

ROCK COUNTY

Janesville, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2019

ROCK COUNTY

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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 County Board
Rock County
Janesville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rock County, Wisconsin as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Rock County's basic financial statements, and have issued our report thereon dated July 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rock County'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rock County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rock County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

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

Rock County's Response to Finding

Rock County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Rock County'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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
July 30, 2020

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

INDEPENDENT AUDITORS' REPORT

To the County Board
Rock County
Janesville, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

We have audited Rock County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Rock County's major federal and major state programs for the year ended December 31, 2019. Rock 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.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Rock County'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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance 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 a major state program occurred. An audit includes examining, on a test basis, evidence about Rock 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 on compliance for each major federal and major state program. However, our audit does not provide a legal determination of Rock County's compliance.

Opinion on Each Major Federal and Major State Program

In our opinion, Rock County 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, 2019.

Report on Internal Control Over Compliance

Management of Rock County 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 Rock County'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 the Uniform Guidance 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 Rock County'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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance 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 the Uniform Guidance 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 Rock County, Wisconsin as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise Rock County's basic financial statements. We issued our report thereon dated July 30, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on those financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *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 US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
September 22, 2020

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS					
U.S. Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	10.553	DPI	Unknown	\$ 10,009	\$ -
National School Lunch Program	10.555	DPI	Unknown	<u>18,058</u>	<u>-</u>
Total Child Nutrition Cluster				<u>28,067</u>	<u>-</u>
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	CARS 61, 284	<u>500,426</u>	<u>-</u>
Total SNAP Cluster				<u>500,426</u>	<u>-</u>
WIC Grants To States (WGS)	10.578	DHS	Unknown	12,225	-
Farm and Ranch Lands Protection Program	10.913	DATCP	Unknown	<u>188,100</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>728,818</u>	<u>-</u>
U.S. Department of Transportation					
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT	Unknown	<u>300,038</u>	<u>-</u>
Total Transit Services Programs Cluster				<u>300,038</u>	<u>-</u>
Highway Safety Cluster					
State and Community Highway Safety	20.600	Beloit PD	Unknown	11,174	-
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	Janesville PD	Unknown	19,787	-
Occupant Protection Incentive Grants	20.602	DOT	Unknown	<u>52,389</u>	<u>-</u>
Total Highway Safety Cluster				<u>83,350</u>	<u>-</u>
Total U.S. Department of Transportation				<u>383,388</u>	<u>-</u>
U.S. Department of Education					
Special Education-Grants for Infants and Families	84.181	DHS	CARS 550	<u>167,359</u>	<u>-</u>
Total U.S. Department of Education				<u>167,359</u>	<u>-</u>
U.S. Department of Health and Human Services					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	GWAAR	Unknown	9,517	-
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	Unknown	142,110	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	Unknown	150,499	-
Nutrition Services Incentive Program	93.053	GWAAR	Unknown	<u>49,493</u>	<u>-</u>
Total Aging Cluster				<u>342,102</u>	<u>-</u>
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	Unknown	72,633	-
Public Health Emergency Preparedness	93.069	DHS	CARS 155015, CARS 155050	114,224	-
Environmental Public Health and Emergency Response	93.070	DHS	CARS 155078	4,055	-
Medicare Enrollment Assistance Program	93.071	GWAAR	Unknown	10,148	-
Immunization Cooperative Agreements	93.268	DHS	CARS 155020	39,472	-
Public Health Crisis Response Awards	93.354	DHS	CARS 155129	10,385	-
Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	DHS	CARS 150426, CARS 150427	44,906	-

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

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS (cont.)					
U.S. Department of Health and Human Services (cont.)					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	DHS	CARS 561, SPARC 3621B	\$ 493,770	\$ -
Total TANF Cluster				<u>493,770</u>	<u>-</u>
Child Support Enforcement	93.563	DCF	SPARC 7332, 7447, 7506, 7560, 7617	2,688,622	-
Low Income Home Energy Assistance Block Grant	93.568	DOA	Unknown	211,692	211,692
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	SPARC 0831, 0840, 0852	<u>677,707</u>	<u>-</u>
Total CCDF Cluster				<u>677,707</u>	<u>-</u>
Adoption and Legal Guardianship Incentive Payments	93.603	DCF	SPARC 3394A	12,487	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	SPARC 3413, 3561, 3681 SPARC 3396, 3413, 3554,	159,831	-
Foster Care - Title IV-E	93.658	DCF	3561, 3681	1,560,154	-
Adoption Assistance	93.659	DCF	SPARC 3574	7,041	-
Social Services Block Grant	93.667	DHS	CARS 561	783,272	-
Children's Health Insurance Program	93.767	DHS	CARS 284	60,823	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	CARS 62, 284, 878, 881,560081,0560087,0560097, 0560152,560155	1,810,195	-
Medical Assistance Program - WIMCR	93.778	DHS	Unknown	1,225,986	-
Medical Assistance Program - CLTS	93.778	DHS	Unknown	4,015,660	-
Total Medicaid Cluster				<u>7,051,841</u>	<u>-</u>
Opioid STR	93.788	DHS	CARS 533118, 533259	117,983	-
HIV Prevention Activities Health Department Based	93.940	DHS	CARS 155957	2,189	-
Block Grants for Community Mental Health Services	93.958	DHS	CARS 515, 569, 533269 CARS 515, 545, 546, 570, 576,	90,786	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	579, 589	617,301	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.991	DHS	CARS 159220	17,034	-
Maternal and Child Health Services Block Grant to the States	93.994	DHS	CARS 159320	<u>68,073</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>15,268,048</u>	<u>211,692</u>
Office of National Drug Control Policy					
High Intensity Drug Trafficking Areas Program	95.001	MKE HIDTA	Unknown	<u>60,000</u>	<u>-</u>
Total Office of National Drug Control Policy				<u>60,000</u>	<u>-</u>
U.S. Department of Homeland Security					
Hazard Mitigation Grant	97.039	DMA	Unknown	<u>88,268</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>88,268</u>	<u>-</u>
TOTAL FEDERAL PROGRAMS				<u>\$ 16,695,881</u>	<u>\$ 211,692</u>

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

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2019

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS			
Wisconsin Department of Agriculture, Trade and Consumer Protection			
Clean Sweep	115.040	\$ 12,565	\$ -
County Staff and Support	115.150	156,474	-
Land and Water Resource Management	115.400	<u>174,392</u>	-
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>343,431</u>	<u>-</u>
Wisconsin Department of Public Instruction			
Public Library Systems Aid	255.002	<u>467,820</u>	-
Total Wisconsin Department of Public Instruction		<u>467,820</u>	<u>-</u>
Wisconsin Department of Natural Resources			
Recreational Aids - Snowmobile Trail and Area	370.485	26,644	-
Wildlife Damage Control and Abatement	370.553	8,465	-
Conservation Grant	370.XXX	2,117	-
Snowmobile Enforcement	370.XXX	8,246	-
Water Patrol	370.XXX	25,282	-
Transient Non-Community Well Program	370.XXX	<u>38,860</u>	-
Total Wisconsin Department of Natural Resources		<u>109,614</u>	<u>-</u>
Wisconsin Department of Transportation			
Elderly and Handicapped County Aids	395.101	<u>426,404</u>	-
Total Wisconsin Department of Transportation		<u>426,404</u>	<u>-</u>
Wisconsin Department of Health Services			
HIV PREV PS & LINKAGES	435.155957	4,427	-
COMM DISEASE CTRL & PREV	435.155800	11,670	-
IMAA State Share	435.283	859,772	-
IMAA Federal Share	435.284	7,603	-
Adult Protective Services	435.312	184,253	-

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

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2019

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Health Services (cont.)			
Children's COP	435.377	\$ 264,818	\$ -
Coordinated Services County	435.515	50,586	-
Community Mental Health	435.516	821,034	-
Non-Resident Reimbursement	435.531	66,359	-
Birth to Three Initiative	435.550	160,796	-
Basic County Allocation	435.561	4,504,958	-
Treatment Alternative Program	435.576	43,200	-
FPI NON-FED	435.600	71,494	-
Base County Allocation - State Match	435.681	628,030	-
CLTS Other CWA Admin GPR	435.877	164,375	-
IM REG PILOT Second 6MTHS	435.880	39,815	-
Mat in a Jail Setting	435.533264	30,618	-
Aging & Dis Resource Ctr	435.560100	995,162	-
ADRC Dementia Care proj	435.560158	88,800	-
Benefit Specialist County	435.560320	33,438	-
Senior Community Svs Prog	435.560330	11,335	-
Title 3C-1 Cong Meal Prog	435.560350	170,959	-
Title 3C-2 Home Meals	435.560360	16,537	-
ALZH Family Support Aging	435.560381	68,459	-
Pharmaceutical Program SPAP	435.560433	9,967	-
Elder Abuse Service	435.560490	94,426	-
Total Wisconsin Department of Health Services		9,402,891	-
Wisconsin Department of Children and Families			
Food Stamp Agency Incentives	437.0965	58,818	-
Child Support Fingerprint	437.0961	1,116	-
AFDC Agency Incentives	437.0975	136	-
Medicaid Agency Incentives	437.0980	45,179	-
CW Kinship Care Program - Benefits	437.3377	657,222	-
CW Kinship Care Program - Assessment	437.3380	56,352	-
Grants for Foster Parents - Foster Parent Retention	437.3390	20,591	-
JJ Community Intervention Program	437.3410	54,109	-
JJ AODA	437.3411	52,984	-
JJ Youth Aids	437.3413	3,072,415	-
Basic County Allocation	437.3561	1,407,235	-

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

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2019

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Children and Families (cont.)			
CW Children & Families Allocations	437.3681	112,321	-
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	213,823	-
CW WSACWIS Annual Op Maint Fee	437.3935	(20,934)	-
PDS Partnership Fees	437.3940	(7,253)	-
Youth Specific Case Management Systems Fee	437.3945	(38,000)	-
CS State GPR Funding/PR Funding Allocation	437.7502	277,044	-
CS Medical Support GPR Earned Federal Match	437.7606	12,244	-
Total Wisconsin Department of Children and Families		<u>5,975,402</u>	<u>-</u>
Wisconsin Department of Justice			
Treatment Alternatives and Diversion	455.239	135,000	
Officer Training and Standards	455.279	24,800	
Reimbursement for Victim Witness Assistance Program	455.503	205,088	-
Total Wisconsin Department of Justice		<u>364,888</u>	<u>-</u>
Wisconsin Department of Military Affairs			
Emergency Planning Grant	465.337	38,083	-
Emergency Government Response Equipment	465.367	7,472	-
Total Wisconsin Department of Military Affairs		<u>45,555</u>	<u>-</u>
Wisconsin Department of Veterans Affairs			
County Veterans Service Officer	485.001	13,000	-
Total Wisconsin Department of Veterans Affairs		<u>13,000</u>	<u>-</u>
Wisconsin Department of Administration			
Land Information Program	505.173	26,000	-
Public Benefits	505.371	158,029	158,029
Total Wisconsin Department of Administration		<u>184,029</u>	<u>158,029</u>
TOTAL STATE PROGRAMS		<u>\$ 17,333,034</u>	<u>\$ 158,029</u>

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

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2019

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 Rock County, Wisconsin under programs of the federal and state government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Rock County, it is not intended to and does not present the financial position, changes in net position or cash flows of Rock County.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis; i.e., when the revenue has been earned and the liability is incurred.

NOTE 3 – PASS-THROUGH GRANTORS

Federal funds have been passed through the following grantors:

DOT	Wisconsin Department of Transportation
DPI	Wisconsin Department of Public Instruction
DOA	Wisconsin Department of Administration
DHS	Wisconsin Department of Health Services
DCF	Wisconsin Department of Children and Families
DATCP	Wisconsin Department of Agriculture, Trade and Consumer Protection
DMA	Wisconsin Department of Military Affairs
MKE HIDTA	Milwaukee High-Intensity Drug Trafficking Areas
GWAAR	Greater Wisconsin Agency on Aging Resources
Beloit PD	City of Beloit Police Department
Janesville PD	City of Janesville Police Department

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2019

NOTE 4 – CARS/SPARC REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) reports dated June 20, 2020 and System for Payments and Reports of Contracts (SPARC) reports for April and December 2019.

NOTE 5 – INDIRECT COST RATE

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

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP:

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:

- | | Federal Programs | State Programs |
|--|--|--|
| > Material weakness(es) identified? | <u> </u> yes <u> X </u> no | <u> </u> yes <u> X </u> no |
| > Significant deficiencies identified that are not considered to be material weakness(es)? | <u> </u> yes <u> X </u> none reported | <u> </u> yes <u> X </u> 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 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*?

	Federal Programs	State Programs
	<u> </u> yes <u> X </u> no	<u> </u> yes <u> X </u> no

Auditee qualified as low-risk auditee?

	<u> </u> yes <u> X </u> no	<u> </u> yes <u> X </u> no
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Dollar threshold used to distinguish between type A and type B programs:

	Federal	State	
		DHS	All Other
	\$ 750,000	\$ 587,970	\$ 250,000

Identification of major federal programs:

CFDA Number	Name of Federal Programs or Clusters
93.778	Medicaid Cluster - Medical Assistance Program
93.563	Child Support Enforcement
93.658	Foster Care – Title IV-E

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

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

FEDERAL OR STATE AWARDS (cont.)

Identification of major state programs:

<u>State Number</u>	<u>Name of State Programs</u>
255.002	Public Library System Aid
435.561, 435.681	Basic County Allocation
437.3561, 437.3681	Basic County Allocation
437.3413	JJ Youth Aids
437.7502	CS State GPR Funding/PR Funding Allocation

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

FINDING 2019-001: INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Journal Entries and Preparation of Financial Statements Repeat Finding 2018-001

Criteria: According to Statement on Auditing Standards (SAS) AU-C Section 315, sufficient internal controls should be in place that provide for the preparation of reliable financial statements, including the schedule of expenditures of federal and state awards that are fairly presented in conformity with generally accepted accounting principles.

Condition/Context: Material journal entries were identified during the course of the audit. Also, we, as your auditors, prepared your annual financial statements.

Cause: County staff did not identify certain adjustments to the County's books, and the County contracted with the auditors to prepare the financial statements.

Effect: The financial statements did not contain all of the required disclosures and account balances prior to material changes by the auditors.

Recommendation: We recommend that the County put in place procedures in order to reduce the risk of material adjustments as well as determining if resources would be available to prepare a complete set of financial statements.

Grantee's Response: The County continues to work on procedures and staff responsibilities to reduce the risk of material adjustments. Due to budget constraints, it is unlikely the County will have the staff to prepare a complete set of financial statements.

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2019

SECTION IV – OTHER ISSUES

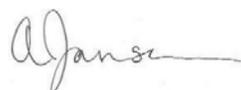
1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? yes X no

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, 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 Agriculture, Trade, and Consumer Protection	<u> </u> yes	<u> X </u> no
Department of Public Instruction	<u> </u> yes	<u> X </u> no
Department of Natural Resources	<u> </u> yes	<u> X </u> no
Department of Transportation	<u> </u> yes	<u> X </u> no
Department of Health Services	<u> </u> yes	<u> X </u> no
Department of Children and Families	<u> </u> yes	<u> X </u> no
Department of Justice	<u> </u> yes	<u> X </u> no
Department of Military Affairs	<u> </u> yes	<u> X </u> no
Department of Veterans Affairs	<u> </u> yes	<u> X </u> no
Department of Administration	<u> </u> 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



Andrea Jansen, CPA, CFE, Partner

5. Date of report September 22, 2020