

KENOSHA COUNTY

Kenosha, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2005

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, 2005 which collectively comprise Kenosha County's basic financial statements, and have issued our report thereon dated May 16, 2006. 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 16, 2006.

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.

Virchow, Krause & Company, LLP

Madison, Wisconsin
May 16, 2006

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, 2005. 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, 2005. 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 2005-1, 2005-2 and 2005-3.

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, 2005, which collectively comprise Kenosha County's basic financial statements, and have issued our report thereon dated May 16, 2006. 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.

Virchow, Kraus & Company, LLP

Madison, Wisconsin
August 1, 2006, except for the schedule of expenditures of
federal and state awards as to which the date is
May 16, 2006

KENOSHA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2005

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
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	\$ -	\$ 446,933	\$ -	\$ 446,933	\$ 446,933
State Administration Matching Grants for Food Stamp Program	10.561	-	1,540,066	-	1,540,066	1,540,066
WIC Farmers' Market Nutrition Program	10.572	-	1,533	-	1,533	1,533
Passed through Wisconsin Department of Workforce Development State Administration Matching Grants for Food Stamp Program	10.561	-	310,705	-	310,705	310,705
Total U.S. Department of Agriculture		-	2,299,237	-	2,299,237	2,299,237
U.S. Department of Housing and Urban Development						
Direct Funding Lead Hazard Control Grant	14.900	-	597,412	-	597,412	597,412
Passed Through Wisconsin Department of Administration - Office of Housing Assistance Community Development Block Grant/State's Program	14.228	-	99,100	-	99,100	99,100
Total U.S. Department of Housing and Urban Development		-	696,512	-	696,512	696,512
U.S. Department of Justice						
Direct Funding Local Law Enforcement Block Grant	16.592	-	-	29,845	29,845	29,845
State Criminal Alien Assistance Program	16.606	-	59,611	-	59,611	59,611
Bulletproof Vest Partnership Program	16.607	-	3,068	-	3,068	3,068
High Intensity Drug Trafficking Area (HIDTA)	16.XXX	(27,446)	67,380	46,969	86,903	86,903
Passed Through Wisconsin Department of Administration - Office of Justice Assistance Juvenile Accountability Incentive Block Grant	16.523	(16,642)	34,022	8,709	26,089	26,089
Juvenile Justice and Delinquency Prevention	16.540	-	1,251	-	1,251	1,251
Juvenile Justice and Delinquency Prevention Title V	16.548	(9,910)	31,011	-	21,101	21,101
Drug Control and System Improvement Formula Grant	16.579	(41,885)	90,754	12,177	61,046	61,046

See accompanying 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, 2005

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Department of Justice (cont.)						
Passed Through Wisconsin Department of Justice						
Cease Grant	16.595	\$ (170)	\$ 1,870	\$ -	\$ 1,700	\$ 1,700
Total U.S. Department of Justice		<u>(96,053)</u>	<u>288,967</u>	<u>97,700</u>	<u>290,614</u>	<u>290,614</u>
U.S. Department of Labor						
Direct Funding						
Workforce Investment Act - Adult	17.258	(221,361)	1,463,875	181,895	1,424,409	1,424,409
Workforce Investment Act - Youth	17.259	(165,504)	1,051,189	176,458	1,062,143	1,062,143
Workforce Investment Act - DLW	17.260	(117,889)	1,012,546	159,883	1,054,540	1,054,540
Total U.S. Department of Labor		<u>(504,754)</u>	<u>3,527,610</u>	<u>518,236</u>	<u>3,541,092</u>	<u>3,541,092</u>
U.S. Department of Transportation						
Passed Through Wisconsin Department of Transportation						
State and Community Highway Safety: Speedwave	20.600	-	24,024	-	24,024	24,024
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	(10,152)	11,430	72,821	74,099	74,099
Total U.S. Department of Transportation		<u>(10,152)</u>	<u>35,454</u>	<u>72,821</u>	<u>98,123</u>	<u>98,123</u>
Federal Emergency Management Agency						
Passed Through Wisconsin Department of Military Affairs						
Civil Defense - State and Local Emergency						
Management Assistance	83.503	(43,310)	75,375	26,789	58,854	58,854
Public Assistance	83.544	3,098	-	-	3,098	3,098
Hazard Mitigation Grant Program	83.548	-	3,188	-	3,188	3,188
Total Federal Emergency Management Agency		<u>(40,212)</u>	<u>78,563</u>	<u>26,789</u>	<u>65,140</u>	<u>65,140</u>
U.S. Department of Education						
Passed Through Wisconsin Department of						
Health and Family Services						
Birth to Three	84.181	-	159,906	-	159,906	159,906
Drug Free Schools	84.186	-	57,375	-	57,375	57,375
Total U.S. Department of Education		<u>-</u>	<u>217,281</u>	<u>-</u>	<u>217,281</u>	<u>217,281</u>

See accompanying 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, 2005

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Environmental Protection Agency						
Passed through Wisconsin Department of Health and Family Services						
Indoor Radon Contract Service	66.032	\$ -	\$ 8,000	\$ -	\$ 8,000	\$ 8,000
Total U.S. Environmental Protection Agency		-	8,000	-	8,000	8,000
U. S. Department of Health and Human Services						
Direct Funding						
Administration on Aging Financial Assistance	93.048	-	4,000	-	4,000	4,000
Drug-Free Community Grants	93.276	-	-	34,512	34,512	34,512
Passed through Wisconsin Department of Health and Family Services						
Projects for Assistance in Transition from Homelessness	93.150	-	21,955	-	21,955	21,955
Consolidated Knowledge Development and Application (KD&A) Program	93.230	-	71,484	-	71,484	71,484
Immunization Grants	93.268	-	46,090	-	46,090	46,090
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	-	441,762	-	441,762	441,762
Family Preservation - Support	93.556	-	61,800	-	61,800	61,800
Block Grants for Temporary Assistance for Needy Families	93.558	-	555,848	-	555,848	555,848
Chafee Education and Training Vouchers Program	93.599	-	36,889	-	36,889	36,889
Child Welfare Service Grants - State Grants	93.645	-	90,193	-	90,193	90,193
Foster Care - Title IV-E	93.658	-	833,594	-	833,594	833,594
Adoption Assistance	93.659	-	65,714	-	65,714	65,714
Social Services Block Grant	93.667	-	849,019	-	849,019	849,019
Chafee Foster Care Independent Living	93.674	-	103,786	-	103,786	103,786
State Children's Insurance Program	93.767	-	340,183	-	340,183	340,183
Medical Assistance Program	93.778	-	11,602,730	-	11,602,730	11,602,730
Block Grants for Community Mental Health Services	93.958	-	271,606	-	271,606	271,606
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	807,090	-	807,090	807,090
Preventive Health and Health Services Block Grant	93.991	-	17,025	-	17,025	17,025
Maternal and Child Health Services Block Grant	93.994	-	62,733	-	62,733	62,733

See accompanying 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, 2005

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	
U. S. Department of Health and Human Services (cont.)						
Passed through Wisconsin Department of Health and Family Services						
Passed Through Southeastern Wisconsin Area on Aging Special Programs for the Aging						
Title III, Part F - Preventive Health	93.043	\$ -	\$ 7,860	\$ -	\$ 7,860	\$ 7,860
Title III, Part B - Grants for Supportive Services	93.044	-	117,904	-	117,904	117,904
Title III, Part C - Nutrition Services	93.045	-	315,032	-	315,032	315,032
Title III, Part E - National Caregiver Support	93.052	-	54,061	-	54,061	54,061
Nutrition Services Incentive Program	93.053	-	65,397	-	65,397	65,397
Benefit Specialist Part D Award	93.786	-	15,945	-	15,945	15,945
Passed Through Wisconsin Department of Workforce Development						
Block Grants for Temporary Assistance for Needy Families						
Child Support Enforcement - Medical Support Liability Incentive	93.558	-	1,355,551	-	1,355,551	1,355,551
Child Support Enforcement - Medical Support Liability Incentive	93.563	-	25,020	-	25,020	25,020
Child Support Enforcement - Medical Support Liability Incent Adj	93.563	-	75,492	-	75,492	75,492
Child Support Enforcement - Medical Support Liability Incent Adj	93.563	-	18,681	-	18,681	18,681
Child Support Enforcement - Indirect Cost 66% Federal Share	93.563	-	272,488	-	272,488	272,488
Child Support Enforcement - Lab Exp 90% Federal Share	93.563	-	38,173	-	38,173	38,173
Child Support Enforcement - All Other Exp 66% Federal Share	93.563	-	2,653,287	-	2,653,287	2,653,287
Child Support Enforcement - Fees 66% Federal Share	93.563	-	(3,283)	-	(3,283)	(3,283)
Child Support Enforcement - Lab Fees 90% Federal Share	93.563	-	(19,163)	-	(19,163)	(19,163)
Child Support Enforcement - Performance Based	93.563	-	503,737	-	503,737	503,737
Child Support Enforcement - Special Improvement Fund 34	93.563	-	63,672	-	63,672	63,672
Child Support Enforcement - Non IV-D Activities	93.563	-	26,149	-	26,149	26,149
Child Support Enforcement - FPLS Fees	93.563	-	(5,989)	-	(5,989)	(5,989)
Child Care Payments	93.596	-	920,893	-	920,893	920,893
Passed Through Wisconsin Department of Administration						
Low Income Home Energy Assistance Block Grant	93.568	(29,795)	146,111	29,775	146,091	146,091
Passed Through Wisconsin Department of Corrections						
Child Welfare Services Grant - State Grants	93.645	(18,694)	37,522	1,686	20,514	20,514
Foster Care Title - IV-E	93.658	(18,694)	33,756	1,348	16,410	16,410
Total U.S. Department of Health and Human Services		(67,183)	23,001,797	67,321	23,001,935	23,001,935

See accompanying 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, 2005

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Department of Homeland Security						
Passed through Wisconsin Department of Military Affairs						
State and Local Homeland Security Exercise Support	97.006	\$ -	\$ 41,687	\$ -	\$ 41,687	\$ 41,687
Pre-Disaster Mitigation	97.047	-	16,500	-	16,500	16,500
Citizen Corps	97.053	(5,426)	16,876	4,770	16,220	16,220
Passed through Wisconsin Department of Administration - Office of Justice Assistance						
State Domestic Preparedness Equipment Support Program	97.004	(5,909)	369,926	-	364,017	364,017
Total U.S. Department of Homeland Security		(11,335)	444,989	4,770	438,424	438,424
 TOTAL FEDERAL PROGRAMS		 <u>\$(729,689)</u>	 <u>\$ 30,598,410</u>	 <u>\$ 787,637</u>	 <u>\$ 30,656,358</u>	 <u>\$ 30,656,358</u>

See accompanying 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, 2005

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						
Wisconsin Department of Agriculture, Trade and Consumer Protection						
Clean Sweep	115.040	\$ -	\$ 15,767	\$ -	\$ 15,767	\$ 15,767
District Fairs	115.050	-	7,264	-	7,264	7,264
County Staff and Support	115.150	-	-	85,000	85,000	85,000
Land and Water Resource Management	115.400	(4,890)	24,679	9,472	29,261	29,261
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(4,890)	47,710	94,472	137,292	137,292
Wisconsin Department of Public Instruction						
Public Library Systems Aid	255.002	282,748	391,176	(376,997)	296,927	296,927
Wisconsin Department of Natural Resources						
Recreational Aids - Snowmobile Trail and Area	370.485	(19,225)	28,280	19,225	28,280	28,280
Wisconsin Department of Transportation						
Elderly and Handicapped County Aids	395.101	-	206,680	(36,222)	170,458	170,458
Wisconsin Department of Corrections						
Community Intervention	410.302	-	130,619	3,987	134,606	134,606
Youth Aids	410.313	-	1,221,313	109,339	1,330,652	1,330,652
Total Wisconsin Department of Corrections		-	1,351,932	113,326	1,465,258	1,465,258
Wisconsin Department of Health and Family Services						
Fraud - Contract Cont	435.950	-	34,200	-	34,200	34,200
Funeral/Cemetery W-2 & Non W-2	435.105	-	213,948	-	213,948	213,948
Medicaid Transportation	435.131	-	757,784	-	757,784	757,784
MA Transportation Administration	435.132	-	37,554	-	37,554	37,554
IMAA State Share	435.283	-	744,892	-	744,892	744,892
IMAA Federal Share	435.284	-	66,909	-	66,909	66,909
Medicaid Subrogation Collection	435.291	-	(78,941)	-	(78,941)	(78,941)
COP-W GPR	435.338	-	1,537,029	-	1,537,029	1,537,029
Children and Family Services Incentive	435.342	-	260,543	-	260,543	260,543
CIP II Non Federal	435.348	-	624,678	-	624,678	624,678

See accompanying 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, 2005

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	
Wisconsin Department of Health and Family Services (cont.)						
Foster Care Continuation	435.365	\$ -	\$ 16,932	\$ -	\$ 16,932	\$ 16,932
Community Options Program	435.367	-	1,830,195	-	1,830,195	1,830,195
CIP II Community Relocate Non Federal	435.369	-	3,884	-	3,884	3,884
Kinship Care Base Benefit	435.377	-	754,944	-	754,944	754,944
Kinship Care Assessments	435.380	-	58,935	-	58,935	58,935
CLTS GPR	435.450	-	354,680	-	354,680	354,680
Community Support Program Wait List	435.504	-	41,275	-	41,275	41,275
Brain Injury Waiver	435.506	-	108,549	-	108,549	108,549
Integrated Services for Children with Severe Disabilities	435.530	-	7,400	-	7,400	7,400
Non-Resident Reimbursement	435.531	-	39,088	-	39,088	39,088
Brighter Future Initiative	435.540	-	113,966	-	113,966	113,966
Birth to Three Initiative	435.550	-	190,151	-	190,151	190,151
Basic County Allocation	435.561	-	3,166,842	-	3,166,842	3,166,842
CIP 1B	435.564	-	684,643	-	684,643	684,643
IMD Continuing Placements	435.572	-	32,722	-	32,722	32,722
Family Support	435.577	-	111,865	-	111,865	111,865
CIP 1A	435.580	-	725,669	-	725,669	725,669
Mental Health Services for the Homeless Block Grant	435.598	-	2,045	-	2,045	2,045
Base County Allocation - State Match	435.681	-	845,536	-	845,536	845,536
Program Integrity	435.750	-	16,580	-	16,580	16,580
Voluntary Medical Refunds	435.909	-	(5,434)	-	(5,434)	(5,434)
Health Check/Other Services Administration	435.966	-	3,965	-	3,965	3,965
Health Check/Other Services Part	435.967	-	83,593	-	83,593	83,593
Family Care Resource Center	435.1400	-	843,611	-	843,611	843,611
Family Care Prevention Program	435.1404	-	136,952	-	136,952	136,952
Family Care Resource Center DB	435.1423	-	35,684	-	35,684	35,684
WIC Farmers Market Grant	435.154720	-	1,603	-	1,603	1,603
Cons Contracts - WWWP CDC B&C	435.155056	-	11,209	-	11,209	11,209
Cons Contracts - WWWP Expansion	435.157001	-	25,362	-	25,362	25,362
Cons Contracts Lead Poisoning	435.157720	-	21,611	-	21,611	21,611
TPCP - Wisconsin Wins Enforcement	435.158116	-	1,584	-	1,584	1,584
TPCP - Com Interventions - LHD	435.158125	-	56,422	-	56,422	56,422
TPCP - Wisconsin Wins	435.158127	-	17,820	-	17,820	17,820
Cons Contracts Maternal and Child Health Services	435.159320	-	4,214	-	4,214	4,214
CARS Adjustments	N/A	-	(749,279)	-	(749,279)	(749,279)

See accompanying 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, 2005

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	
Wisconsin Department of Health and Family Services (cont.)						
Passed Through Southeastern Wisconsin Area on Aging						
Elder Abuse	435.607	\$ -	\$ 50,038	\$ -	\$ 50,038	\$ 50,038
Elderly Benefit Specialist Program	435.778	-	33,438	-	33,438	33,438
Alzheimer's Family and Caregiver Support	435.705	-	65,985	-	65,985	65,985
State Senior Community Services	435.709	-	9,871	-	9,871	9,871
Total State of Wisconsin Department of Health and Family Services		-	13,952,746	-	13,952,746	13,952,746
Wisconsin Department of Workforce Development						
CS Non-IV-D Activities	445.301	-	13,471	-	13,471	13,471
W-2 Contract	445.315	-	1,216,331	-	1,216,331	1,216,331
W-2 Administration	445.315	-	204,649	-	204,649	204,649
W-2 Prepayments	445.315	-	(252,675)	-	(252,675)	(252,675)
Children First	445.315	-	98,000	-	98,000	98,000
Job Access Loans	445.323	-	(2,999)	-	(2,999)	(2,999)
W-2 Jobs Access Loans	445.323	-	5,366	-	5,366	5,366
Child Support Enforcement - Credit Bureau Fees 34% Share	445.334	-	(1,630)	-	(1,630)	(1,630)
Child Support Enforcement - Vital Rec Fees 34% Share	445.334	-	(632)	-	(632)	(632)
Child Support Enforcement - Unemployment Insurance Fees	445.334	-	(542)	-	(542)	(542)
FSET Supplement for Program Administration	445.367	-	41,331	-	41,331	41,331
State Administered Matching Grants for Food Stamps	445.367	-	269,375	-	269,375	269,375
W-2 Emergency Assistance	445.375	-	184,880	-	184,880	184,880
Total Wisconsin Department of Workforce Development		-	1,774,925	-	1,774,925	1,774,925
Wisconsin Department of Justice						
Reimbursement for Victim and Witness Assistance Program	455.503	(108,711)	221,311	128,824	241,424	241,424
Drug Crimes Enforcement	455.225		92,022	(92,022)	-	-
New DNA Sample Reimbursement Grant	455.221	-	4,580	-	4,580	4,580
Total Wisconsin Department of Justice		(108,711)	317,913	36,802	246,004	246,004
Wisconsin Department of Military Affairs						
Public Safety - Emergency Government Disaster Assistance	465.305	7,009	13,187	-	20,196	20,196
Emergency Planning Grant	465.337	(19,526)	26,103	25,752	32,329	32,329
Emergency Government Response Equipment	465.367	(8,906)	18,906	-	10,000	10,000
Total Wisconsin Department of Military Affairs		(21,423)	58,196	25,752	62,525	62,525

See accompanying 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, 2005

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		
Wisconsin Department of Veterans Affairs						
County Veterans Service Officer	485.001	\$ -	\$ 13,000	\$ -	\$ 13,000	\$ 13,000
Wisconsin Department of Administration						
Land Information Board Grants	505.118	-	15,616	-	15,616	15,616
Public Benefits	505.371	(6,364)	27,679	6,833	28,148	28,148
Office of Justice Assistance						
Edward Byrne Memorial State and Local Law Enforcement Assistance Program	505.631	-	12,131	-	12,131	12,131
AODA	505.633	-	50,795	-	50,795	50,795
Youth Diversion	505.634	(21,955)	102,986	16,434	97,465	97,465
Total Wisconsin Department of Administration		(28,319)	209,207	23,267	204,155	204,155
TOTAL STATE PROGRAMS		<u>\$ 100,180</u>	<u>\$18,351,765</u>	<u>\$(100,375)</u>	<u>\$18,351,570</u>	<u>\$18,351,570</u>

See accompanying 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, 2005

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, 2005 included:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
Food Stamps	10.551	\$ 12,818,220
W-2 Program	N/A	<u>1,710,204</u>
Total		<u>\$ 14,528,424</u>

KENOSHA COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2005

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, 2006 and the CORE reports for December 2005.

NOTE 5 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The county received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2005:

<u>County Department</u>	<u>Provider No.</u>	<u>Unaudited Amount</u>
Kenosha County Division of Disability Services	43072900	\$ 95,488
Kenosha County Division of Disability Services	43422900	640,551
Kenosha County Division of Health	41862400	3,045
Kenosha County Division of Health	44000000	18,065
Kenosha County Division of Children and Family Services	43073000	452,534
Kenosha County Division of Aging	43090400	16,883
Kenosha County Brookside	20130300	3,980,196
Kenosha County Division of Health	43835700	1,767
Kenosha County Division of Health	42010200	1,792
Kenosha County Division of Health	43084000	281
Total		<u>\$ 5,210,602</u>

NOTE 6 – SPECIALIZED TRANSPORTATION 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, 2005

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	\$ 117,904
93.045	Title III, Part C – Nutrition Services	315,032
93.053	Nutrition Services Incentive Program	<u>65,397</u>
	Total Aging Cluster	<u>\$ 498,333</u>

Workforce Investment Act Cluster

<u>CFDA No.</u>	<u>Title</u>	<u>Expenditures</u>
17.258	Workforce Investment Act – Adult	\$ 1,424,409
17.259	Workforce Investment Act – Youth	1,062,143
17.260	Workforce Investment Act – DLW	<u>1,054,540</u>
	Total Workforce Investment Act Cluster	<u>\$ 3,541,092</u>

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2005

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>
10.561	Food Stamp Program
93.778	Medical Assistance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between federal type A and type B programs: \$ 919,691

Dollar threshold used to distinguish between State Department of Health and Family Services type A and type B programs: \$ 418,582

Dollar threshold used to distinguish between state type A and type B programs: \$ 100,000

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2005

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

Identification of major state programs:

<u>State No.</u>	<u>Name of State Program</u>
115.150	County Staff and Support
115.400	Land and Water Resource Management
410.302	Community Intervention
435.338	COP-W
435.348	CIP II
435.367	Community Options Program
435.450	CLTS
435.506	Brain Injury Waiver
435.564	CIP IB
435.580	CIP IA
435.1400	Family Care Resource Center
435.1404	Family Care Prevention Project
435.1423	Family Care Resource Center DB
445.367	State Administered Matching Grants for Food Stamps

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings were reported.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2005

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

Finding 2005-1 DHFS General Requirements

Condition: During our review of a sample of provider contracts, we found that three of the twelve 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."

Effect/Questioned Costs: The actual costs under these contracts were \$15,518, \$31,788, and \$90,786.

Recommendation: The County should review the applicable state statute and revise contract language as necessary to comply with the requirements. It is our understanding that the county modified the contracts effective in 2006 to incorporate the total dollar amount of the contract.

Management Response: The contracts were modified effective January 1, 2006 to be compliant with Wisconsin state statute 46.036(3)(a).

Finding 2005-2 Community Options Program State ID No. 435.367

Condition: For one of the twenty files tested, we noted that 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.

Effect/Questioned Costs: The client costs reported on the HSRS lines in question for the month selected for testing are \$53.

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

Management Response: Our systems currently are unable to electronically match the SPC code entered on the ISP to the SPC code entered on the authorization and reported on HSRS. Therefore, case managers will be instructed to manually match the SPC codes at the time of review or recertification. Currently, an internal quality review team periodically reviews sample client files on a semi-annual basis to promote accuracy in reporting.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2005

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

***Finding 2005-3 Community Integration Program II/ Community Options Program Waiver
State ID No. 435.338/435.348***

Condition: For one of the twenty-five files tested, we noted that 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.

Effect/Questioned Costs: The client costs reported on the HSRS lines in question for the month selected for testing are \$9.

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

Management Response: Our systems currently are unable to electronically match the SPC code entered on the ISP to the SPC code entered on the authorization and reported on HSRS. Therefore, case managers will be instructed to manually match the SPC codes at the time of review or recertification. Currently, an internal quality review team periodically reviews sample client files on a semi-annual basis to promote accuracy in reporting.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2005

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 X No

Department of Public Instruction

_____ Yes X No

Department of Natural Resources

_____ Yes X No

Department of Transportation

_____ Yes X No

Department of Corrections

_____ Yes X No

Department of Health and Family
Services

 X Yes _____ No

Department of Workforce Development

_____ Yes X No

Department of Justice

_____ Yes X No

Department of Military Affairs

_____ Yes X No

Department of Veterans Affairs

_____ Yes X No

Department of Administration

_____ Yes X 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

August 1, 2006