

KENOSHA COUNTY
Kenosha, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2004

KENOSHA COUNTY

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INDEPENDENT AUDITORS' 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

To the County Board of Supervisors
Kenosha County
Kenosha, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin as of and for the year ended December 31, 2004 which collectively comprise Kenosha County's basic financial statements, and have issued our report thereon dated May 17, 2005. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kenosha County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenosha County's basic financial statements are free of 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*.

To the County Board of Supervisors
Kenosha County

We noted certain matters that we reported to management of Kenosha County in a separate letter dated May 17, 2005.

This report is intended solely for the information and use of the county board, management, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Virehow, Krause & Company, LLP

Madison, Wisconsin
May 17, 2005



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE SINGLE AUDIT GUIDELINES AND THE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

To the County Board of Supervisors
Kenosha County
Kenosha, Wisconsin

Compliance

We have audited the compliance of Kenosha County, Wisconsin with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that are applicable to each of its major federal and major state programs for the year ended December 31, 2004. Kenosha County's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and major state programs is the responsibility of Kenosha County's management. Our responsibility is to express an opinion on Kenosha County's compliance based on our audit.

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 Kenosha County'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. Our audit does not provide a legal determination on Kenosha County's compliance with those requirements.

In our opinion, Kenosha County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2004. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, 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 2004-1, 2004-2, and 2004-3.

To the County Board of Supervisors
Kenosha County

Internal Control Over Compliance

The management of Kenosha County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Kenosha County's internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control over compliance that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal or major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin as of and for the year ended December 31, 2004, which collectively comprise Kenosha County's basic financial statements, and have issued our report thereon dated May 17, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the county board, management, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Virehow, Krause & Company, LLP

Madison, Wisconsin
June 21, 2005, except for the schedule of expenditures of
federal and state awards as to which the date is
May 17, 2005

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
FEDERAL PROGRAMS						
U. S. Department of Agriculture						
Passed through Wisconsin Department of Health and Family Services						
Special Supplemental Food Program for Women, Infants, and Children	10.557	\$ -	\$ 428,689	\$ -	\$ 428,689	\$ 428,689
State Administration Matching Grants for Food Stamp Program	10.561	-	1,572,961	-	1,572,961	1,572,961
WIC Farmers' Market Nutrition Program	10.572	-	805	-	805	805
Passed through Wisconsin Department of Workforce Development						
State Administration Matching Grants for Food Stamp Program	10.561	-	247,831	-	247,831	247,831
Total U.S. Department of Agriculture		-	2,250,286	-	2,250,286	2,250,286
U.S. Department of Housing and Urban Development						
Direct Funding						
Lead-Based Paint Hazard Control Grant	14.900	(82,608)	323,903	284,114	525,409	525,409
U.S. Department of Justice						
Direct Funding						
Local Law Enforcement Block Grant	16.592	26,005	-	-	26,005	26,005
State Criminal Alien Assistance Program	16.606	-	79,239	-	79,239	79,239
Public Safety Partnership and Community Oriented Policing Grants	16.710	(4,016)	14,595	17,927	28,506	28,506
High Intensity Drug Trafficking Area (HIDTA)	16.XXX	-	10,043	27,446	37,489	37,489
Passed Through Wisconsin Department of Administration - Office of Justice Assistance						
Juvenile Accountability Incentive Block Grant	16.523	(53,289)	73,681	16,642	37,034	37,034
Juvenile Justice and Delinquency Prevention Title V	16.548	(12,612)	17,311	9,910	14,609	14,609
Drug Control and System Improvement Formula Grant	16.579	(57,217)	126,748	41,885	111,416	111,416
Public Safety Partnership and Community Oriented Policing Grants	16.710	-	5,472	-	5,472	5,472
Passed Through Wisconsin Department of Justice						
Cease Grant	16.595	-	5,259	170	5,429	5,429
Total U.S. Department of Justice		(101,129)	332,348	113,980	345,199	345,199

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
FEDERAL PROGRAMS (cont.)						
U.S. Department of Labor						
Direct Funding						
Workforce Investment Act - Adult	17.258	\$ (173,302)	\$ 1,264,716	\$ 221,361	\$ 1,312,775	\$ 1,312,775
Workforce Investment Act - Youth	17.259	(190,648)	1,114,251	165,504	1,089,107	1,089,107
Workforce Investment Act - DLW	17.260	(238,099)	1,218,066	117,889	1,097,856	1,097,856
Total U.S. Department of Labor		(602,049)	3,597,033	504,754	3,499,738	3,499,738
U.S. Department of Transportation						
Passed Through Wisconsin Department of Transportation						
State and Community Highway Safety	20.600	(5,432)	32,829	-	27,397	27,397
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	(13,347)	74,674	10,152	71,479	71,479
Total U.S. Department of Transportation		(18,779)	107,503	10,152	98,876	98,876
Federal Emergency Management Agency						
Passed Through Wisconsin Department of Military Affairs						
Civil Defense - State and Local Emergency Management Assistance	83.503	(257,903)	294,085	43,310	79,492	79,492
Public Assistance	83.544	-	83,800	(3,098)	80,702	80,702
Hazard Mitigation Grant Program	83.548	666	-	94,080	94,746	94,746
Total Federal Emergency Management Agency		(257,237)	377,885	134,292	254,940	254,940
U.S. Department of Education						
Direct Funding						
Twenty-First Century Community Learning Centers	84.287	(61,250)	153,600	-	92,350	92,350
Passed Through Wisconsin Department of Health and Family Services						
Birth to Three	84.181	-	160,831	-	160,831	160,831
Drug Free Schools	84.186	-	63,447	-	63,447	63,447
Total U.S. Department of Education		(61,250)	377,878	-	316,628	316,628

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	
FEDERAL PROGRAMS (cont.)					
U.S. Environmental Protection Agency					
Passed through Wisconsin Department of Health and Family Services					
Indoor Radon Contract Service	66.032	\$ -	\$ 8,000	\$ -	\$ 8,000
Total U.S. Environmental Protection Agency		-	8,000	-	8,000
U. S. Department of Health and Human Services					
Passed through Wisconsin Department of Health and Family Services					
Public Health and Social Services Emergency Fund Projects for Assistance in Transition from Homelessness Consolidated Knowledge Development and Application (KD&A) Program Immunization Grants Centers for Disease Control and Prevention - Investigations and Technical Assistance Family Preservation - Support Chafee Education and Training Vouchers Program Child Welfare Service Grants - State Grants Foster Care - Title IV-E Adoption Assistance Social Services Block Grant Chafee Foster Care Independent Living State Children's Insurance Program Medical Assistance Program Block Grants for Community Mental Health Services Block Grants for Prevention and Treatment of Substance Abuse	93.003 93.150 93.230 93.268 93.283 93.556 93.599 93.645 93.658 93.659 93.667 93.674 93.767 93.778 93.958 93.959	- - - - - - - - - - - - - - - -	4,092 46,254 154,058 49,075 538,898 53,724 15,308 157,605 1,326,613 68,587 1,822,015 97,429 107,326 11,141,204 264,062 807,292	- - - - - - - - - - - - - - -	4,092 46,254 154,058 49,075 538,898 53,724 15,308 157,605 1,326,613 68,587 1,822,015 97,429 107,326 11,141,204 264,062 807,292

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
FEDERAL PROGRAMS (cont.)						
U. S. Department of Health and Human Services (cont.)						
Passed Through Wisconsin Department of Health and Family Services (cont.)						
Preventive Health and Health Services						
Block Grant	93.991	\$ -	\$ 17,011	\$ -	\$ 17,011	\$ 17,011
Maternal and Child Health Services Block Grant	93.994	-	65,977	-	65,977	65,977
Passed Through Southeastern Wisconsin Area on Aging						
Special Programs for the Aging						
Title III, Part D - Preventive Health	93.043	-	7,824	-	7,824	7,824
Title III, Part B - Grants for Supportive Services	93.044	-	112,172	-	112,172	112,172
Title III, Part C - Nutrition Services	93.045	-	305,103	-	305,103	305,103
Title III, Part E - National Caregiver Support Program	93.052	-	55,506	-	55,506	55,506
Nutrition Services Incentive Program	93.053	-	60,124	-	60,124	60,124
Passed Through Wisconsin Department of Workforce Development						
Block Grants for Temporary Assistance for Needy Families	93.558	-	2,532,950	-	2,532,950	2,532,950
Family Support Payments to States-Assistance Payments	93.560	-	(1,796)	-	(1,796)	(1,796)
Child Support Enforcement - Medical Support Liability Incentive Odd FFY	93.563	-	25,164	-	25,164	25,164
Child Support Enforcement - Medical Support Liability Incent Adj Even FFY	93.563	-	36,149	-	36,149	36,149
Child Support Enforcement - Indirect Cost 66% Federal Share	93.563	-	281,960	-	281,960	281,960
Child Support Enforcement - Lab Exp 90% Federal Share	93.563	-	46,705	-	46,705	46,705
Child Support Enforcement - All Other Exp 66% Federal Share	93.563	-	2,586,951	-	2,586,951	2,586,951
Child Support Enforcement - Fees 66% Federal Share	93.563	-	(2,810)	-	(2,810)	(2,810)
Child Support Enforcement - Lab Fees 90% Federal Share	93.563	-	(14,432)	-	(14,432)	(14,432)
Child Support Enforcement - Performance Based	93.563	-	1,463,753	-	1,463,753	1,463,753
Child Support Enforcement - Non IV-D Activities	93.563	-	27,354	-	27,354	27,354
Child Support Enforcement - FPLS Fees	93.563	-	(5,024)	-	(5,024)	(5,024)
Child Care Payments	93.596	-	856,065	-	856,065	856,065
Medical Assistance Program	93.778	-	(33,229)	-	(33,229)	(33,229)

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
FEDERAL PROGRAMS (cont.)						
U. S. Department of Health and Human Services (cont.)						
Passed Through Wisconsin Department of Administration Low Income Home Energy Assistance Block Grant	93.568	\$ (11,933)	\$ 114,248	\$ 29,795	\$ 132,110	\$ 132,110
Passed Through Wisconsin Department of Corrections Child Welfare Services Grant - State Grants Foster Care Title - IV-E	93.645 93.658	- -	18,694 18,694	- -	18,694 18,694	18,694 18,694
Total U.S. Department of Health and Human Services		(11,933)	25,228,655	29,795	25,246,517	25,246,517
U.S. Department of Homeland Security						
Passed through Wisconsin Department of Military Affairs Citizen Corps	97.053	-	2,911	2,515	5,426	5,426
Passed through Wisconsin Department of Administration - Office of Justice Assistance State Domestic Preparedness Equipment Support Program	97.004	-	615,606	(5,909)	609,697	609,697
Total U.S. Department of Homeland Security		-	618,517	(3,394)	615,123	615,123
TOTAL FEDERAL PROGRAMS		\$ (1,134,985)	\$ 33,222,008	\$ 1,073,693	\$ 33,160,716	\$ 33,160,716

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	
STATE PROGRAMS					
Wisconsin Department of Agriculture, Trade and Consumer Protection					
District Fairs	115.050	\$ -	\$ 6,249	\$ -	\$ 6,249
County Staff and Support	115.150	-	85,000	-	85,000
Land and Water Resource Management	115.400	-	21,648	-	21,648
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		-	112,897	-	112,897
Wisconsin Department of Public Instruction					
Public Library Systems Aid	255.002	282,748	376,997	(282,748)	376,997
Wisconsin Department of Natural Resources					
Recreational Aids - Snowmobile Trail and Area	370.485	-	-	19,225	19,225
Wisconsin Department of Transportation					
Elderly and Handicapped County Aids	395.101	-	201,023	-	201,023
Wisconsin Department of Corrections					
Community Intervention	410.302	-	114,900	-	114,900
Youth Aids	410.313	-	1,208,862	-	1,208,862
Total Wisconsin Department of Corrections		-	1,323,762	-	1,323,762

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	
STATE PROGRAMS (cont.)					
Wisconsin Department of Health and Family Services					
Fraud - Contract Cont	435.095	\$ -	\$ 27,903	\$ -	\$ 27,903
Funeral/Cemetery W-2 & Non W-2	435.105	-	241,989	-	241,989
Medicaid Transportation	435.131	-	721,907	-	721,907
FS Error Reduction Plan	435.270	-	19,020	-	19,020
IMAA State Share	435.283	-	776,371	-	776,371
IMAA Federal Share	435.284	-	37,266	-	37,266
COP-W GPR	435.338	-	1,522,579	-	1,522,579
Children and Family Services Incentive	435.342	-	181,564	-	181,564
CIP II Non Federal	435.348	-	568,166	-	568,166
Foster Care Continuation	435.365	-	16,932	-	16,932
Community Options Program	435.367	-	1,964,327	-	1,964,327
Kinship Care Base Benefit	435.377	-	712,143	-	712,143
Kinship Care Assessments	435.377	-	58,935	-	58,935
CLTS GPR	435.450	-	292,667	-	292,667
Community Support Program Wait List	435.504	-	41,275	-	41,275
Brain Injury Waiver	435.506	-	66,474	-	66,474
Integrated Services for Children with Severe Disabilities	435.530	-	7,400	-	7,400
Non-Resident Reimbursement	435.531	-	35,635	-	35,635
Brighter Future Initiative	435.540	-	113,965	-	113,965
Birth to Three Initiative	435.550	-	175,284	-	175,284
Basic County Allocation	435.561	-	3,691,767	-	3,691,767
CIP 1B	435.564	-	601,660	-	601,660
IMD Continuing Placements	435.572	-	32,773	-	32,773
Family Support	435.577	-	111,865	-	111,865

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
STATE PROGRAMS (cont.)							
Wisconsin Department of Health and Family Services (cont.)							
CIP 1A	435.580	\$ -	\$ -	\$ -	\$ -	-	-
Mental Health Services for the Homeless Block Grant	435.598	-	2,518	-	2,518	2,518	2,518
Base County Allocation - State Match	435.681	-	846,007	-	846,007	846,007	846,007
Fall Prevention	435.982	-	13,968	-	13,968	13,968	13,968
TCB Incentive Recoup	435.1111	-	1,301	-	1,301	1,301	1,301
Family Care Resource Center	435.1400	-	953,978	-	953,978	953,978	953,978
Family Care Prevention Program	435.1404	-	163,034	-	163,034	163,034	163,034
FC Resource Center DB	435.1423	-	35,684	-	35,684	35,684	35,684
WIC Farmers Market Grant	435.154720	-	3,035	-	3,035	3,035	3,035
Cons Contracts - WWWP CDC B&C	435.155056	-	11,213	-	11,213	11,213	11,213
Cons Contracts - WWWP Expansion	435.157001	-	25,362	-	25,362	25,362	25,362
Cons Contracts Lead Poisoning	435.157720	-	21,638	-	21,638	21,638	21,638
TPCP - Com Interventions - LHD	435.158125	-	56,422	-	56,422	56,422	56,422
TPCP - Wisconsin Wins	435.158127	-	17,820	-	17,820	17,820	17,820
Cons Contracts Maternal and Child Health Services	435.159320	-	4,229	-	4,229	4,229	4,229
Hospital Diversion Program	435.531274	-	128,400	-	128,400	128,400	128,400
CARS Adjustments	N/A	-	127,610	-	127,610	127,610	127,610
Passed Through Southeastern Wisconsin Area on Aging							
Elder Abuse	435.607	-	49,553	-	49,553	49,553	49,553
Elderly Benefit Specialist Program	435.778	-	33,438	-	33,438	33,438	33,438
Alzheimer's Family and Caregiver Support	435.705	-	67,857	-	67,857	67,857	67,857
State Senior Community Services	435.709	-	9,871	-	9,871	9,871	9,871
Total State of Wisconsin Department of Health and Family Services		-	14,592,805	-	14,592,805	14,592,805	14,592,805

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
STATE PROGRAMS (cont.)							
Wisconsin Department of Workforce Development							
CS Non-IV-D Activities	445.301	\$ -	\$ 14,091	\$ -	\$ 14,091	\$ 14,091	
W-2 Contract	445.315	-	1,976,102	-	1,976,102	1,976,102	
W-2 Administration	445.315	-	317,135	-	317,135	317,135	
MA Subrogation Collections	445.315	-	(21,445)	-	(21,445)	(21,445)	
Children First	445.315	-	102,400	-	102,400	102,400	
Program Integrity	445.315	-	6,606	-	6,606	6,606	
Job Access Loans	445.323	-	(1,911)	-	(1,911)	(1,911)	
W-2 Jobs Access Loans	445.323	-	23,055	-	23,055	23,055	
Child Support Enforcement - Credit Bureau Fees 34% Share	445.334	-	(1,946)	-	(1,946)	(1,946)	
Child Support Enforcement - Vital Rec Fees 34% Share	445.334	-	(867)	-	(867)	(867)	
Child Support Enforcement -							
Unemployment Insurance Fees 34% Share	445.334	-	(632)	-	(632)	(632)	
AFDC Agency Collections	445.338	-	(2,532)	-	(2,532)	(2,532)	
AFDC Agency Incentive	445.338	-	1,121	-	1,121	1,121	
State Administered Matching Grants for Food Stamps	445.367	-	192,950	-	192,950	192,950	
FS Agency Collections	445.367	-	(4,261)	-	(4,261)	(4,261)	
FS Agency Incentive	445.367	-	8,867	-	8,867	8,867	
MA Agency Incentive	445.367	-	438	-	438	438	
MA Agency Collections	445.367	-	(1,987)	-	(1,987)	(1,987)	
W-2 Emergency Assistance	445.375	-	206,851	-	206,851	206,851	
Total Wisconsin Department of Workforce Development		-	2,814,035	-	2,814,035	2,814,035	

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

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
STATE PROGRAMS (cont.)						
Wisconsin Department of Justice						
Reimbursement for Victim and Witness Assistance Program	455.503	\$ (98,231)	\$ 220,880	\$ 108,711	\$ 231,360	\$ 231,360
New DNA Sample Reimbursement Grant	455.221	-	3,760	-	3,760	3,760
Total Wisconsin Department of Justice		(98,231)	224,640	108,711	235,120	235,120
Wisconsin Department of Military Affairs						
Public Safety - Emergency Government Disaster Assistance	465.305	-	31,185	(7,009)	24,176	24,176
Emergency Planning Grant	465.337	(18,651)	35,131	19,526	36,006	36,006
Emergency Government Response Equipment	465.367	(10,000)	10,000	8,905	8,905	8,905
Total Wisconsin Department of Military Affairs		(28,651)	76,316	21,422	69,087	69,087
Wisconsin Department of Veterans Affairs						
County Veterans Service Officer	485.001	-	13,000	-	13,000	13,000
Wisconsin Department of Administration						
Public Benefits	505.371	(1,725)	15,218	6,364	19,857	19,857
Land Information Board Grants	505.118	(12,320)	12,620	-	300	300
Office of Justice Assistance						
Byrne Grant	505.631	-	20,836	-	20,836	20,836
Youth Diversion	505.634	(25,548)	140,699	21,955	137,106	137,106
Total Wisconsin Department of Administration		(37,868)	174,155	21,955	158,242	158,242
TOTAL STATE PROGRAMS		\$ 117,998	\$19,909,630	\$ (111,435)	\$19,916,193	\$ 19,916,193

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

KENOSHA COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

NOTE 1 – REPORTING ENTITY

This report on Federal and State Awards includes the federal and state awards of Kenosha County. The reporting entity for the county is based upon criteria established by the Governmental Accounting Standards Board.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

NOTE 2 – BASIS OF PRESENTATION

The 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.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*.

NOTE 3 – DIRECT PAYMENTS – STATE OF WISCONSIN

Direct aids to individuals from the State of Wisconsin on behalf of Kenosha County for the year ended December 31, 2004 included:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
Food Stamps	10.561	\$ 11,123,067
W-2 Program	N/A	1,757,665
Total		<u>\$ 12,880,732</u>

KENOSHA COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

NOTE 4 – REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the Community Aids Reporting System reports dated May 1, 2005 and the CORE reports for December 2004.

NOTE 5 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The county received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2004:

<u>County Department</u>	<u>Provider No.</u>	<u>Unaudited Amount</u>
Kenosha County Division of Disability Services	43072900	\$ 103,755
Kenosha County Division of Disability Services	43422900	549,492
Kenosha County Division of Health	41862400	5,856
Kenosha County Division of Health	44000000	5,539
Kenosha County Division of Children and Family Services	43073000	141,727
Kenosha County Division of Aging	43090400	2,508
Kenosha County Brookside	20130300	4,648,493
Kenosha County Division of Health	43835700	3,430
Kenosha County Division of Health	42010200	1,441
Kenosha County Division of Health	43084000	52
Total		<u>\$ 5,462,293</u>

NOTE 6 – SPECIALIZED TRANSPORTATION ASSISTANCE AND LAND CONSERVATION DEPARTMENT MATCH

Kenosha County has complied with the 20% match requirement of the Specialized Transportation Assistance Program – Elderly and Handicapped Aids (State ID No. 395.101).

Kenosha County has complied with the match requirements of the land conservation grants – county staff and support and land and water resource management (State ID No. 115.150 and 115.400).

KENOSHA COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2004

NOTE 7 – FEDERAL PROGRAM CLUSTERS

The following programs have been identified as clusters in accordance with the requirements of OMB Circular A-133:

Aging Cluster

<u>CFDA No.</u>	<u>Title</u>	<u>Expenditures</u>
93.044	Title III, Part B – Grants for Supportive Services	\$ 112,172
93.045	Title III, Part C – Nutrition Services	305,103
93.053	Nutrition Services Incentive Program	<u>60,124</u>
	Total Aging Cluster	<u>\$ 477,399</u>

Workforce Investment Act Cluster

<u>CFDA No.</u>	<u>Title</u>	<u>Expenditures</u>
17.258	Workforce Investment Act – Adult	\$ 1,312,775
17.259	Workforce Investment Act – Youth	1,089,107
17.260	Workforce Investment Act – DLW	<u>1,097,856</u>
	Total Workforce Investment Act Cluster	<u>\$ 3,499,738</u>

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2004

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: *unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to basic financial statements noted? _____ Yes X No

FEDERAL OR STATE AWARDS

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weakness(es)? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

	<u>Federal Programs</u>		<u>State Programs</u>	
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No	<u> X </u> Yes	_____ No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.260	Workforce Investment Act Cluster
93.778	Medical Assistance Program
93.667	Social Services Block Grant

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

\$ 994,821

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

\$ 437,785

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2004

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

Identification of major state programs:

<u>State No.</u>	<u>Name of State Program</u>
255.002	Public Library System Aid
435.338	COP-W
435.348	CIP II
435.367	Community Options Program
435.506	Brain Injury Waiver
435.561	Basic County Allocation
435.564	CIP IB
435.580	CIP IA
435.681	Basic County Allocation – State Match
435.1400	Family Care Resource Center
435.1404	Family Care Prevention Project
435.1423	Family Care Resource Center DB

The following Federal program was tested as a major program according to the requirements of the *State Single Audit Guidelines*.

<u>CFDA No.</u>	<u>Name of Federal Program</u>
93.596	Child Care

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings were reported.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2004

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT

Finding 2004-1 DHFS General Requirements

Condition: During our review of a sample of provider contracts, we found that two of the eleven contracts selected for testing contained only a unit rate and not the total dollar amount for the contract.

Criteria: Wisconsin state statute 46.036(3)(a) states that "contacts for client services shall show the total dollar amount to be purchased and for each service the number of clients to be served, number of client service units, the unit rate per client service and the total dollar amount for each service."

Questioned Costs: The actual costs under these contracts were \$628,350 and \$41,124.

Recommendation: The County should review the applicable state statute and revise contract language as necessary to comply with the requirements.

Management Response: The purchase of service contracts referenced above are considered rate-based services. However, as an internal cash monitoring procedure, our contract management system has a total contract amount not to be exceeded associated with each of the above contracts. The County is prepared to revise contract language as necessary to comply with the requirements for all rate-based direct service contracts beginning January 1, 2006.

Finding 2004-2 Community Options Program 437.367

Condition: For four of the thirty-eight files tested, we noted that the SPC code on the Individual Service Plan (ISP) did not match the SPC code under which the services were billed on the Human Services Reporting System (HSRS).

Criteria: Program requirements as identified in the *State Single Audit Guidelines* require that the SPC codes used to report costs on HSRS match the codes established on the client's ISP.

Questioned Costs: The client costs reported on the HSRS lines in question for the month selected for testing are \$8,028.

Recommendation: The County should closely review the SPC codes used on the ISP and HSRS to ensure accurate reporting.

Management Response: An internal quality review team has been formed this year and will routinely review client files on a semi-annual basis to ensure accurate reporting.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2004

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT (cont.)

Finding 2004-3 Community Options Program 437.367

Condition: For two of the thirty-eight files tested, we were unable to locate a cost-share worksheet during our fieldwork. The forms were later faxed to us; however, we noted that the worksheets were not dated. Therefore, we are essentially considering these files to be missing the cost-share worksheet for the time period being tested.

Criteria: Program requirements as identified in the *State Single Audit Guidelines* require that COP program participants must have a current cost sharing eligibility and client share worksheet on file.

Questioned Costs: Program costs for these two clients for the month selected for testing were \$1,324.

Recommendation: We recommend that the County complete a cost share worksheet at least annually and maintain evidence of this in the client files.

Management Response: An internal quality review team has been formed this year and will routinely review client files on a semi-annual basis to ensure accurate reporting.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2004

SECTION IV – OTHER ISSUES

1. 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
2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, 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 Agriculture, Trade and Consumer Protection | _____ | Yes | <u> X </u> | No |
| Department of Public Instruction | _____ | Yes | <u> X </u> | No |
| Department of Natural Resources | _____ | Yes | <u> X </u> | No |
| Department of Transportation | _____ | Yes | <u> X </u> | No |
| Department of Corrections | _____ | Yes | <u> X </u> | No |
| Department of Health and Family Services | <u> X </u> | Yes | _____ | 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 Veterans Affairs | _____ | Yes | <u> X </u> | No |
| Department of Administration | _____ | Yes | <u> X </u> | No |
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? X Yes _____ No
4. Name and signature of partner Thomas A. Scheidegger
Thomas A. Scheidegger
5. Date of report June 21, 2005