

COUNTY OF RACINE

Racine, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2013

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, 2013, 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 June 26, 2014.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2013-001.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Racine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Racine's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
June 26, 2014

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 OMB CIRCULAR A-133 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 Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts, and grants 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133, 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.

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

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, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2013-003 and 2013-005. Our opinion on each major federal and major state program is not modified with respect to these matters.

County of Racine's Response to Findings

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

Report on Internal Control Over Compliance

Management of the County of Racine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Racine's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 OMB Circular A-133 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-002, 2013-004, and 2013-005 that we consider to be significant deficiencies.

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

County of Racine's Response to Findings

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

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 OMB Circular A-133 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 OMB Circular A-133 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, 2013, 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 June 26, 2014, 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 OMB Circular A-133 and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
September 22, 2014

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Revenues					Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS									
U. S. Department of Agriculture									
Child Nutrition Cluster									
School Breakfast Program	10.553	WI DPI	\$ (7,764)	\$ -	\$ 22,963	\$ 6,602	\$ 21,801	\$ 21,801	
National School Lunch Program	10.555	WI DPI	(13,461)	-	35,876	14,337	36,752	36,752	
Total Child Nutrition Cluster			(21,225)	-	58,839	20,939	58,553	58,553	
State Administration Matching Grants for Food Stamp Program	10.561	WI DHS	(3,543)	-	968,108	24,018	988,583	988,583	
State Administration Matching Grants for Food Stamp Program	10.561	WI DCF	-	-	6,624	-	6,624	6,624	
State Administration Matching Grants for Food Stamp Program	10.561	Kenosha Co	(134,262)	-	432,376	-	298,114	298,114	
State Administration Matching Grants for Food Stamp Program	10.561	Dane Co	(20,033)	-	35,073	14,937	29,977	29,977	
Subtotal			(157,838)	-	1,442,181	38,955	1,323,298	1,323,298	
Environmental Quality Incentives Program (NCRS-CRP)	10.912	N/A	-	-	4,882	-	4,882	4,882	
Total U.S. Department of Agriculture			(179,063)	-	1,505,902	59,894	1,386,733	1,386,733	
U.S. Department of Housing and Urban Development									
Community Development Block Grant/State's Program	14.228	WI DOA	-	-	27,424	12,576	40,000	40,000	
Total U.S. Department of Housing and Urban Development			-	-	27,424	12,576	40,000	40,000	
U.S. Department of Justice									
CEASE Grant	16.000	WI DOJ	-	-	2,851	545	3,396	3,396	
Stop Violence Against Women	16.588	WI DOJ	-	-	7,270	4,579	11,849	11,849	
Bulletproof Vest Partnership Program	16.607	N/A	(368)	-	368	-	-	-	
JAG Program Cluster									
Edward Byrne Memorial Formula Grant	16.738	Walworth Co	(31,092)	-	55,626	14,646	39,180	39,180	
Edward Byrne Memorial Formula Grant	16.738	City of Racine	(36,404)	-	36,404	28,109	28,109	28,109	
Edward Byrne Memorial Formula Grant	16.738	WI DOA OJA	(28,923)	6,504	46,151	52,742	76,474	76,474	
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant	16.803	City of Racine	(27,798)	(12)	31,659	-	3,849	3,849	
Total JAG Program Cluster			(124,217)	6,492	169,840	95,497	147,612	147,612	
Crime Victim Assistance	16.575	WI DOJ	(17,391)	784	68,398	16,946	68,737	68,737	
Juvenile Accountability Block Grant	16.523	WI DOA-OJA	(7,111)	-	7,111	-	-	-	
Juvenile Justice and Delinquency Prevention	16.540	WI DOA-OJA	(30,723)	-	44,923	-	14,200	14,200	
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	-	41,185	-	41,185	41,185	
Anti-Gang Initiative	16.744	WI DOA-OJA	(17,757)	-	42,786	(10,244)	14,785	14,785	
Total U.S. Department of Justice			(197,567)	7,276	384,732	107,323	301,764	301,764	

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Revenues					Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS (cont.)									
U.S. Department of Labor									
WIA Cluster									
WIA Adult Program	17.258	Kenosha Co	\$ (64,555)	\$ -	\$ 507,748	\$ (13,384)	\$ 429,809	\$ 429,809	\$ 429,809
WIA Adult Program	17.258	WI DWD	(8,593)	1,805	18,158	-	11,370	11,370	11,370
WIA Youth Activities	17.259	Kenosha Co	(96,102)	-	682,853	182,723	769,474	769,474	769,474
WIA Youth Activities	17.259	WI DWD	(9,866)	2,073	20,848	-	13,055	13,055	13,055
WIA Dislocated Workers	17.260	Kenosha Co	(82,426)	-	573,643	41,748	532,965	532,965	532,965
ARRA-WIA Dislocated Workers	17.260	Kenosha Co	(17,210)	486	117,458	723	101,457	101,457	101,457
WIA Dislocated Workers	17.278	WI DWD	(13,367)	2,809	28,245	-	17,687	17,687	17,687
Total WIA Cluster			<u>(292,119)</u>	<u>7,173</u>	<u>1,948,953</u>	<u>211,810</u>	<u>1,875,817</u>	<u>1,875,817</u>	<u>1,875,817</u>
Total U.S. Department of Labor			<u>(292,119)</u>	<u>7,173</u>	<u>1,948,953</u>	<u>211,810</u>	<u>1,875,817</u>	<u>1,875,817</u>	<u>1,875,817</u>
U.S. Department of Transportation									
Highway Planning & Construction	20.205	WI DOT	(877)	-	877	195,395	195,395	195,395	195,395
Highway Safety Cluster									
State and Community Highway Safety	20.600	WI DOT	(9,976)	-	74,232	-	64,256	64,256	64,256
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	WI DOT	(25,465)	-	59,235	13,516	47,286	47,286	47,286
Occupant Protection Incentive Grant	20.602	WI DOT	(10,079)	(10)	21,854	-	11,765	11,765	11,765
State Traffic Safety Information System Improvement Grants	20.610	WI DOT	(27,625)	-	27,625	-	-	-	-
Total Highway Safety Cluster			<u>(73,145)</u>	<u>(10)</u>	<u>182,946</u>	<u>13,516</u>	<u>123,307</u>	<u>123,307</u>	<u>123,307</u>
Total U.S. Department of Transportation			<u>(74,022)</u>	<u>(10)</u>	<u>183,823</u>	<u>208,911</u>	<u>318,702</u>	<u>318,702</u>	<u>318,702</u>
U.S. Department of Education									
Fund for the Improvement of Postsecondary Education	84.116	N/A	(22,217)	-	175,433	(5,009)	148,207	148,207	148,207
Special Education - Grants for Infants and Families	84.181	WI DHS	-	-	211,888	-	211,888	211,888	211,888
Total U.S. Department of Education			<u>(22,217)</u>	<u>-</u>	<u>387,321</u>	<u>(5,009)</u>	<u>360,095</u>	<u>360,095</u>	<u>360,095</u>
U. S. Department of Health and Human Services									
Title III, Part F - Preventive Health	93.043	GWAAR	(941)	-	14,913	-	13,972	13,972	13,972
Aging Cluster									
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	(33,384)	(3,310)	222,408	48	185,762	185,762	185,762
Title III, Part C - Nutrition Services	93.045	GWAAR	(3,858)	-	294,453	131	290,726	290,726	290,726
Nutrition Services Incentive Program	93.053	GWAAR	(1)	-	127,408	(57,924)	69,483	69,483	69,483
Total Aging Cluster			<u>(37,243)</u>	<u>(3,310)</u>	<u>644,269</u>	<u>(57,745)</u>	<u>545,971</u>	<u>545,971</u>	<u>545,971</u>

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Revenues				Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS (cont.)								
U. S. Department of Health and Human Services (cont.)								
Title III, Part E - National Family Caregiver Support	93.052	GWAAR	\$ (8,029)	\$ -	\$ 96,954	\$ -	\$ 88,925	\$ 88,925
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	Kenosha Co	(68,820)	-	298,887	4,355	234,422	234,422
Substance Abuse and Mental Health Services - Access to Recovery	93.276	N/A	(10,157)	-	35,616	5,162	30,621	30,621
Home Visiting Program	93.505	WI DCF	(139,827)	13,509	574,893	-	448,575	448,575
Promoting Safe and Stable Families	93.556	WI DCF	-	-	53,674	-	53,674	53,674
Block Grants for Temporary Assistance for Needy Families	93.558	Kenosha Co	(4,339)	-	4,339	-	-	-
Block Grants for Temporary Assistance for Needy Families	93.558	WI DHS	(53,029)	-	605,748	-	552,719	552,719
Block Grants for Temporary Assistance for Needy Families	93.558	WI DCF	(207,024)	-	1,171,233	5,566	969,775	969,775
Subtotal			<u>(264,392)</u>	<u>-</u>	<u>1,781,320</u>	<u>5,566</u>	<u>1,522,494</u>	<u>1,522,494</u>
Child Support Enforcement	93.563	WI DCF	(635,924)	-	2,943,716	-	2,307,792	2,307,792
Low Income Home Energy Assistance Block Grant	93.568	WI DOA	(23,394)	16,555	453,968	-	447,129	447,129
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	(72,151)	82,221	969,003	-	979,073	979,073
Chafee Education and Training Vouchers Program	93.599	WI DCF	-	-	192	10	202	202
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	-	-	135,106	-	135,106	135,106
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DOC	4,103	(3,476)	32,307	(3,027)	29,907	29,907
Subtotal			<u>4,103</u>	<u>(3,476)</u>	<u>167,413</u>	<u>(3,027)</u>	<u>165,013</u>	<u>165,013</u>
Foster Care - Title IV-E	93.658	WI DOC	7,113	(5,407)	50,255	(5,440)	46,521	46,521
Foster Care - Title IV-E	93.658	WI DCF	(44,596)	(34,218)	893,634	-	814,820	814,820
Subtotal			<u>(37,483)</u>	<u>(39,625)</u>	<u>943,889</u>	<u>(5,440)</u>	<u>861,341</u>	<u>861,341</u>
Social Services Block Grant	93.667	WI DHS	(77,034)	-	990,659	143	913,768	913,768
Social Services Block Grant	93.667	WI DCF	-	-	370,073	-	370,073	370,073
Subtotal			<u>(77,034)</u>	<u>-</u>	<u>1,360,732</u>	<u>143</u>	<u>1,283,841</u>	<u>1,283,841</u>
Chafee Foster Care Independence Program	93.674	WI DCF	(22,684)	-	65,460	-	42,776	42,776
Children's Health Insurance Program	93.767	Kenosha Co	(25,124)	25,124	55,785	-	55,785	55,785
Children's Health Insurance Program	93.767	WI DHS	5,150	(5,150)	-	-	-	-
Subtotal			<u>(19,974)</u>	<u>19,974</u>	<u>55,785</u>	<u>-</u>	<u>55,785</u>	<u>55,785</u>

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	Federal CFDA Number	Pass Through Agency	Revenues					Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS (cont.)									
U. S. Department of Health and Human Services (cont.)									
Medical Assistance Program	93.778	WI DHS	\$ (314,403)	\$ 31,757	\$ 1,082,027	\$ (367)	\$ 799,014	\$ 799,014	
Medical Assistance Program - Aging	93.778	GWAAR	(2,259)	-	8,707	-	6,448	6,448	
Medical Assistance Program - CLTS	93.778	WI DHS	-	-	1,150,314	-	1,150,314	1,150,314	
Medical Assistance Program - CLTS admin	93.778	WI DHS	(4,316)	-	59,494	-	55,178	55,178	
Medical Assistance Program	93.778	Kenosha Co	(186,189)	-	599,604	-	413,415	413,415	
Medical Assistance Program - WIMCR	93.778	WI DHS	-	-	348,259	-	348,259	348,259	
Medical Assistance Program	93.778	Dane Co	(7,106)	-	33,804	3,278	29,976	29,976	
Subtotal			<u>(514,273)</u>	<u>31,757</u>	<u>3,282,209</u>	<u>2,911</u>	<u>2,802,604</u>	<u>2,802,604</u>	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	WI DHS	-	-	3,000	-	3,000	3,000	
Block Grants for Community Mental Health Services	93.958	WI DHS	-	-	169,199	-	169,199	169,199	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	(120,488)	-	596,346	4,018	479,876	479,876	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DCF	(31,801)	-	154,415	-	122,614	122,614	
Subtotal			<u>(152,289)</u>	<u>-</u>	<u>750,761</u>	<u>4,018</u>	<u>602,490</u>	<u>602,490</u>	
Total U.S. Department of Health and Human Services			<u>(2,080,512)</u>	<u>117,605</u>	<u>14,665,853</u>	<u>(44,047)</u>	<u>12,658,899</u>	<u>12,658,899</u>	
U.S. Department of Homeland Security									
Emergency Management Performance Grant	97.042	WI DMA	(60,970)	-	77,807	57,263	74,100	74,100	
Homeland Security Grant Program	97.067	WI DOA OJA	(70,544)	-	103,181	-	32,637	32,637	
Total U.S. Department of Homeland Security			<u>(131,514)</u>	<u>-</u>	<u>180,988</u>	<u>57,263</u>	<u>106,737</u>	<u>106,737</u>	
TOTAL FEDERAL PROGRAMS			<u>\$ (2,977,014)</u>	<u>\$ 132,044</u>	<u>\$ 19,284,996</u>	<u>\$ 608,721</u>	<u>\$ 17,048,747</u>	<u>\$ 17,048,747</u>	

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Adjustments	Revenues			Expenditures
				Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
STATE PROGRAMS							
Wisconsin Department of Agriculture, Trade and Consumer Protection							
County Staff and Support	115.150	\$ (26,591)	\$ -	\$ 108,492	\$ 41,884	\$ 123,785	\$ 123,785
Land and Water Resource Management	115.400	(40,663)	-	95,566	5,285	60,188	60,188
Farmland Preservation Planning Grant	115.708	-	(12,499)	27,499	-	15,000	15,000
Private Onsite Wastewater Treatment	165.002	-	-	14,366	-	14,366	14,366
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>(67,254)</u>	<u>(12,499)</u>	<u>245,923</u>	<u>47,169</u>	<u>213,339</u>	<u>213,339</u>
Wisconsin Department of Natural Resources							
Boating Enforcement Patrol	370.512	468,720	-	-	457,804	926,524	926,524
Water Safety Aid	370.550	(31,132)	-	31,148	39,478	39,494	39,494
Wildlife Damage Claim & Abatement	370.553	(796)	-	796	980	980	980
County Conservation Aids	370.563	-	-	-	2,050	2,050	2,050
Recreation Boating Facilities	370.573	(840,600)	-	840,600	5,000	5,000	5,000
Snowmobile Trail Areas	370.575	-	-	46,025	-	46,025	46,025
Total Wisconsin Department of Natural Resources		<u>(403,808)</u>	<u>-</u>	<u>918,569</u>	<u>505,312</u>	<u>1,020,073</u>	<u>1,020,073</u>
Wisconsin Department of Transportation							
Rural Safety Belt Grant Program	395.568	(17,801)	-	54,483	40,000	76,682	76,682
Elderly and Handicapped County Aids	395.101	(33,440)	-	516,917	(965)	482,512	482,512
Total Wisconsin Department of Transportation		<u>(51,241)</u>	<u>-</u>	<u>571,400</u>	<u>39,035</u>	<u>559,194</u>	<u>559,194</u>
Wisconsin Department of Corrections							
Windows to Work	410.120	(26,653)	549	122,785	(3,945)	92,736	92,736
Community Intervention Program	410.302	(44,572)	-	115,628	43,929	114,985	114,985
Youth Aids	410.313	444,620	(377,324)	3,507,095	(327,893)	3,246,498	3,246,498
Total Wisconsin Department of Corrections		<u>373,395</u>	<u>(376,775)</u>	<u>3,745,508</u>	<u>(287,909)</u>	<u>3,454,219</u>	<u>3,454,219</u>

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Adjustments	Revenues			Expenditures
				Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
STATE PROGRAMS (cont.)							
Wisconsin Department of Health Services							
FSET Admin GPR/Fed Base	435.231	\$ -	\$ -	\$ 60,989	\$ -	\$ 60,989	\$ 60,989
FSET 50/50	435.232	(5,315)	-	29,333	24,018	48,036	48,036
FSET Admin GPR/Fed Base	435.233	-	-	26,923	-	26,923	26,923
FSET Retent GPR/Fed Base	435.235	113	-	138	-	251	251
IMAA State Share	435.283	246	-	662,661	-	662,907	662,907
Adult Protective Services	435.312	(132,517)	-	347,007	-	214,490	214,490
Community Options Program	435.367	(13,291)	-	892,107	-	878,816	878,816
Alzheimer's Family Support	435.381	(315)	-	62,752	-	62,437	62,437
Certified Mental Health Program	435.517	(27,708)	-	128,008	-	100,300	100,300
Integrated Services to Children	435.530	-	-	10,095	-	10,095	10,095
Non-Resident Reimbursement	435.531	(21,991)	-	21,991	18,452	18,452	18,452
Birth to Three Initiative	435.550	-	-	53,780	-	53,780	53,780
Basic County Allocation	435.561	(572,003)	-	5,928,978	-	5,356,975	5,356,975
Family Support	435.577	1,688	-	160,004	-	161,692	161,692
FPI NON-FED	435.600	(683)	-	68,877	(8,240)	59,954	59,954
State/County Match	435.681	(455,168)	240,041	699,821	237,448	722,142	722,142
TPA CLTS DD Autism GPR	435.802	-	-	433,244	-	433,244	433,244
TPA CLTS DD Other GPR	435.805	-	-	167,348	-	167,348	167,348
TPA CLTS MH Autism GPR	435.808	-	-	142,084	-	142,084	142,084
TPA CLTS MH Other GPR	435.811	-	-	14,797	-	14,797	14,797
TPA CLTS PD Other GPR	435.817	-	-	29,597	-	29,597	29,597
CLTS DD AUT CWA ADMIN GPR	435.832	(861)	-	25,014	-	24,153	24,153
CLTS DD OTH CWA ADMIN GPR	435.835	(2,786)	-	16,922	-	14,136	14,136
CLTS MH AUT CWA ADMIN GPR	435.838	(249)	-	13,048	-	12,799	12,799
CLTS MH OTH CWA ADMIN GPR	435.841	(230)	-	1,642	-	1,412	1,412
CLTS MH OTH CWA ADMIN GPR	435.847	(194)	-	2,872	-	2,678	2,678
Regional Crisis Grants	435.81075	-	-	-	-	-	-
Infant Mortality	435.110190	-	(66,061)	468,404	-	402,343	402,343
Aging & Dis Resource Ctr	435.560010	(43,331)	-	1,176,238	(143)	1,132,764	1,132,764
Aging Benefit Specialist	435.560327	(4,274)	-	37,712	-	33,438	33,438
Senior Community Svs Prog	435.560330	(7,515)	-	31,616	-	24,101	24,101
Title 3C-1 Cong Meal Prog	435.560350	(6,195)	-	285,503	(143)	279,165	279,165
Title 3C-2 Home Meals	435.560360	(9)	-	16,300	9	16,300	16,300
Elder Abuse Service	435.560490	-	-	65,013	-	65,013	65,013
Total Wisconsin Department of Health Services		(1,292,588)	173,980	12,080,818	271,401	11,233,611	11,233,611

COUNTY OF RACINE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2013

Grantor Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Adjustments	Revenues			Expenditures
				Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
STATE PROGRAMS (cont.)							
Wisconsin Department of Children and Families							
County Allocated Shared - W-2 Work Experience	437.215	\$ (24,051)	\$ -	\$ 24,051	\$ -	\$ -	\$ -
Children First	437.265	(644)	-	270,000	-	269,356	269,356
AW DOJ Fingerprint Backgr	437.3324	(464)	-	1,728	-	1,264	1,264
Basic County Allocation	437.3561	-	-	1,337,635	-	1,337,635	1,337,635
Brighter Future Initiative	437.3540	(37,392)	-	181,562	-	144,170	144,170
F State/ County match	437.3681	-	-	235,702	-	235,702	235,702
CS State GPR/PR Funding Allocation	437.7502	-	-	287,382	-	287,382	287,382
Total Wisconsin Department of Children and Families		<u>(62,551)</u>	<u>-</u>	<u>2,338,060</u>	<u>-</u>	<u>2,275,509</u>	<u>2,275,509</u>
Wisconsin Department of Workforce Development							
W3 Weekly Stipend	445.119	(1,804)	-	3,525	-	1,721	1,721
Total Wisconsin Department of Workforce Development		<u>(1,804)</u>	<u>-</u>	<u>3,525</u>	<u>-</u>	<u>1,721</u>	<u>1,721</u>
Wisconsin Department of Justice							
Victim Witness	455.532	(86,672)	-	168,873	112,756	194,957	194,957
Total Wisconsin Department of Justice		<u>(86,672)</u>	<u>-</u>	<u>168,873</u>	<u>112,756</u>	<u>194,957</u>	<u>194,957</u>
Wisconsin Department of Military Affairs							
Emergency Planning Grant	465.337	(25,372)	90	34,348	27,296	36,362	36,362
Total Wisconsin Department of Military Affairs		<u>(25,372)</u>	<u>90</u>	<u>34,348</u>	<u>27,296</u>	<u>36,362</u>	<u>36,362</u>
Wisconsin Department of Administration							
County Veterans Service Officer	485.37	-	-	13,000	-	13,000	13,000
WLIP Training	505.118	-	-	300	-	300	300
Public Benefit	505.371	(12,963)	19,018	142,969	-	149,024	149,024
State Task Force Operation	505.630	-	-	26,303	-	26,303	26,303
Election Aids	511.120	-	(2,249)	3,475	-	1,226	1,226
Total Wisconsin Department of Administration		<u>(12,963)</u>	<u>16,769</u>	<u>186,047</u>	<u>-</u>	<u>189,853</u>	<u>189,853</u>
TOTAL STATE PROGRAMS		\$ (1,630,858)	\$ (198,435)	\$ 20,293,071	\$ 715,060	\$ 19,178,838	\$ 19,178,838

COUNTY OF RACINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2013

NOTE 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, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 assets or cash flows of the County of Racine.

NOTE 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, 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.

NOTE 3 – CARS/CORE REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the June 1, 2014 Community Aids Reporting System (CARS) reports and the December 31, 2013 CORE report.

COUNTY OF RACINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2013

NOTE 4 – PASS-THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DPI – Wisconsin Department of Public Instruction
WI DHS – Wisconsin Department of Human Services
Kenosha Co – Kenosha County, Wisconsin
Dane Co – Dane County, Wisconsin
WI DOA – Wisconsin Department of Administration
WI DOJ – Wisconsin Department of Justice
Walworth Co – Walworth County, Wisconsin
City of Racine – City of Racine, Wisconsin
WI DOA-OJA – Wisconsin Department of Administration-Office of Justice Assistance
WI DWD – Wisconsin Department of Workforce Development
WI DOT – Wisconsin Department of Transportation
WI DCF – Wisconsin Department of Children and Families
WI DOC – Wisconsin Department of Corrections
WI DMA – Wisconsin Department of Military Affairs
GWAAR – Greater Wisconsin Agency on Aging Resources

COUNTY OF RACINE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013**

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- > Material weakness(es) identified? X yes no
- > Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted?

 yes X no

FEDERAL OR STATE AWARDS

Internal control over major programs:

- > Material weakness(es) identified? yes X no
- > Significant deficiency(ies) identified? X yes none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

 X yes no

<u> </u> Federal Programs	<u> </u> State Programs
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Auditee qualified as low-risk auditee?

 yes X no yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning & Construction
93.044/93.045/ 93.053	Aging Cluster
93.563	Child Support Enforcement
93.658	Foster Care – Title IV-E
93.667	Social Services Block Grant
93.778	Medical Assistance Program
93.959	Block Grant for Prevention and Treatment of Substance Abuse

COUNTY OF RACINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS (cont.)

FEDERAL OR STATE AWARDS (cont.)

	Federal	State DHS	State Other
Dollar threshold used to distinguish between type A and type B programs:	\$511,462	\$337,008	\$100,000

Identification of major state programs:

State ID Numbers	Name of State Program
410.302	Community Intervention Program
410.313	Youth Aids
435.283	IMAA State Share
435.561	Basic County Allocation
435.681	State/County Match
435.802	TPA CLTS DD Autism GPR
435.805	TPA CLTS DD Other GPR
435.808	TPA CLTS MH Autism GPR
435.811	TPA CLTS MH Other GPR
435.817	TPA CLTS PD Other GPR
435.832	CLTS DD AUT CWA ADMIN GPR
435.835	CLTS DD OTH CWA ADMIN GPR
435.838	CLTS MH AUT CWA ADMIN GPR
435.841	CLTS MH OTH CWA ADMIN GPR
435.847	CLTS MH OTH CWA ADMIN GPR
435.110190	Infant Mortality
435.560010	Aging and Disability Resource Center
435.560350	Title 3C-1 Cong Meal Prog
435.560360	Title 3C-2 Home Meals
437.265	Children First
437.3540	Brighter Future Initiative
437.3561	Basic County Allocation
437.3681	F State/County Match
437.7502	CS State GPR/PR Funding Allocation

The following federal programs were tested as major programs according to the requirements of the *State Single Audit Guidelines*:

CFDA Number	Name of Federal Program
93.778	Wisconsin Medicaid Cost Recovery - WIMCR

COUNTY OF RACINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

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

FINDING 2013-001: INTERNAL CONTROL ENVIRONMENT

Criteria: Statement on Auditing Standards (SAS) 115 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the county's structure of internal control.

Condition: During the financial audit, audit procedures and inquiries were performed to evaluate the effectiveness of controls over various transaction cycles. As a result of these procedures, the following areas were identified where your controls over transactions could be improved:

- > Adjusting entries and supporting documentation are not reviewed and approved by an appropriate person who is not the original preparer.
- > Controls should be in place to ensure that only appropriate personnel are able to make changes to the production systems.
- > The county should enforce unique logins and passwords for all financially impacted applications. Default system accounts should be deactivated or disabled.

Cause: The county has not established these controls due to limited resources.

Effect: Errors or irregularities could occur as part of these financial processes that may not be discovered by county staff.

Recommendation: We recommend a designated person in the county review these potential controls and make a suggestion on the county's ability and cost (including time) to implement some or all of them.

Management's Response: The County implemented a documented review and approval process for all adjusting entries in 2013. Once implemented, all entries have a documented review and approval by someone other than the original preparer. Items selected for audit testing included entries prior to the implementation of the new process and therefore the separate review and approval was not documented.

The County has reviewed the controls for production systems and logins for financially impacted applications. At this time it is cost prohibitive to implement the auditor's recommendations. Instead the County has implemented additional oversight in these areas to deter and detect errors and irregularities.

COUNTY OF RACINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

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

FINDING 2013-002

Program State ID Numbers and Titles: 437.265 Children First
State Grantors: Wisconsin Department of Children and Families

Criteria: The A-102 Common Rule and Code of Federal Regulations require that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the appropriate review and approval of disbursements to ensure they are allowable under the program. The *State Single Audit Guidelines* mirror the federal requirements when applied to state grant programs.

Condition/Context: During our testing of expenditures, it was noted that 4 journal entries did not have a separate review and approval. These entries were from the beginning of the year. An entry selected from later in the year did contain the proper approval.

Cause: Unknown

Effect: A lack of controls over expenditure approval may increase the likelihood of unallowable costs charged to grant programs.

Questioned Costs: None noted

Recommendation: We recommend the county continues to have all journal entries reviewed and approved by someone other than the original preparer of the journal entry.

Management's Response: The County implemented a documented review and approval process for all journal entries in 2013. Once implemented, all entries have a documented review and approval by someone other than the original preparer. Items selected for audit testing included entries prior to the implementation of the new process and therefore the separate review and approval was not documented.

FINDING 2013-003

Program State ID Number and Title: N/A General Requirements
State Grantor: Wisconsin Department of Children and Families

Criteria: DHS general requirements as identified in the *State Single Audit Guidelines* require that the County receive and review the audit reports of all providers who are required to submit an audit report as per Wisconsin Statute 46.036(4)(c).

Condition/Context: Three audit reports were not received within 180 days of their fiscal year end. The County did receive the audit reports by the time of the audit, however they have not yet reviewed them.

Cause: Unknown

Effect: Noncompliance by providers may not be detected by the County on a timely basis.

COUNTY OF RACINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2013-003 (cont.)

Questioned Costs: None noted

Recommendation: We recommend that the County obtain and review all audit reports timely as required per Wisconsin Statute 46.036(4)(c).

Management's Response: The three late reports have been reviewed without issue. The County has implemented a tracking and review process to obtain and review all audit reports timely. This process is documented and monitored using log worksheets.

FINDING 2013-004

Program State ID Number and Title: 93.778 Medical Assistance - WIMCR
Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Agency: Wisconsin Department of Health Services

Criteria: The A-102 Common Rule and Code of Federal Regulations require that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the appropriate review and approval of reports submitted to the state to ensure they are accurate. The *State Single Audit Guidelines* mirror the federal requirements when applied to state grant programs.

Condition/Context: This is a repeat finding from 2012 as the County has not had the opportunity to submit the 2013 annual reports. The three annual reports from 2012 were tested for review and approval by someone other than the original preparer. There was no evidence that the annual reports were reviewed and approved by a responsible party other than the original preparer.

Cause: The county did not have a process in place to retain documentation of any review that may have occurred.

Effect: Annual reports could be filed which are not appropriate or accurate. We noted a variety of changes that were made to the submitted reports after the state's WIMCR coordinator reviewed them.

Questioned Costs: None noted

Recommendation: We recommend the county determine cost-effective ways to ensure that all reports submitted to grantor agencies contain evidence that the reports were reviewed and approved by someone other than the original preparer.

Management's Response: The State has not yet released the 2013 WIMCR cost reporting method and therefore the County has been unable to complete 2013 WIMCR reports. As a result, the audit relied on the 2012 reports causing the repeat finding. As noted in our management response for the 2012 finding, reports were reviewed and approved by a separate staff member; however, they were not documented on the County's electronic copy of the reports. The County, as a result of this 2012 finding, has implemented a process to maintain printed copies with two signatures to provide adequate documentation of reviews.

COUNTY OF RACINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2013-005

Program CFDA Number and Title: 93.563 Child Support Enforcement
Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Agency: Wisconsin Department of Children and Families

Criteria: Payroll charges to a grant must be supported by the documentation required by OMB Circular A-87. When employees work on one sole federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications must be prepared at least semi-annually and must be signed by the employee or supervisory official having first-hand knowledge of the work performed by employees. When employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. This activity must reflect an after-the-fact distribution, must account for the total activity for each employee, must be prepared at least monthly and coincide with one or more pay periods, and must be signed by the employee.

Condition/Context: The County is currently not preparing certifications for employees working solely on a single federal award.

Cause: Unknown.

Effect: Documentation supporting salaries and wages charged to federal programs does not comply with federal requirements. This may result in inaccurate salary charges to federal programs.

Questioned Costs: Unable to determine

Recommendation: The County should review its overall process for charging salaries and wages to federal grants.

Management's Response: The County has implemented a semi-annual certification process for all employees working solely on a single federal award.

COUNTY OF RACINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

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

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

Thomas A. Scheidegger
Thomas A. Scheidegger, CPA, Partner

Date of report

September 22, 2014