>170,503</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	533118	478,605	-
Total U.S. Department of Health and Human Services				<u>14,382,738</u>	<u>52,162</u>
<b>U.S. Department of Homeland Security</b>					
Emergency Management Performance Grant	97.042	DOJ	4040-0007	98,790	-
Total U.S. Department of Homeland Security				<u>98,790</u>	<u>-</u>
<b>TOTAL FEDERAL PROGRAMS</b>				<u>\$ 16,985,380</u>	<u>\$ 195,199</u>

See accompanying 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, 2019

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency/Grant ID	Expenditures	Payments to 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	\$ 134,085	\$ -
Land and Water Resource Management	115.400	N/A	9214-17-52-00	<u>136,248</u>	<u>-</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection				<u>270,333</u>	<u>-</u>
<b>Wisconsin Department of Natural Resources</b>					
Recreational Aids - Snowmobile Trail and Area	370.485	N/A	S-5268	55,230	-
Water Safety Aid	370.550	N/A	227.52	<u>41,319</u>	<u>-</u>
Total Wisconsin Department of Natural Resources				<u>96,549</u>	<u>-</u>
<b>Wisconsin Department of Transportation</b>					
Elderly and Handicapped County Aids	395.101	N/A	N/A	<u>480,176</u>	<u>-</u>
Total Wisconsin Department of Transportation				<u>480,176</u>	<u>-</u>
<b>Wisconsin Department of Corrections</b>					
Windows to Work	410.112	Kenosha Cty	N/A	<u>112,939</u>	<u>-</u>
Total Wisconsin Department of Corrections				<u>112,939</u>	<u>-</u>
<b>Wisconsin Department of Health Services</b>					
Infant Mortality - Racine	435.110190	City of Racine	110190	135,022	-
IMAA State Share	435.283	N/A	283	860,570	-
IMAA Federal Share	435.284	N/A	284	11,338	-
Adult Protective Services	435.312	N/A	312	214,490	-
CHILDREN'S COP	435.377	N/A	377	121,649	-
Alzheimer's Family Support	435.381	N/A	381	78,771	-
Coordinated Services County	435.515	N/A	515	50,586	-
Community Mental Health	435.516	N/A	516	963,375	-
Non-Resident Reimbursement	435.531	N/A	531	(9,312)	-
Birth to Three Initiative	435.550	N/A	550	205,716	205,716
Basic County Allocation	435.561	N/A	561	5,425,918	-
FPI NON-FED	435.600	N/A	60	55,547	-

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, 2019

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency/Grant ID	Expenditures	Payments to Subrecipients
<b>Wisconsin Department of Health Services (cont.)</b>					
Basic County Allocation - State Match	435.681	N/A	681	\$ 726,575	\$ -
CLTS Waiver GPR	435.871	N/A	871	583,126	-
CLTS Grandfather GPR	435.874	N/A	874	216,380	-
CLTS Other CWA Admin GPR	435.877	N/A	877	60,759	-
IM REG PILOT Second 6MTHS	435.880	N/A	880	17,322	-
Mat in a Jail Setting	435.533264	GWAAR	533264	132,697	-
Resource Ctr MA I&A GPR	435.560088	GWAAR	560088	(75,135)	-
Resource Ctr Screen GPR	435.560092	GWAAR	560092	(19,406)	-
ADRC Other Expenses	435.560095	GWAAR	560095	(35,367)	-
Aging & Dis Resource Ctr	435.560100	GWAAR	560100	1,148,614	-
Benefit Specialist County	435.560320	GWAAR	560320	32,078	-
EBS OCI Replacement	435.560327	GWAAR	560327	9,725	-
Senior Community Svs Prog	435.560330	GWAAR	560330	13,034	-
Title 3C-1 Cong Meal Prog	435.560350	GWAAR	560350	155,245	-
Title 3C-2 Home Meals	435.560360	GWAAR	560360	18,203	-
Elder Abuse Service	435.560490	GWAAR	560490	65,013	-
Total Wisconsin Department of Health Services				<u>11,162,533</u>	<u>205,716</u>
<b>Wisconsin Department of Children and Families</b>					
CF Children First	437.0700	N/A	700	113,104	-
Food Stamp Agency Incentives	437.0965	N/A	965	31,562	-
Child Support Fingerprint	437.0961	N/A	961	1,044	-
AFDC Agency Incentives	437.0975	N/A	975	230	-
Medicaid Agency Incentives	437.0980	N/A	980	23,415	-
OTH - Family Foundations Comprehensive Home Visitation Program	437.1008	N/A	1008	60,158	-
BFI - SABG	437.1401	N/A	1401	135,270	-
CW Kinship Care Program - Benefits	437.3377	N/A	3377	1,010,022	-
CW Kinship Care Program - Assessment	437.3380	N/A	3380	89,793	-
Youth Justice Innovation Grants 2018-19	437.3407	N/A	3407	250,000	-
JJ Community Intervention Program	437.3410	N/A	3410	133,149	-
JJ AODA	437.3411	N/A	3411	69,984	-
JJ Youth Aids	437.3413	N/A	3413	3,595,510	-
Basic County Allocation	437.3561	N/A	3561	1,626,273	-
CW Children & Families Allocations	437.3681	N/A	3681	129,650	-
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	N/A	3720	1,176	-
CW WSACWIS Annual Op Maint Fee	437.3935	N/A	3935	(26,423)	-
PDS Partnership Fees	437.3940	N/A	3940	(8,782)	-

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, 2019

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency/Grant ID	Expenditures	Payments to Subrecipients
<b>Wisconsin Department of Children and Families (cont.)</b>					
Youth Specific Case Management Systems Fee	437.3945	N/A	3945	\$ (38,000)	\$ -
CS State GPR Funding/PR Funding Allocation	437.7502	N/A	7502	414,958	-
Five County Demonstration Project	437.7702	N/A	7702	2,986	-
CS Medical Support GPR Earned Federal Match	437.7606	N/A	7606	<u>11,895</u>	-
Total Wisconsin Department of Children and Families				<u>7,626,974</u>	-
<b>Wisconsin Department of Workforce Development</b>					
Fast Forward Training Grant	445.109	N/A	FF182ML13550	<u>155,749</u>	-
Total Wisconsin Department of Workforce Development				<u>155,749</u>	-
<b>Wisconsin Department of Justice</b>					
JDAI - Annie E Casey Foundation	455.XXX	N/A	2014-JD-01-12286	998	-
Victim Witness	455.532	N/A	DJ-CVS-27	<u>209,558</u>	-
Total Wisconsin Department of Justice				<u>210,556</u>	-
<b>Wisconsin Department of Military Affairs</b>					
Emergency Planning Grant	465.337	N/A	4040-0007	<u>36,280</u>	-
Total Wisconsin Department of Military Affairs				<u>36,280</u>	-
<b>Wisconsin Department of Administration</b>					
Public Utility Benefits Program	505.371	N/A	AD1599973.51	202,716	-
Land Information Board Grants	505.438	N/A	AD199102	7,500	-
State Task Force Operation	505.630	N/A	2017-DJ-01-14929	86,616	59,893
State Task Force Operation Equipment Grant	505.630	N/A	2019-DT-1-14940	<u>50,000</u>	<u>39,809</u>
Subtotal				<u>136,616</u>	<u>99,702</u>
Total Wisconsin Department of Administration				<u>346,832</u>	<u>99,702</u>
<b>TOTAL STATE PROGRAMS</b>				<u>\$ 20,498,921</u>	<u>\$ 305,418</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, 2019

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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, 2019. 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, 2020 Community Aids Reporting System (CARS) reports and the December 31, 2019 SPARC report.

## COUNTY OF RACINE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2019

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

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

DHS	Wisconsin Department of Human Services
DPI	Wisconsin Department of Public Instruction
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

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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, 2019

#### 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:

- |  | Federal Programs                             | State Programs                               |
|--|--|--|
| > 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        yes   X   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:

\$ 566,020

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, 2019

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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>
93.563	Child Support Enforcement
93.667	Social Services Block Grant
93.778	Medicaid Cluster – Medical Assistance Program

Identification of major state programs:

<u>State ID Numbers</u>	<u>Name of State Program</u>
115.150	County Staff and Support
115.400	Land and Water Resource Management
435.516	Community Mental Health
435.561	Basic County Allocation
435.681	Basic County Allocation – State Match
435.871	CLTS Waiver GPR
437.3561	Basic County Allocation
437.3681	CW Children & Families Allocation
437.7502	CS State GPR Funding

## COUNTY OF RACINE

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

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

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##### ***FINDING 2019-001: INTERNAL CONTROL OVER FINANCIAL REPORTING***

##### ***REPEAT OF FINDING 2018-001***

##### ***Preparation of Financial Statements***

**Criteria:** According to Statement on Auditing Standards AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, sufficient internal controls should be in place that provide for the preparation of reliable financial statements including the schedule of federal and state awards, that are fairly presented in conformity with generally accepted accounting principles. Sufficient internal controls should exist to prevent, or detect and correct, misstatements on a timely basis.

**Condition:** Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes and an independent review of financial reports. Management has not prepared financial statements that are in conformity with generally accepted accounting principles.

**Cause:** Due to limited resources, the County of Racine contracted with the auditors to prepare the financial statements.

**Effect:** The auditors prepared the financial statements which presents risks over financial reporting that errors may occur and not be detected.

**Recommendation:** We recommend that the County of Racine put in place procedures to determine if resources would be available to prepare a complete set of financial statements without material changes.

**Management's Response:** We feel that our Finance Department has sufficient internal controls in place to either prevent, or detect and correct, misstatements in a timely manner, and provide for the preparation of reliable financial statements which are fairly presented in conformity with generally accepted accounting principles. Due to tight budget constraints, the County does not have the necessary resources to prepare its financial statements in-house, and therefore contracts the work out to Baker Tilly for a reasonable fee.

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

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No findings were reported.

# COUNTY OF RACINE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

### SECTION IV – OTHER ISSUES

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? \_\_\_\_\_ yes        X   no

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Health Services	_____	yes	<u>  X  </u>	no
Department of Children and Families	_____	yes	<u>  X  </u>	no
Department of Agriculture, Trade and Consumer Protection	_____	yes	<u>  X  </u>	no
Department of Justice	_____	yes	<u>  X  </u>	no
Department of Military Affairs	_____	yes	<u>  X  </u>	no
Department of Corrections	_____	yes	<u>  X  </u>	no
Department of Transportation	_____	yes	<u>  X  </u>	no
Department of Administration	_____	yes	<u>  X  </u>	no
Department of Natural Resources	_____	yes	<u>  X  </u>	no
Department of Workforce Development	_____	Yes	<u>  X  </u>	no

Was a Management Letter or other document conveying audit comments issued as a result of this audit?   X   yes      \_\_\_\_\_ no

Name and signature of partner



Amanda R. Blomberg, CPA, Firm Director

Date of report

September 22, 2020