

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

Supervisor Don Trottier, Chairman  
Supervisor Robert Miller, Vice Chairman  
Supervisor John Wisch, Secretary  
Supervisor Nick Demske  
Supervisor Scott Maier

Supervisor Jody Spencer  
Supervisor Jason Eckman  
Shritha Reddy, Youth in Governance Representative  
Maren DeSonia 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. \*\*\*

DO NOT ATTEND THIS MEETING if you are experiencing any of these symptoms or if you have been in contact with anyone with these symptoms: **shortness of breath or difficulty breathing, cough, chills, nasal congestion, sore throat, fatigue, loss of sense of taste or smell, fever greater than 100.4.**

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NOTICE OF MEETING OF THE  
FINANCE AND HUMAN RESOURCES COMMITTEE

DATE: **WEDNESDAY December 7, 2022**

TIME: **5:00 p.m.**

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

**\*\*\*NOTE: THIS MEETING WILL GO INTO CLOSED SESSION TOWARD THE BEGINNING OF THE MEETING\*\*\***

1. Convene Meeting
2. Chairman Comments – Youth in Governance/Comments
3. Public Comments
4. Approval of Minutes from the November 16, 2022, committee meeting – Action of the Committee only
5. Finance Department – Gwen Zimmer – 2021 Comprehensive Annual Financial Report for the year ending December 31, 2021, and the 2021 Single Audit – 2022 – Report.
6. Closed Session – IT IS ANTICIPATED THAT THE FINANCE AND HUMAN RESOURCES COMMITTEE WILL MEET IN A CLOSED SESSION PURSUANT TO SECTION 19.85(1)(g) OF THE WISCONSIN STATE STATUTES TO DISCUSS WITH LEGAL COUNSEL THE STATUS OF THE FOLLOWING CURRENT LITIGATION: MCCOLLUM V. DREWITZ.

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

7. Transfers

- a. Human Services – Hope Otto – Authorize an MOU with Big Brothers/Big Sisters of Racine and Kenosha Counties, Inc. with Racine County Acting as Fiscal Agent for the City of Racine ARPA Grant Effective 1/1/23-12/31/23 and Transfer within the Human Service’s 2023 Budget. – 2022 – Resolution – Action Requested: 1st Reading at the December 13, 2022, County Board Meeting.

- 8. Human Services – Hope Otto – Authorize a multi-year lease agreement with Gateway Technical College – 2022 – Resolution – Action Requested: 1st Reading at the December 13, 2022, County Board Meeting.

- 9. Finance Department – Gwen Zimmer – Racine County 2022 3<sup>rd</sup> Quarter Grant Applications Report – 2022 – Report.

10. Communication & Report Referrals from County Board Meeting:

a. Bankruptcy items:

<b>Type of Action:</b>	<b>Person/Persons</b>
Chapter 13 Case	Arnold Bliesner; Dennis Myles;
Chapter 13 Order of Discharge	Daniel Verkeroff; Diahanna Kitt; Paul Gorelik
Chapter 13 Order Confirming Plan	Douglas Woodard Jr; Kenneth and Lynn Vorlob; Michael and Shelley Farr; Shawn and Mary Kleinschmidt
Chapter 13 Notice and Motion to Dismiss Confirmed Plan	Jannet White;
Chapter 13 Order Dismissing Case	James Martinsen; Russel and Lisa Murphy; Shannon Nelson;
Chapter 13 Order Modifying Confirmed Plan	Robin Dailey;
Chapter 7 Case	William Thompson Jr.

b. Foreclosure items:

Attorney	Lender	Person/Persons	Amt owed County
William Foshag	M&T Bank	Lakazia Ellis	\$893.93
William Foshag	U.S. Bank NA	Scott Yarrington	\$153.92

- c. Summons of Racine County as defendant in foreclosure case brought by plaintiff U.S. Bank Trust Company, National Association.

11. Staff Report – No Action Items.

- Finance & Human Resources Committee – Next Meeting will be January 4, 2023.
- December 21<sup>st</sup>, 2022 meeting has been cancelled.

12. Adjournment

FINANCE & HUMAN RESOURCES COMMITTEE ACTION ONLY

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

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

**Date of Committee Meeting:** 12/7/2022

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

**Description:** Minutes from the November 16, 2022 FHR Meeting

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

**Youth In Governance**  
 Approve  
 Deny

**FINANCE AND HUMAN RESOURCES COMMITTEE MEETING**  
**Wednesday, November 16, 2022**

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

**Meeting attended by:** Chairperson Trottier, Supervisors Demske, Maier, Miller, and Wisch, Youth in Governance Representatives DeSonia and Reddy, Finance Director Gwen Zimmer, Human Resources Director Sarah Street

**Supervisors in attendance:** Supervisor Kramer

**Other attendees:** Racine County Economic Development Corp Executive Director Jenny Trick and Portfolio Servicing Specialist Andrea Safedis, County Treasurer Jeff Latus, Assistant Corporation Counsel Jeff Leggett, Health Officer Jeffrey and Environmental Health Program Manager / Deputy Health Officer Keith Hendricks

**Not in Attendance:** Supervisors Spencer and West

**Agenda Item #1 – Convene Meeting**

Meeting Called to Order at 5:00 p.m. by Chairman Trottier.

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

Youth in Governance statement was read by Youth Representative DeSonia.

**Agenda Item #3 – Public Comments**

There were no public comments.

**Agenda Item #4 – Approval of Minutes from the November 7, 2022 committee meeting**

**Action:** Approve the minutes from the November 7, 2022, meeting

**Motion Passed:** Moved: Supervisor Wisch. Seconded: Supervisor Miller. Vote: All Ayes No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #5 – Finance Department – Gwen Zimmer – 2021 Comprehensive Annual Financial Report for the year ending December 31, 2021 and the 2021 Single Audit – 2022 - Report**

Chairman Trottier postponed Agenda Item #5 until the next FHR Committee meeting on Wednesday December 7, 2022

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING  
Wednesday, November 16, 2022

**Agenda Item #6 – Finance Department – Gwen Zimmer – Racine County 2022 3<sup>rd</sup> Quarter Investment Report (Staff from Dana Investment Advisors will be available to discuss the provided materials) – 2022 – Report**

Rob Leuty from Dana Investment Advisors presented the 2022 3<sup>rd</sup> quarter investment report

Supervisor Miller requested the report be forwarded to the full County Board.

**Agenda Item #7– Racine County Economic Development Corp – Jenny Trick/Andrea Safedis – Status of the Racine County Matching Grant Program Quarter 3, 2022 (Same document materials for Item 7 and 8) – Action of the Committee Only**

Chairman Trottier requested detail on where referrals are originating from

**Action:** Receive and file

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Demske. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #8 – Racine County Economic Development Corp – Jenny Trick/Andrea Safedis – 2023 Racine County Matching Grant Program Draft Agreement (Same document materials for Item 7 and 8) – Action of Committee Only**

**Action:** To authorize 2023 Racine County Matching Grant Program Draft Agreement

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Wisch. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #9 – County Treasurer – Jeff Latus – Sale of two (2) In Rem Properties at 320 Cliff Ave and 1936 Edgewood Ave, via over-the-counter sale – Action of Committee Only**

**Action:** To authorize the sale of two (2) In Rem Properties at 320 Cliff Ave and 1936 Edgewood Ave, via over-the-counter sale.

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Demske. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #10 – Corporation Counsel – Michael Lanzdorf – Resolution in Support of Increased State Funding for County Child Support Agencies – Action Requested: 1<sup>st</sup> Reading at the November 29, 2022, County Board Meeting**

**Action:** Support Increased State Funding for County Child Support Agencies – Action Requested: 1<sup>st</sup> Reading at the November 29, 2022, County Board Meeting

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Demske. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #11 – County Board – Resolution 2022-63 by Individual Supervisors Establishing the Total Annual Compensation for the County Executive for the Years 2023, 2024, 2025, and 2026 – Action Requested: 2<sup>nd</sup> Reading at the November 29, 2022, County Board Meeting**

**FINANCE AND HUMAN RESOURCES COMMITTEE MEETING**  
**Wednesday, November 16, 2022**

Vice Chairman Tom Kramer presented this item

**Action:** Authorize Resolution 2022-63 by Individual Supervisors Establishing the Total Annual Compensation for the County Executive for the Years 2023, 2024, 2025, and 2026 – Action Requested: 2<sup>nd</sup> Reading at the November 29, 2022, County Board Meeting

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Maier. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

Supervisor Demske requested the salaries from other counties be forwarded to the County Board to compare.

Supervisor Wisch requested the available budget for wages to be available to County Board.

**Agenda Item #12 – Transfers:**

**a- Human Services – Hope Otto – Authorize the Creation of 1 FTE Non-rep Exempt E060 Deputy Medical Examiner Effective 1/01/2023, and Transfer of \$84,746 within the Medical Examiner’s 2023 Budget – 2022 – Resolution – Action Requested: 1<sup>st</sup> and 2<sup>nd</sup> Reading at the November 29, 2022, County Board Meeting**

Health Officer Jeffrey Langlieb and Environmental Health Program Manager / Deputy Health Officer Keith Hendricks presented this item.

**Action:** Authorize the Creation of 1 FTE Non-rep Exempt E060 Deputy Medical Examiner Effective 1/01/2023, and Transfer of \$84,746 within the Medical Examiner’s 2023 Budget – 2022 – Resolution – Action Requested: 1<sup>st</sup> and 2<sup>nd</sup> Reading at the November 29, 2022, County Board Meeting

**Motion Passed:** Moved: Supervisor Wisch. Seconded: Supervisor Miller. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**b- Human Services – Hope Otto – Authorize a Grant Contract with the State of Wisconsin Department of Health Services for the Period of 11/11/22 – 9/30/23 and Transfer within Public Health Division’s 2022-2023 Budget. – 2022 – Resolution – Action Requested: 1<sup>st</sup> Reading at the November 29, 2022, County Board Meeting**

Health Officer Jeffrey Langlieb and Environmental Health Program Manager / Deputy Health Officer Keith Hendricks presented this item.

**Action:** Authorize a Grant Contract with the State of Wisconsin Department of Health Services for the Period of 11/11/22 – 9/30/23 and Transfer within Public Health Division’s 2022-2023 Budget. – 2022 – Resolution – Action Requested: 1<sup>st</sup> Reading at the November 29, 2022, County Board Meeting.

**Motion Passed:** Moved: Supervisor Maier. Seconded: Supervisor Miller. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**FINANCE AND HUMAN RESOURCES COMMITTEE MEETING**  
**Wednesday, November 16, 2022**

Supervisor Wisch requested participation rate information be forwarded to Committee.  
Supervisor Miller requested follow up with Corporation Counsel in regards to publishing which centers refuse testing.

**c- Human Services – Hope Otto – Authorize the Transfer of \$60,000 and the Purchase of a Capital Asset – Vehicle within the Health Service Division’s 2022 Budget. – 2022 – Resolution – Action Requested: 1<sup>st</sup> and 2<sup>nd</sup> Reading at the November 29, 2022, County Board Meeting**

Finance Director Gwen Zimmer presented this item.

**Action:** Authorize the Transfer of \$60,000 and the Purchase of a Capital Asset – Vehicle within the Health Service Division’s 2022 Budget. – 2022 – Resolution – Action Requested: 1<sup>st</sup> and 2<sup>nd</sup> Reading at the November 29, 2022, County Board Meeting.

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Wisch. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #13 – Human Services – Hope Otto – Request Salary Offer for Medical Examiner Candidate Above Mid-point for Non-rep Exempt E070 – Action of the Committee Only**

Human Resources Director Sarah Street presented this item

**Action:** Request Salary Offer for Medical Examiner Candidate Above Mid-point for Non-rep Exempt E070 – Action of the Committee Only

**Motion Passed:** Moved: Supervisor Miller. Seconded: Supervisor Demske. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #14 – Finance Department – Gwen Zimmer – Racine County 2022 3<sup>rd</sup> Quarter Accepted Donations Report – 2022 – Report.**

**Action:** Accept the 2022 3<sup>rd</sup> Quarter Accepted Donations Report – 2022 – Report.

**Motion Passed:** Moved: Supervisor Miller Seconded: Supervisor Wisch. Vote: All Ayes, No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item #15 – Communication & Report Referrals from County Board Meeting:**

**Action:** Receive and file items a-i.

**FINANCE AND HUMAN RESOURCES COMMITTEE MEETING**  
**Wednesday, November 16, 2022**

**Motion Passed:** Motion: Supervisor Miller. Seconded: Supervisor Demske. Vote: All Ayes, No Nays.  
Advisory Vote: All Ayes, No Nays.

**Agenda Item #16 – Staff Report – No Action Items**

- a. Finance & Human Resources Committee – Next Meeting will be Wednesday December 7, 2022 at 5:00 p.m.

**Agenda Item #17 – Adjournment**

**Action:** Adjourn the meeting at 6:29 p.m.

**Motion Passed:** Moved: Supervisor Wisch. Seconded: Supervisor Maier. Vote: All Ayes, No Nays.



REQUEST FOR COUNTY BOARD ACTION

YEAR	<u>2022</u>	<input type="checkbox"/>	Resolution Request
		<input type="checkbox"/>	Ordinance Request
		<input type="checkbox"/>	Information Only
		<input checked="" type="checkbox"/>	Report Request

Requestor/Originator: Finance Department - Gwen Zimmer

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading)  
If a person is not in attendance the item may be held over. Gwen Zimmer & Baker Tilly

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: \_\_\_\_\_

Does this request propose the expenditure, receipt or transfer of any funds? \_\_\_\_\_  
If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 12/7/2022 Date of County Board Meeting to be Introduced: \_\_\_\_\_

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

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

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

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

2021 Comprehensive Annual Financial Report for the year ending December 31, 2021, and the 2021 Single Audit

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**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.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows 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.**

Audit Results  
**Racine County**

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Year Ended 12/31/21

Presented By:  
Baker Tilly US, LLP  
777 E. Wisconsin Ave  
32<sup>nd</sup> Floor  
Milwaukee, WI 53202-5313  
414 777 5500





# Agenda

	SECTION
<b>AUDIT RESULTS</b>	
STATUS OF OUR AUDIT .....	I
FINANCIAL RESULTS .....	II
COMPLIANCE AUDIT .....	III
REQUIRED COMMUNICATIONS .....	IV
<b>COMPONENTS OF VALUE</b>	
COMMENTS, RECOMMENDATIONS AND INFORMATIONAL POINTS.....	V



This presentation was prepared as part of our audit, has consequential limitations, is restricted to those charged with governance and, if appropriate, Management, and should not be used by anyone other than those specified parties.



**Section I**  
Status of our audit

## Status of our audit

- > We have completed our audit of the County's financial statements for the year ended December 31, 2021. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- > We have issued an unmodified opinion on the financial statements.
- > The County submits its Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Program. The County has received the award for the past eleven (11) years. It is anticipated that the County will continue to receive this award for the 2021 submission.
- > Refer to Management's Discussion and Analysis (M&DA) pages 11 through 20 of the report.
- > We have completed our compliance audit of the County's federal and state awards. Our audit was performed in accordance with the aforementioned standards and the Uniform Guidance and the State Single Audit Guidelines.
- > We have issued an unmodified opinion on the County's compliance with its major federal and major state programs.



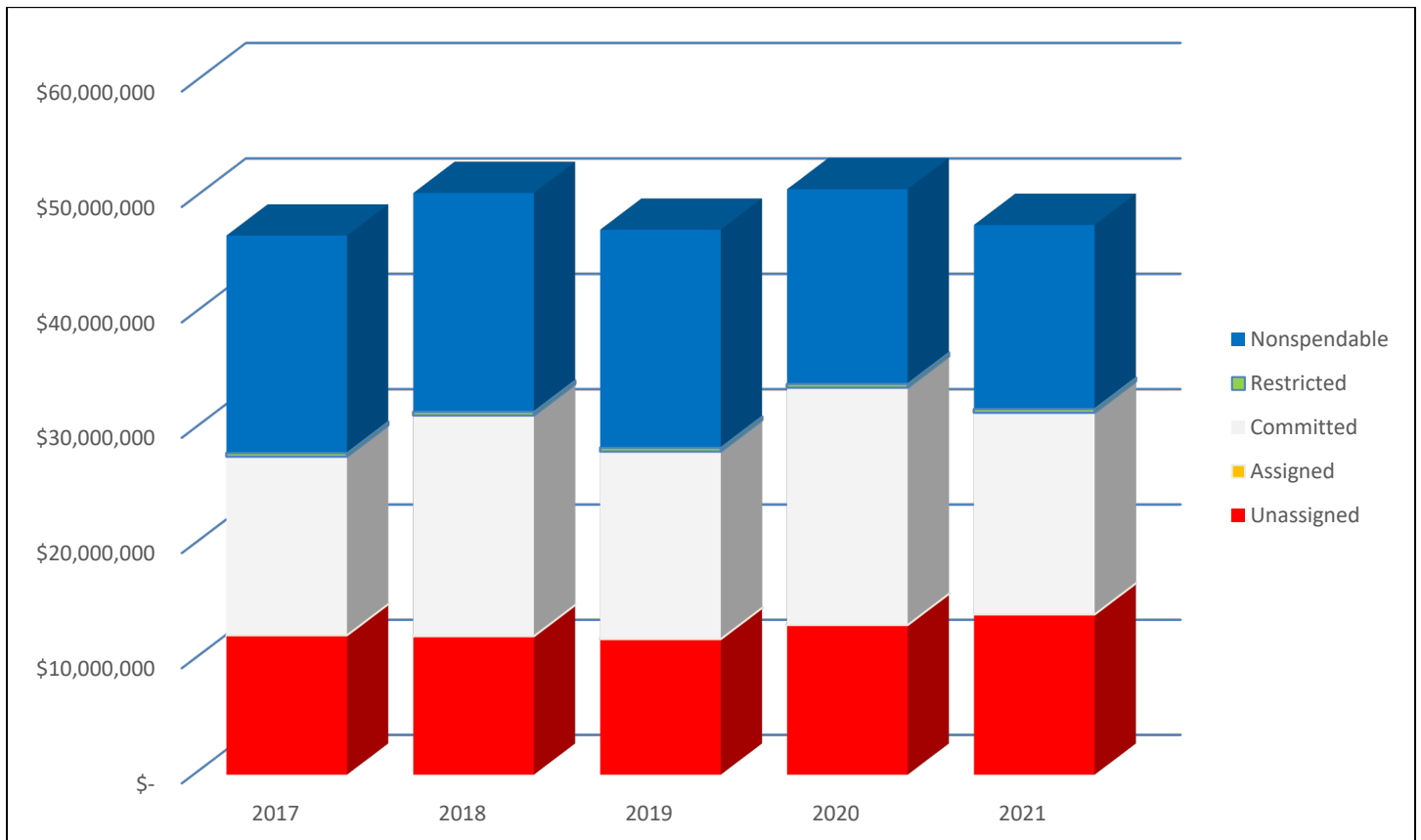
**Section II**  
Financial Results

# Financial Results

## Financial Results – General Fund (report page 24, 89)

	<u>Actual</u>	<u>Final Amended Budget</u>	<u>Variance</u>
Revenues	\$ 87,496,754	\$ 120,212,038	\$ (32,715,284)
Expenditures	(85,539,569)	(93,259,971)	7,720,402
Other financing sources (uses)	<u>(5,044,535)</u>	<u>(6,416,742)</u>	<u>1,372,207</u>
Revenues over (under) expenditures	(3,087,350)	<u>\$ 20,535,325</u>	<u>\$ (23,622,675)</u>
Fund Balance			
Beginning of year	<u>50,780,215</u>		
End of year	<u>\$ 47,692,865</u>		

## General Fund – Fund Balance History



# Financial Results

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Fund Balance Components					
Unassigned	\$ 12,121,115	\$ 12,037,171	\$ 11,790,779	\$13,013,457	\$13,931,882
Assigned	-	-	-	-	-
Committed	15,493,453	19,144,099	16,264,176	20,577,661	17,488,700
Restricted	309,990	315,925	323,064	324,658	324,846
Nonspendable	<u>18,842,899</u>	<u>18,960,863</u>	<u>18,899,148</u>	<u>16,864,439</u>	<u>15,947,437</u>
	<u>\$ 46,767,457</u>	<u>\$ 50,458,058</u>	<u>\$ 47,277,167</u>	<u>\$50,780,215</u>	<u>\$47,692,865</u>



# Financial Results

## Financial Results – Other Governmental Funds (report pages 27-28)

	Human Services Fund	Debt Service Fund	Nonmajor Governmental Funds
Revenues	\$ 24,633,922	\$ 15,567,084	\$ 4,190,719
Expenditures	(27,154,805)	(16,470,894)	(14,136,737)
Other financing sources (uses)	<u>4,303,192</u>	<u>438,872</u>	<u>14,124,723</u>
Net change in fund balances	1,782,309	(464,938)	4,178,705
Fund balance			
Beginning of year	<u>3,432,377</u>	<u>2,359,486</u>	<u>7,273,872</u>
End of year	<u>\$ 5,214,686</u>	<u>\$ 1,894,548</u>	<u>\$ 11,452,577</u>
Nonmajor Funds			
County Road Maintenance			\$ 1,715,964
County Handicapped Education			888,402
County Bridge Aids			69,048
Central Racine Health			129
Capital Projects			8,310,483
Permanent Fund			<u>468,551</u>
			<u>\$ 11,452,577</u>

# Financial Results

## Financial Results – Business-type funds (report pages 34-35)

	Enterprise Funds				
	Reefpoint Marina	Behavioral Health Services	Pritchard Park	Golf Courses	Internal Service Funds
Revenues	\$ 2,315,262	\$ 20,418,561	\$ 466,152	\$ 371,822	\$ 17,722,519
Expenditures	(1,817,727)	(20,822,748)	(819,079)	(314,375)	(17,123,767)
Nonoperating revenues (expenses)	(76,392)	-	-	995	(64,001)
Transfers	-	564,529	72,780	-	309,810
Change in net position	421,143	160,342	(280,147)	58,442	844,561
Net Position					
Beginning of year	405,338	545,810	10,648,691	4,818,245	12,646,587
End of year	\$ 826,481	\$ 706,152	\$ 10,368,544	\$ 4,876,687	\$ 13,491,148

# Financial Results

## G.O. Debt Outstanding legal Debt Margin (report page 71)

Pursuant of Section 67.03 Wisconsin Statutes, the total indebtedness of the county for general purposes may not exceed 5% of the value of the taxable property located therein for state purposes.

Equalized Value		\$ 19,576,633,100
Debt Margin Percentage		<u>5%</u>
Legal Debt Limit		978,831,655
Outstanding General Obligation Debt	\$ 167,485,000	
Less amount available in the Debt service Fund	<u>(1,894,548)</u>	
Total Amount of debt Applicable to Debt Margin		<u>165,590,452</u>
Legal Debt Margin		<u>\$ 813,241,203</u>



**Section III**  
Compliance Audit

# Compliance Audit

Refer to the Report on Federal and State Awards Document.

Required by 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 Wisconsin State Single Audit Guidelines.

Unmodified opinion on the County's compliance with its major federal (10) and major state (7) programs.

Federal grant expenditures: \$20,944,354

State grant expenditures: \$22,077,012

Findings:

1. Internal Control over Financial Reporting
2. Specialized Transportation



**Section IV**  
Required communications

# Required communications

*Refer to the Required Communications Document.*

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards, the Uniform Guidance, and the State Single Audit Guidelines**

**Other Information in Documents Containing Audited Financial Statements**

**Planned Scope and Timing of the Audit**

**Qualitative Aspects of the Entity's Significant Accounting Practices**

- > Accounting policies
- > Significant accounting estimates
- > Financial statement disclosures

**Difficulties encountered during the audit**

- > We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Disagreements with management**

- > For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Corrected and uncorrected misstatements**

- > Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements identified.

**Management's consultations with other independent accountants**

- > In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Representations requested from management**

- > Attached to the required communications letter.

**Independence**

- > We are not aware of any relationships between Baker Tilly US, LLP and Racine County that, in our professional judgment, may reasonably be thought to bear on our independence.

**Other significant matters, finding or issues**

- > In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.
- > Decentralized Cash Collections

**Material Weakness**

- > Internal control over financial reporting



**Section V**  
Informational Points



# Informational Points

## The Governmental Accounting Standards Board (GASB) approved the following upcoming standards:

- > Statement No. 87, *Leases*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- > Statement No. 96, *Subscription-Based Information Technology Arrangements*
- > Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

## Government Fraud Prevention and Detection: Now is the Time to Act

When it comes to preventing and detecting fraud in government, being proactive is critical. In fact, government is the third most likely industry to be impacted by fraud. According to the audit standards, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. To get started, your government should conduct a fraud risk assessment to identify where and how fraud might occur and what individuals may be in a position to commit fraud. Once you've identified your entity's fraud risk areas, the next step is to develop a fraud risk assessment and investigation policy.

As you begin your fraud risk assessment or develop tools to prevent and detect fraud, it is important to keep in mind the following information provided by the Association of Certified Fraud Examiners:

- > Misappropriation of assets accounts for 87 percent of fraud
- > The primary internal control weaknesses observed are lack of internal controls, lack of management review, override of existing internal controls and poor tone at the top.
- > A tip is by far the most common detection method of fraud followed by internal audit and then management review. Consider providing and promoting a reporting mechanism for tips in your government.
- > The professional requirements and objectives of a financial audit are different than a forensic audit. Due to the nature of a financial audit, less than 10 percent of frauds have been discovered as a result of a financial audit conducted by an independent accounting firm.

# Informational Points

## Resources for State and Local Government Boards

Expectations and accountability are at all-time high and the knowledge required to be an effective board member is substantial. As a benefit to our clients, we have compiled a number of resources dedicated to educating state and local government board members. Go to our Board Governance Resource Center at <https://www.bakertilly.com/insights/board-governance-resource-center> for more information.

The Resource Center includes the following:

### Podcasts

1. Managing cyber threats: Developing a sustainable cybersecurity program to address your unique risks
2. Understanding utility finances
3. Benefits of a fraud risk assessment
4. Financial ratios and benchmarks
5. Fund balance and other financial policies

### Articles

1. Securitization of deposits and investments
2. Five easy internal controls your government should implement
3. Fund balance levels: What works for your government?
4. The importance of smart spending cuts

We encourage you to subscribe to our complimentary newsletter "Government Connection" to stay abreast of the latest issues impacting state and local governments. You can do so by clicking on the "subscribe" button and indicating "State and Local Government" as an area of interest on the subscription form. Also, if you or your board members have suggested topics to feature on our Board Governance webpage or Government Connection newsletter, we invite you to submit your ideas in person or online.

## Cyber Security Management

The sources of cyber threats continue to grow in number and sophistication. We have seen social engineering, including email phishing, and ransomware attacks cause disruption and monetary losses in the government landscape. Cybersecurity controls are imperative and may be of several different types:

- > Preventative – activities that make attacks more difficult such as user access and password controls
- > Detective – activities conducted to discover security incidents such as automated or manual reviews of firewall and server logs
- > Responsive – activities performed once an incident has been identified such as a communication plan

Step one in determining which types of controls are best suited for your government is completing a data classification. This process includes identifying what types of data exist, determining data location, and measuring costs associated with the loss of data (i.e. – operational downtime, regulatory fines, or civil lawsuits). This information will help management and those charged with governance be able to evaluate the cost-benefit of control implementation. Even if your government has chosen to obtain cyber liability insurance to mitigate risk, the data classification remains an important exercise to help evaluate the policy coverage, pricing, and what, if any, exposure remains outside of your policy.

Data classification is only one piece of a sustainable cyber security management plan. We have professionals dedicated to cyber security and information technology risk to assist with your cyber security questions, assessments, and programs.

# Informational Points

## Upcoming Lease Standard

In June 2017, the Governmental Accounting Standards Board (GASB) issued new guidance to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This standard is effective for fiscal years ending on or after December 31, 2022. Statement No. 87, Leases, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognize as inflows of resources or outflow of resources based on the payment provisions of the contract.

Under the new standard, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Control is defined by 1) the right to obtain the present service capacity from the use of the underlying asset and 2) the right to determine the nature and manner of use of the underlying asset. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in this statement. Leases include contracts that, although not explicitly identified as leases, meet the above definition of a lease.

There are some exemptions outlined in the standard including, intangible assets, service concession arrangements and supply contracts.

We recommend the County review this standard and start planning how this will affect your financial reporting. An inventory of all contracts that might meet the definition of a lease should be started. The contract listing should include key terms of the contracts such as:

- > Description of contract
- > Underlying asset
- > Contract term
- > Options for extensions and terminations
- > Service components, if any
- > Dollar amount of lease

In addition, the county should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

REQUEST FOR COUNTY BOARD ACTION

YEAR	<u>2022</u>		Resolution Request
			Ordinance Request
		X	Information Only
			Report Request

Requestor/Originator: John P. Serketich - Principal Assisstant Corporation Counsel

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading) John P. Serketich

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: \_\_\_\_\_

Does this request propose the expenditure, receipt or transfer of any funds? \_\_\_\_\_

If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources

Date Considered by Committee: 12/7/2022 Date of County Board Meeting to be Introduced: \_\_\_\_\_

1st Reading:

1st & 2nd Reading:  \*

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

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

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

DISCUSSION WITH LEGAL COUNSEL THE STATUS OF THE FOLLOWING CURRENT LITIGATION: MCCOLLUM V. DREWITZ;

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**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.

If requesting a multi year contract a copy of the contract or draft contract must be attached

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

REQUEST FOR COUNTY BOARD ACTION

YEAR	<u>2022</u>	X	Resolution Request
			Ordinance Request
			Report Request

Requestor/Originator: Human Services Department - Hope Otto

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading)  
If a person is not in attendance the item may be held over. Hope Otto

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: \_\_\_\_\_

Does this request propose the expenditure, receipt or transfer of any funds? Yes

If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 12/7/2022 Date of County Board Meeting to be Introduced: 12/13/2022

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

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

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

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

Authorize an MOU with Big Brothers/Big Sisters of Racine and Kenosha Counties, INC. with Racine County acting as Fiscal Agent for City of Racine ARPA grant effective 1/1/23-12/31/23

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**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.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows 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.**

ACCOUNT NAME	ACCOUNT NUMBER	CURRENT BUDGET	CURRENT BALANCE	TRANSFER	BUDGET AFTER TRANSFER	BALANCE AFTER TRANSFER
<b>HUMAN SERVICES - 2023 BUDGET PAGE 289</b>						
	4207200.306000	(24,710,012)	(24,710,012)	(74,465)	(24,784,477)	(24,784,477)
	<b>TOTAL SOURCES</b>			<b>(74,465)</b>		
<b>HUMAN SERVICES - 2023 BUDGET PAGE 290</b>						
CONTRACTED SERVICES	4207200.404500	572,530	572,530	74,465	646,995	646,995
	<b>TOTAL USES</b>			<b>74,465</b>		
				<b>0</b>		

FINANCE COMMITTEE RECOMMENDATION

After reviewing the Resolution/Ordinance and fiscal information supplied, your Finance Committee recommends FOR--AGAINST adoption.  
REASONS

FOR	AGAINST

November 29, 2022

TO: Don Trottier  
Chairman, Finance Committee

FROM: Hope Otto  
Human Services Director

RE: Fiscal Agent for Boys and Girls Club

Big Brothers Big Sisters of Racine and Kenosha Counties, Inc., is a non-profit organization that connects youth in Racine County with adult mentors. As part of the City of Racine's ARPA Violence Reduction Initiatives application process and having the administrative and fiscal capacity, this organization has requested that Racine County serve as the fiscal agent for this application.

The proposal that will be submitted to for these funds are for the evidence-based practice of Community-based Mentorship that will provide one-to-one mentoring for youth ages 6-17. The goal of this mentor relationship is to become a positive role model for youth that may not have one in their lives. This program will focus on relationships between volunteers and underserved and/or at-risk youth that live in the city of Racine. Programs such as these show improved outcomes related to academic achievement, graduation rates, youth delinquency, self-confidence, and self-esteem to name a few.

Racine County's role as fiscal agent will be to process invoices and serve as the recipient of the ARPA funds to then be allocated to the Big Brothers Big Sisters of Racine and Kenosha Counties. Racine County will receive a nominal percentage for administrative cost. I am seeking approval for HSD Fiscal Team to serve in this capacity as it is a continuum of services that can be provided for youth at risk of experiencing or participating in violence in the community in the absence of a robust support system.

Sincerely,

Hope Otto

REQUEST FOR COUNTY BOARD ACTION

YEAR <u>2022</u>	<input checked="" type="checkbox"/>	Resolution Request Ordinance Request Report Request
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Requestor/Originator: Human Services Department - Hope Otto

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading)  
 If a person is not in attendance the item may be held over. Hope Otto

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: \_\_\_\_\_

Does this request propose the expenditure, receipt or transfer of any funds? No  
 If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 12/7/2022                      Date of County Board Meeting to be Introduced: 12/13/2022

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

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

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

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

Authorize multi-year lease agreement with Gateway Technical College

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**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.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows 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.**



Fiscal Year: **2022**

Racine County will provide space to Gateway Technical College in exchange for training offered through Gateway instructors up to the valued dollar amount of the rental space as follows:

- July 1, 2020 – June 30, 2021 \$41,996
- July 1, 2021 – June 30, 2022 \$42,416
- July 1, 2022 – June 30, 2023 \$42,840
- July 1, 2023 – June 30, 2024 \$43,268

FINANCE COMMITTEE RECOMMENDATION

After reviewing the Resolution/Ordinance and fiscal information supplied, your Finance Committee recommends FOR--AGAINST adoption.

REASONS

FOR	AGAINST

November 29, 2022

TO: Don Trottier  
Chairman, Finance Committee

FROM: Hope Otto  
Human Services Director

RE: Gateway Technical College multi-year contract

As part of a long-standing partnership with Racine County Human Services Workforce Solutions Division, we are requesting entering into an annual memorandum of understanding to be made effective July 1, 2020, through June 30, 2024. This MOU is reviewed annually for residents to utilize Gateway Adult Basic Educational Services and programming at the 1717 Taylor Avenue location.

This agreement provides that Gateway will utilize the space in exchange for training offered through Gateway Instructors up to the valued dollar amount of the rental space:

July 1, 2020 – June 30, 2021 \$41,996  
July 1, 2021 – June 30, 2022 \$42,416  
July 1, 2022 – June 30, 2023 \$42,840  
July 1, 2023 – June 30, 2024 \$43,268

Any training that is requested by Racine County Human Services beyond the above dollar amounts would be the responsibility of the county. Training services such as support in basic skills to design/development of resumes and report writing have been utilized. I am requesting continued approval of this MOU as it supports valuable training opportunities and our important partnership with Gateway.

Sincerely,

Hope Otto

REQUEST FOR COUNTY BOARD ACTION

YEAR	<u>2022</u>		Resolution Request
			Ordinance Request
		X	Report Request

Requestor/Originator: Finance Director - Gwen Zimmer

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading) Finance Director - Gwen Zimmer  
If a person is not in attendance the item may be held over.

Does the County Executive know of this request: No

If related to a position or position change, Does the Human Resources Director know of this request: \_\_\_\_\_

Does this request propose the expenditure, receipt or transfer of any funds? No

If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 12/7/2022 Date of County Board Meeting to be Introduced: \_\_\_\_\_

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

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

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

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

Racine County 2022 3<sup>rd</sup> Quarter Grant Applications Report

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**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.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows 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.**

To: Finance and Human Resources Committee

From: Gwen Zimmer, Finance Director

Subject: 3<sup>rd</sup> Quarter 2022 grant applications

Date: December 7, 2022

In compliance with Racine County ordinance 7-271, please see the grants applied for during the period of July 1 – September 30, 2022:

Grant Name	Grant Awarding Agency	Grant Amount Applied for	Racine County Match	Grant Submission Date	Grant Response Date
BJA FY 2022 Improving Reentry Education and Employment Outcomes	US Department of Justice	\$900,000	Wisconsin	06/13/2022	
Port Security Grant	Department of Homeland Security and Federal Emergency Management Agency	450,000	150,000 (in kind)	06/13/2022	
COVID 19 HERE to Help	United Way of Racine County	\$11,700.00	Wisconsin	6/30/22	
2022 EPCRA Hazmat Equipment Grant	WEM	\$7,517.31	N/A	7/1/2022	
2021 HMEP Commodity Flow Study Grant	WEM	\$13,229.42	Wisconsin	7/26/22	9/1/22
2021 HMEP HAZMAT Exercise Grant	WEM	\$3,315.70	None	7/26/22	9/1/22
2022 HMEP Core & Specialized Grant - SSFD	WEM	\$10,000.00	N/A	8/31/22	10/1/22

American Rescue Plan Act (ARPA) Evidence and Community-Based Violence Reduction Initiative	City of Racine	\$35,000		09/13/2022	
American Rescue Plan Act (ARPA) Evidence and Community-Based Violence Reduction Initiative	City of Racine	\$21,600		09/21/2022	
Impaired Driving Enforcement	WI Bureau of Transportation Safety	\$89,960.00	\$22,490	09/30/2022	
BJA FY 2022 Improving Reentry Education and Employment Outcomes	US Department of Justice	\$900,000	Wisconsin	06/13/2022	
Port Security Grant	Department of Homeland Security and Federal Emergency Management Agency	450,000	150,000 (in kind)	06/13/2022	
COVID 19 HERE to Help	United Way of Racine County	\$11,700.00	Wisconsin	6/30/22	
2022 EPCRA Hazmat Equipment Grant	WEM	\$7,517.31	N/A	7/1/2022	
2021 HMEP Commodity Flow Study Grant	WEM	\$13,229.42	Wisconsin	7/26/22	9/1/22
2021 HMEP HAZMAT Exercise Grant	WEM	\$3,315.70	None	7/26/22	9/1/22
2022 HMEP Core & Specialized Grant - SSFD	WEM	\$10,000.00	N/A	8/31/22	10/1/22
American Rescue Plan Act (ARPA) Evidence and Community-Based Violence	City of Racine	\$35,000		09/13/2022	

Reduction Initiative					
American Rescue Plan Act (ARPA) Evidence and Community-Based Violence Reduction Initiative	City of Racine	\$21,600		09/21/2022	
Impaired Driving Enforcement	WI Bureau of Transportation Safety	\$89,960.00	\$22,490	09/30/2022	

Sincerely,

Gwen Zimmer  
Finance Director