

County of Racine

Report on Federal and State Awards

December 31, 2021

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 of
County of Racine, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Racine, Wisconsin (the County), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 23, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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.

Madison, Wisconsin
July 23, 2022

**Report on Compliance
for Each Major Federal and Major State Program;
Report on Internal Control Over Compliance; and
Report on the 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 of
County of Racine, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited the County of Racine's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the County's major federal and major state programs for the year ended December 31, 2021. The County's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 *Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 *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 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 as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 23, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic 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 *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 basic 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 US, LLP

Madison, Wisconsin
September 27, 2022

County of Racine

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
Federal Programs					
U. S. Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	10.553	DPI	515370	\$ 43,756	\$ -
National School Lunch Program	10.555	DPI	515370	<u>55,980</u>	<u>-</u>
Total Child Nutrition Cluster				<u>99,736</u>	<u>-</u>
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	61, 284	<u>986,440</u>	<u>-</u>
Total SNAP Cluster				<u>986,440</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>1,086,176</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218	CITY OF RACINE	00238 CDBG	<u>195,706</u>	<u>-</u>
Total CDBG - Entitlement Grants Cluster				<u>195,706</u>	<u>-</u>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	DOA	CDBG-CL-PS-20-01	<u>554,629</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development				<u>750,335</u>	<u>-</u>
U.S. Department of Justice					
CEASE Grant (Drug Enforcement Administration)	16.000	DOJ	N/A	953	299
Victim Witness - Victim Advocate Grant	16.575	DOJ	12149	74,165	-
Edward Byrne Grant (Courtroom Security Grant)	16.738	DOJ	GL-20307-52200	19,726	-
Edward Byrne Grant (Federal Task Force Operations)	16.738	DOJ	2017-DJ-01-14929	<u>39,180</u>	<u>39,180</u>
Subtotal				<u>58,906</u>	<u>39,180</u>
Total U.S. Department of Justice				<u>134,024</u>	<u>39,479</u>
U.S. Department of Transportation					
Transit Services Programs Cluster					
New Freedom (Enhanced Mobility)	20.513	DOT	WI-2021-##-00	<u>23,195</u>	<u>-</u>
Total Transit Services Programs Cluster				<u>23,195</u>	<u>-</u>

County of Racine

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
Highway Safety Cluster					
Speed Enforcement	20.600	DOT	FG-2021-RACINE C-05694	\$ 58,539	\$ 36,113
Alcohol Impaired Driving Countermeasures Grants	20.601	DOT	FG2022-RACINE C-05774	11,884	4,273
Alcohol Impaired Driving Countermeasures Grants	20.601	DOT	FG-2021-RACINE C-05485	76,017	26,470
Occupant Protection Incentive Grant (Seatbelt Enforcement)	20.602	DOT	FG-2022-RACINE C-05793	7,855	3,720
Occupant Protection Incentive Grant (Seatbelt Enforcement)	20.602	DOT	FG-2021-RACINE C-05507	<u>34,854</u>	<u>17,478</u>
Total Highway Safety Cluster				<u>189,149</u>	<u>88,054</u>
Total U.S. Department of Transportation				<u>212,344</u>	<u>88,054</u>
U.S. Department of Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	N/A	<u>1,273,947</u>	<u>-</u>
Total U.S. Department of Treasury				<u>1,273,947</u>	<u>-</u>
U.S. Department of Education					
Special Education-Grants for Infants and Families	84.181	DHS	550	<u>204,510</u>	<u>204,510</u>
Total U.S. Department of Education				<u>204,510</u>	<u>204,510</u>
U. S. Department of Health and Human Services					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	GWAAR	560510	10,419	-
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	560342	179,910	-
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior C	93.044	GWAAR	560340	<u>11,972</u>	<u>-</u>
Subtotal				<u>191,882</u>	<u>-</u>
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	560350, 560360	834,356	-
Nutrition Services Incentive Program	93.053	GWAAR	560422	<u>53,280</u>	<u>-</u>
Total Aging Cluster				<u>1,079,518</u>	<u>-</u>
Anti-Heroin Task Force Grant	93.276	DOJ	455COPSHEROIN15	44,071	28,723
High intensity Drug Traffic Area DOJ Grant	93.276	DOJ	B0324P1	<u>87,473</u>	<u>7,239</u>
Subtotal				131,544	35,962
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	560520	89,097	-
Medicare Enrollment Assistance Program	93.071	DHS	560622	17,116	-
COVID-19 Immunization Cooperative Agreements	93.268	DHS	560201	23,690	-
State Health Insurance Assistance Program	93.324	DHS	560432	7,385	-
State Health Insurance Assistance Program	93.324	GWAAR	560432	<u>1,507</u>	<u>-</u>
Subtotal				<u>8,892</u>	<u>-</u>

County of Racine

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
COVID-19 Promoting Safe and Stable Families	93.556	DCF	3306C	\$ 23,943	\$ -
Promoting Safe and Stable Families	93.556	DCF	3306	<u>66,620</u>	<u>-</u>
Subtotal				<u>90,563</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558	DCF	1008, 1401, 3632	562,103	-
Temporary Assistance for Needy Families	93.558	DHS	561	<u>485,507</u>	<u>-</u>
Total TANF				<u>1,047,610</u>	<u>-</u>
Child Support Enforcement	93.563	DCF	701, 7477, 7482, 7506, 7560, 7619, 7332F, 7332R	2,714,768	-
Five County ELEVATE	93.563	DCF	7702A	<u>111,396</u>	<u>-</u>
Subtotal				<u>2,826,164</u>	<u>-</u>
Low Income Home Energy Assistance Block Grant	93.568	DOA	0000071943	382,744	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	831, 840, 852	<u>1,046,892</u>	<u>-</u>
Total CCDF Cluster				<u>1,046,892</u>	<u>-</u>
Grants to States for Access and Visitation Programs	93.597	DCF	7703	761	-
Adoption and Legal Guardianship Incentive Payments	93.603	DCF	3394A	10,660	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	3413, 3561, 3681	132,664	-
Foster Care - Title IV-E	93.658	DCF	3396, 3413, 3554, 3561, 3681	2,370,042	-
COVID-19 Foster Care - Title IV-E	93.658	DCF	3619	<u>24,050</u>	<u>-</u>
Subtotal				<u>2,394,092</u>	<u>-</u>
Adoption Assistance	93.659	DCF	3574	58,836	-
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	DHS	533280	64,441	-
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	DHS	533289	<u>63,684</u>	<u>-</u>
Subtotal				<u>128,125</u>	<u>-</u>
Social Services Block Grant	93.667	DHS	561	911,426	-
COVID-19 Elder Abuse Prevention Interventions Program	93.747	DHS	560332	16,003	-
Children's Health Insurance Program	93.767	DHS	284	121,910	-

County of Racine

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	62,284,560152,560155	\$ 2,533,490	\$ -
Medical Assistance Program - CLTS	93.778	DHS	872, 878	2,146,068	-
Medical Assistance Program - WIMCR	93.778	DHS	N/A	<u>444,840</u>	-
Total Medicaid Cluster				<u>5,124,398</u>	<u>-</u>
Opioid STR	93.788	DHS	531287, 533259	190,388	-
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	DCF	1008, 1020	317,665	-
Block Grants for Community Mental Health Services	93.958	DHS	515, 569	109,350	-
Mental Health Block Grant Supplemental CAA	93.958	DHS	533287	<u>120,760</u>	-
Subtotal				<u>230,110</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	515, 545, 546, 570	501,467	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DCF	1401	89,486	-
Substance Abuse Block Grant Supplemental CAA	93.959	DHS	533288, 533291, 533292	<u>200,923</u>	-
Subtotal				<u>791,876</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>17,183,163</u>	<u>35,962</u>
U.S. Department of Homeland Security					
Emergency Management Performance Grant	97.042	DOJ	4040-0007	<u>99,855</u>	-
Total U.S Department of Homeland Security				<u>99,855</u>	<u>-</u>
Total Federal Programs				<u>\$ 20,944,354</u>	<u>\$ 368,005</u>

County of Racine

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
State Programs					
Wisconsin Department of Agriculture, Trade and Consumer Protection					
County Staff and Support	115.150	N/A	9214-17-52-00	\$ 151,585	\$ -
Land and Water Resource Management	115.400	N/A	9214-17-52-00	<u>168,811</u>	<u>-</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection				<u>320,396</u>	<u>-</u>
Wisconsin Department of Natural Resources					
Water Safety Aid	370.550	N/A	227.52	33,785	-
Recreational Aids - Snowmobile Trail and Area	370.574	N/A	S-5528	<u>77,437</u>	<u>-</u>
Total Wisconsin Department of Natural Resources				<u>111,222</u>	<u>-</u>
Wisconsin Department of Transportation					
Elderly and Handicapped County Aids	395.101	N/A	N/A	<u>526,459</u>	<u>-</u>
Total Wisconsin Department of Transportation				<u>526,459</u>	<u>-</u>
Wisconsin Department of Corrections					
Windows to Work	410.112	Kenosha County	SEWIWDB-RCWS-W2W-21-22	179,557	-
State Probation & Parole Offenders	410.116	N/A	302.33(2)(a)3	<u>461,423</u>	<u>-</u>
Total Wisconsin Department of Corrections				<u>640,980</u>	<u>-</u>
Wisconsin Department of Health Services					
Infant Mortality-Racine	435.110190	City of Racine	110190	198,651	-
IMAA State Share	435.283000	N/A	283	879,414	-
IMAA Federal Share	435.284000	N/A	284	15,558	-
APS-Adult Protective Services	435.312000	N/A	312	214,490	-
Children's COP	435.377000	N/A	377	55,282	-
Alzheimers Family Support	435.381000	N/A	381	80,597	-
Coordinated Services Team Initiative	435.515000	N/A	515	49,842	-
Community Mental Health	435.516000	N/A	516	963,375	-
Non-Resident	435.531000	N/A	531	29,468	-
Mat In A Jail Setting	435.533264	N/A	533264	86,284	-
Birth to Three Initiative	435.550000	N/A	550	234,918	234,918
ADRC MFP-NH Relocation	435.560065	N/A	560065	18,750	-
Aging & Dis Resource Ctr	435.560100	N/A	560100	1,200,662	-
Benefit Specialist County	435.560320	N/A	560320	33,438	-
EBSOCI Replacement	435.560327	N/A	560327	6,258	-
Senior Community Svs Prog	435.560330	GWAAR	560330	13,034	-
Title 3C-1 Cong Meal Prog	435.560350	GWAAR	560350	27,917	-
Title 3C-2 Home Meals	435.560360	GWAAR	560360	32,259	-
Elder Abuse Service	435.560490	GWAAR	560490	75,878	-
Basic County Allocation	435.561000	N/A	561	5,374,432	-
STATE/COUNTY MATCH	435.681000	N/A	681	726,376	-
CLTS Waiver GPR	435.871000	N/A	871	1,076,438	-
CLTS WAIVER CWA ADMIN GPR	435.877000	N/A	877	<u>95,488</u>	<u>-</u>
Total Wisconsin Department of Health Services				<u>11,488,809</u>	<u>234,918</u>

County of Racine

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
Wisconsin Department of Children and Families					
CF Children First - Direct Services - County Agency	437.0700C	N/A	700C	\$ 51,498	\$ -
Food Stamp Agency Incentives	437.0965	N/A	965	42,728	-
AFDC Agency Incentives	437.0975	N/A	975	59	-
Medicaid Agency Incentives	437.0980	N/A	980	28,127	-
OTH - Family Foundations Comprehensive Home Visitation Program	437.1008	N/A	1008	87,148	-
BFI - SABG	437.1401	N/A	1401	41,547	-
CW Kinship Care Program - Benefits	437.3377A	N/A	3377A	348,946	-
CW Kinship Care Program - Benefits	437.3377B	N/A	3377B	708,247	-
CW Kinship Care Program - Assessment	437.3380A	N/A	3380A	38,100	-
CW Kinship Care Program - Assessment	437.3380B	N/A	3380B	76,200	-
Grants for Foster Parents - Foster Parent Retention	437.3390A	N/A	3390A	1,956	-
Youth Justice Innovation Grants	437.3407A	N/A	3407A	20,753	-
JJ Community Intervention Program	437.3410	N/A	3410	141,919	-
JJ Youth Aids	437.3413	N/A	3413	3,688,586	-
CW Children and Families Allocation	437.3561	N/A	3561	2,489,408	-
CW Children & Families Allocations	437.3681	N/A	3681	199,446	-
CW WiSACWIS Annual Operation Maintenance Fee	437.3935	N/A	3935	(26,423)	-
PDS Partnership Fees	437.3940	N/A	3940	(8,782)	-
CS Additional Funding	437.7335	N/A	7335	68,684	-
CS State GPR/PR Funding Allocation	437.7502	N/A	7502	441,113	-
CS Medical Support GPR Earned	437.7606	N/A	7606	7,428	-
Five County Demonstration Project	437.7702	N/A	7702	57,386	-
Total Wisconsin Department of Children and Families				<u>8,504,074</u>	<u>-</u>
Wisconsin Department of Justice					
Treatment Alternatives and Diversion	455.271	N/A	2021-TD-02-16188	224,245	-
Victim and Witness Assistance Program	455.532	N/A	DJ-CVS-27	105,944	-
Total Wisconsin Department of Justice				<u>330,189</u>	<u>-</u>
Wisconsin Department of Military Affairs					
WEM EPCRA State Computer and Hazmat Equip Grant	465.308	N/A	2021-EPCRA-01 12441	10,000	10,000
HMEP Core & Specialized Hazmat Training Grant	465.312	N/A	2022-HMEP-GPR-1 12661	6,000	6,000
Emergency Planning Grant	465.337	N/A	4040-0007	37,203	-
Total Wisconsin Department of Military Affairs				<u>53,203</u>	<u>16,000</u>
Wisconsin Department of Administration					
Land Information Board Grants	505.438	N/A	AD199102	74,957	-
State Task Force Operation	505.630	N/A	2019-DJ-01-16435	26,723	-
Total Wisconsin Department of Administration				<u>101,680</u>	<u>-</u>
Total State Programs				<u>\$ 22,077,012</u>	<u>\$ 250,918</u>

County of Racine

Notes to Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

1. Basis of Presentation

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, 2021. 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.

2. Summary of Significant Accounting Policies

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.

3. Indirect Cost Rate

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

4. Pass-Through Entities

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

City of Racine	City of Racine, Wisconsin
DCF	Wisconsin Department of Children and Families
DHS	Wisconsin Department of Human Services
DOA	Wisconsin Department of Administration
DOJ	Wisconsin Department of Justice
DOT	Wisconsin Department of Transportation
DPI	Wisconsin Department of Public Instruction
GWAAR	Greater Wisconsin Agency on Aging Resources

5. CARS/SPARC Report Dates

The Schedule of Expenditures of Federal and State Awards includes adjustments through the June 1, 2022 Community Aids Reporting System (CARS) reports and the December 31, 2021 SPARC report.

County of Racine

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.044	Aging Cluster: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.044	Aging Cluster: COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045	Aging Cluster: Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053	Aging Cluster: Nutrition Services Incentive Program
93.575	CCDF Cluster: Child Care and Development Block Grant
10.561	SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
395.101	Elderly and Handicapped County Aids
437.3413	JJ Youth Aids
435.560100	Aging & Dis Resource Ctr
437.3377	CW Kinship Care Program – Benefits
437.7502	CS State GPR/PR Funding Allocation
435.283	IMAA State Share
435.561 & 435.681	Basic County Allocation & State/County Match

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2021-001: Internal Control Over Financial Reporting

Repeat of Finding 2020-001

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.

County of Racine

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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 and continual staff turnover, 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.

Section III - Federal and State Awards Findings and Questioned Costs

Finding 2021-002: Specialized Transportation

State ID Number and Title: 395.101 Specialized Transportation
State Grantor: Wisconsin Department of Transportation
Pass-Through Entity: Not applicable

Criteria: By way of 2 CFR section 200.303, the *State Single Audit Guidelines* require grantees to establish and maintain effective internal controls over state awards, including the preparation of required program reports.

Condition/Context: Our sample included one quarterly and one annual report. For the quarterly report, there was no evidence that it was reviewed by responsible personnel prior to submission. Our sample was not statistically valid.

Cause: The County did not keep or prepare proper documentation of the review and approval of the quarterly report.

Effect: Without proper review, the County could submit information within the quarterly reports that are inaccurate.

Questioned Costs: None noted.

Recommendation: The County should ensure that adequate documentation is retained to evidence performance of internal controls, including report review.

Management's Response: A procedure has been implemented where all Fiscal reports are reviewed and signed electronically by two staff, with one being the Fiscal Manager or designee. Reports are not submitted until both parties have signed and approved the report.

County of Racine

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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 non-compliance, non-material non-compliance, 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 Natural Resources	<u> </u> yes	<u> X </u> no
Department of Corrections	<u> </u> yes	<u> X </u> no
Department of Agriculture, Trade and Consumer Protection	<u> </u> yes	<u> X </u> no
Department of Administration	<u> </u> yes	<u> X </u> no
Department of Children and Families	<u> </u> yes	<u> X </u> no
Department of Health Services	<u> </u> yes	<u> X </u> no
Department of Justice	<u> </u> yes	<u> X </u> no
Department of Military Affairs	<u> </u> yes	<u> X </u> no
Department of Transportation	<u> X </u> yes	<u> </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 27, 2022