



**FINANCE COMMITTEE
Minutes – October 4, 2018**

Call to Order. Chair Mawhinney called the meeting of the Finance Committee to order at 7:30 A.M. on Thursday, October 4, 2018, in Conference Room N-1, Fifth Floor, Rock County Courthouse-East.

Committee Members Present. Supervisors Mawhinney, Beaver, Podzilni and Yeomans.

Committee Members Excused: Supervisor Fox.

Staff Members Present. Sherry Oja, Finance Director; Josh Smith, County Administrator; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Dara Mosley, Interim Information Technology Director; Lisa Tollefson, County Clerk; Michelle Roettger, County Treasurer; Stephanie Kleinheinz, Deputy County Treasurer.

Others Present: None.

Approval of Agenda. Chair Mawhinney said Item 7B will be removed from the agenda. Supervisor Beaver moved approval of the amended agenda, second by Supervisor Podzilni. ADOPTED.

Citizen Participation, Communications and Announcements. Ms. Oja handed out the audit report on Federal and State Awards for year-end 2017. She said for the first time ever there were no findings reported.

Approval of Minutes – September 20, 2018. Supervisor Yeomans moved approval of the minutes of September 20, 2018 as presented, second by Supervisor Podzilni. ADOPTED.

Transfers and Appropriations. None.

Committee Review and Approval of Per Meeting Allowances. Supervisor Yeomans moved approval of Per Meeting Allowances in the amount of \$15,359.26, second by Supervisor Podzilni. ADOPTED.

Resolutions and Committee Endorsements.

Recognizing Stephen Kramer

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____ 2018 does hereby

recognize Stephen Kramer for his twenty-one years, five months of service and extend their best wishes to him in his future endeavors.”

Supervisor Beaver moved approval of the above resolution, second by Supervisor Podzilni. ADOPTED.

Authorizing Renewal of AT&T Circuits Contract.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____ 2018 authorize a five-year agreement with AT&T in the amount of \$326,802 payable monthly in the amount of approximately \$5,446.70.”

Supervisor Beaver moved approval of the above resolution, second by Supervisor Podzilni. ADOPTED.

Amending the 2018 Land Conservation Department Budget to Offset Costs Associated with the Clean Sweep Program.

“NOW, THEREFORE, BE IT RESOLVED that the Rock County Board of Supervisors duly assembled this ____ day of _____ 2018, amends the Land Conservation Department’s budget as follows:

...”

Supervisor Beaver moved approval of the above resolution, second by Supervisor Podzilni. ADOPTED.

Accepting State Health Assessment Community Conversations Mini-Grant Amendment to the Established Prevention Grant and Amending the 2018 Rock County Public Health Department Budget.

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____ 2018 does hereby authorize the Rock County Health Department to accept this grant in the amount of \$6,500, and amend the 2018 Rock County Public Health Department Budget as follows:

...”

Supervisor Beaver moved approval of the above resolution, second by Supervisor Yeomans.

Supervisor Yeomans asked when these Community Conversations will happen. Mr. Smith said he is unsure of the timeline. Supervisor Yeomans and the committee requested the Health Department come to a future County Board meeting to give a presentation on this topic.

ADOPTED.

Updates and Committee Action.

Update, Discussion and Possible Action on Rick Properties. Ms. Roettger said the City of Janesville has sent us a proposal. Ms. Roettger spoke with Corporation Counsel about the proposal which is the City will pay off specials and interest but no penalty. Ms. Roettger is not happy with this proposal. Mr. Greenlee was not able to attend today's meeting. The committee agreed to table this for future discussion and possible negotiation.

Update on Foreclosed Property Auction. Ms. Kleinheinz said the Auction will be held tomorrow morning at 9 A.M. in the Courthouse Conference Center. There are nineteen (19) items for auction, ten of which are lots and the remainder homes. Ms. Kleinheinz provided a handout.

Adjournment. Supervisor Beaver moved adjournment at 7:50 A.M., second by Supervisor Podzilni. ADOPTED.

Respectfully submitted,

Tracey VanZandt
Human Resources Secretary

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

ROCK COUNTY

Janesville, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2017

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, 2017, 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, 2018.

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 2017-001, 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.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 30, 2018

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, 2017. 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, 2017.

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 designated 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, 2017, 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, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by 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 Virchow Krause, LLP

Madison, Wisconsin
September 24, 2018

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency / Program Title	Federal CFDA Number	Pass-through Agency	Pass-Through Agency ID	Expenditures	Payments Made to Subrecipients
FEDERAL PROGRAMS					
U.S. Department of Agriculture					
Child Nutrition Cluster				\$ 14,907	\$ -
School Breakfast Program	10.553	DPI	CARS 539170	24,870	-
National School Lunch Program	10.555	DPI	CARS 539170	39,777	-
Total Child Nutrition Cluster					
SNAP Cluster					
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	CARS 61,277,284	1,817,082	-
Total SNAP Cluster				1,817,082	-
WIC Grants to States (WGS)	10.578	N/A		12,200	-
Farm and Ranch Lands Protection Program	10.913	N/A		145,650	-
Total U.S. Department of Agriculture				2,014,709	-
U.S. Department of Health and Urban Development					
Lead Hazard Reduction Demonstration Grant Program	14.905	DHS	WILHB0570-13	600,123	559,350
Total U.S. Department of Health and Urban Development				600,123	559,350
U.S. Department of Transportation					
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT	1245-2017-1	82,123	-
Total Transit Services Programs Cluster				82,123	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	Beloit PD	Unknown	5,419	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Janesville PD	Unknown	24,276	-
Occupant Protection Incentive Grants	20.602	DOT	FG-2017-03696	57,659	-
Total Highway Safety Cluster				87,354	-
Total U.S. Department of Transportation				169,477	-
Institute of Museum and Library Services					
Grants to States	45.310	DPI	2017-539926-LSTA-251	11,138	-
Total Institute of Museum and Library Services				11,138	-
U.S. Department of Education					
Special Education-Grants for Infants and Families	84.181	DHS	CARS 550	165,620	-
Total U.S. Department of Education				165,620	-
U.S. Department of Health and Human Services					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Aging Cluster	93.043	DHS	GWAAR-2017	7,782	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	GWAAR-2017	129,605	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	GWAAR-2017	254,208	-
Nutrition Services Incentive Program	93.053	GWAAR	GWAAR-2017	42,564	-
Total Aging Cluster				426,377	-

See accompanying notes to schedule of expenditures of federal awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency/ Program Title	Federal CFDA Number	Pass-through Agency	Pass- Through Agency ID	Expenditures	Payments Made to Subrecipients
FEDERAL PROGRAMS (cont.)					
U.S. Department of Health and Human Services (cont.)					
National Family Caregiver Support, Title III, Part E	93.052	DHS	GWAAR-2017	\$ 62,144	\$ -
Public Health Emergency Preparedness	93.069	DHS	CARS 155050	8,627	-
Environmental Public Health and Emergency Response	93.070	DHS	CARS 155072, 155078	35,934	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.074	DHS	CARS 11111, 155015	99,569	-
Aligned Cooperative Agreements	93.150	DOA	16-07	135,185	-
Projects for Assistance in Transition from Homelessness (PATH)	93.268	DHS	CARS 155020	37,637	-
Immunization Cooperative Agreements	93.556	DCF	SPARC 3306, 3307	69,092	-
Promoting Safe and Stable Families	93.558	DHS		1,468,045	-
TANF Cluster				1,468,045	-
Temporary Assistance for Needy Families					-
Total TANF Cluster					-
Child Support Enforcement	93.563	DCF	SPARC 7477, 7482, 7506,	2,292,321	-
Low Income Home Energy Assistance Block Grant	93.568	DOA	7558, 7615	262,786	262,786
CCDF Cluster			AD1599972.53		
Total CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	SPARC 821, 840, 852	285,394	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	SPARC 3413, 3561, 3681	146,319	-
Foster Care - Title IV-E	93.658	DCF	SPARC 3344, 3344A,	1,465,771	-
Adoption Assistance	93.659	DCF	3396, 3554, 3681	5,068	-
Social Services Block Grant	93.667	DHS	SPARC 3574	789,478	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.733	DHS	CARS 561	1,748	-
Preventive Health and Health Services Block Grant	93.758	DHS	CARS 159220	18,431	-
Childrent's Health Insurance Program	93.767	DHS	CARS 277, 284	237,336	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	CARS 62, 878, 881,	1,884,172	-
Medical Assistance Program - WIMCR	93.778	DHS	159320, 560081, 560087,	2,295,615	-
Medical Assistance Program - CLTS	93.778	DCF	560091, 560155	2,413,095	-
Total Medicaid Cluster				6,592,822	-
Optoid STR	93.788	DHS	CARS 533118	32,022	-
Block Grants for Community Mental Health Services	93.958	DHS	CARS 515, 569	80,134	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	CARS 570, 576, 579, 589	492,145	-
Maternal and Child Health Services Block Grant	93.994	DHS	CARS 159320	65,490	-
Total U.S. Department of Health and Human Services				15,117,657	262,786

See accompanying notes to schedule of expenditures of federal awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency / Program Title	Federal CFDA Number	Pass-through Agency	Pass- Through Agency ID	Expenditures	Payments Made to Subrecipients
FEDERAL PROGRAMS (cont.)					
Office of National Drug Control Policy High Intensity Drug Trafficking Areas Program Total Office of National Drug Control Policy	95.001	Milwaukee HIDTA	G17ML0016A	\$ 67,276 67,276	\$ -
U.S. Department of Homeland Security Hazard Mitigation Grant Total U.S. Department of Homeland Security	97.039	DMA	PDMC-PL-05-WI-2014-010	90,264 90,264	- -
TOTAL FEDERAL PROGRAMS				\$ 18,236,264	\$ 822,136

See accompanying notes to schedule of expenditures of federal awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency / Program Title	State ID Number	Expenditures	Payments Made to Subrecipients
STATE PROGRAMS			
Wisconsin Department of Agriculture, Trade and Consumer Protection			
Clean Sweep	115.04	8,490 \$	-
County Staff and Support	115.15	161,482	-
Land and Water Resource Management	115.400	101,919	-
Total Wisconsin Department of Agriculture, Trade and Consumer Protection		<u>271,891</u>	<u>-</u>
Wisconsin Department of Public Instruction			
Public Library Systems Aid	255.002	438,605	-
Total Wisconsin Department of Public Instruction		<u>438,605</u>	<u>-</u>
Wisconsin Department of Natural Resources			
Recreational Aids - Snowmobile Trail and Area 07/15-06/16	370.485	62,260	-
Wildlife Damage Control and Abatement	370.513	5,112	-
Conservation Grant	370.XXX	2,964	-
Snowmobile Enforcement	370.XXX	8,617	-
Water Patrol	370.XXX	27,724	-
Transient Non-Community Well Program	370.XXX	27,941	-
Total Wisconsin Department of Natural Resources		<u>134,618</u>	<u>-</u>
Wisconsin Department of Transportation			
Elderly and Handicapped County Aids	395.101	407,467	-
Total Wisconsin Department of Transportation		<u>407,467</u>	<u>-</u>
Wisconsin Department of Health Services			
HIV Prev PS & Linkages	435.155947	5,753	-
Cons Contracts CHHD LD	435.15772-	24,908	-
Cons Contracts MCH	435.12932	3,485	-
IMAA State Share ACA CY	435.276	110,420	-
IMAA Fed Share ACA CY	435.277	751	-
IMAA State Share	435.283	719,554	-
IMAA Federal Share	435.284	22,752	-

See accompanying notes to schedule of expenditures of federal awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency / Program Title	State ID Number	Expenditures	Payments Made to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Health Services (cont.)			
Adult Protective Services	435.312	\$ 184,253	\$ -
Children's COP	435.377	264,817	-
Coordinated Services County	435.515	53,178	-
Community Mental Health	435.516	821,034	-
Non-Resident Reimbursement	435.534	35,034	-
Birth to Three Initiative	435.55	162,535	-
Basic County Allocation	435.561	4,510,321	-
Treatment/Alternative Program	435.576	49,550	-
FPI NON-FED	435.600	34,500	-
Base County Allocation - State Match	435.681	628,030	-
CLTS Other CWA Admin GPR	435.877	32,045	-
IM REG PILOT Second 6MTHS	435.880	19,191	-
Aging and Disability Resource Center	435.560100	926,415	-
ADRC Dementia Care proj	435.560458	68,187	-
Benefit Specialist County	435.560320	33,438	-
Senior Community Svs Prog	435.560330	11,335	-
Title 3C-1 Cong Meal Prog	435.560350	139,908	-
Title 3C-2 Home Meals	435.560360	10,458	-
ALZH Family Support Aging	435.560381	69,236	-
Health Ins Informathn ship	435.560432	4,308	-
Pharmaceutical Program SPAP	435.560433	9,967	-
Elder Abuse Service	435.460490	56,361	-
Crisis Training - Dementia	435.81072	4,520	-
Total Wisconsin Department of Health Services		9,016,244	-
Wisconsin Department of Children and Families			
Food Stamp Agency Collections Incentive	437.0965	64,667	-
AFDC Agency Incentives	437.0975	180	-
MA Agency Incentive	437.098	28,024	-
JJ Community Intervention Program	437.0341	122,609	-
JJ AODA	437.3411	66,462	-
JJ Early Intervention	437.3412	33,600	-
JJ Early Intervention - Youth Aids	437.3413	2,928,618	-
Basic County Allocation	437.3561	1,282,527	-

See accompanying notes to schedule of expenditures of federal awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency / Program Title	State ID Number	Expenditures	Payments Made to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Children and Families (cont.)			
Basic County Allocation Overmatch	437.3681	\$ 103,237	\$ -
CW WSACWIS Annual Op Maint Fee	437.3935	(20,934)	-
PDS Partnership Fees	437.394	(7,253)	-
CS MSL Incentive Even FFY	437.7332	74,179	-
CS State GPR Funding/PR Funding Allocation	437.7502	279,057	-
CS Qualifying Non IV-D Activities	437.7507	959	-
CS Medical Support GPR Earned Federal Match	437.7606	12,185	-
CS Federal Parent Locator Services	437.7903	(6,680)	-
Total Wisconsin Department of Children and Families		<u>4,961,437</u>	<u>-</u>
Wisconsin Department of Justice			
Treatment Alternatives and Diversion	455.239	125,000	-
Officer Training and Standards	455.279	32,413	-
Reimbursement for Victim Witness Assistance Program	455.503	198,780	-
Total Wisconsin Department of Justice		<u>356,193</u>	<u>-</u>
Wisconsin Department of Military Affairs			
Emergency Planning Grant	465.337	39,135	-
Emergency Government Response Equipment	465.367	6,555	-
Total Wisconsin Department of Military Affairs		<u>45,690</u>	<u>-</u>
Wisconsin Department of Veterans Affairs			
County Veterans Service Officer	485.001	8,186	-
Total Wisconsin Department of Veterans Affairs		<u>8,186</u>	<u>-</u>
Wisconsin Department of Administration			
Land Information Program	505.166	51,000	-
Public Benefits	505.371	201,125	201,125
PATH State Match	505.709	6,145	-
Total Wisconsin Department of Administration		<u>258,270</u>	<u>201,125</u>
TOTAL STATE PROGRAMS		<u>15,898,601</u>	<u>201,125</u>
TOTAL FEDERAL AND STATE PROGRAMS		<u>\$ 34,134,865</u>	<u>\$ 1,023,261</u>

See accompanying notes to schedule of expenditures of federal awards.

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2017

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, 2017. 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
DMA	Wisconsin Department of Military Affairs
Milwaukee HIDTA	High-Intensity Drug Trafficking Areas
GWAAR	Greater Wisconsin Agency on Aging Resources
Beloit PD	Beloit Police Department
Janesville PD	Janesville Police Department

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2017

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 1, 2018 and SPARC reports for December 2017. Federal/state funding splits for awards passed through Wisconsin Department of Health Services (DHS) are based on the splits provided by DHS on January 12, 2018. Federal/state funding splits for awards passed through Wisconsin Department of Children and Families (DCF) are based on the splits provided by DCF on September 20, 2017.

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, 2017

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?

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

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

	Federal	State	
		DHS	All Other
	\$ 750,000	\$ 576,461	\$ 250,000

Identification of major federal programs:

CFDA Number	Name of Federal Programs
93.667	Social Services Block Grant
93.778	Medicaid Cluster

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2017

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>
435.516	Community Mental Health
435.561,	Basic County Allocation
435.681,437.3561,437.3681	
435.560100	Aging and Disability Resource Center

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

FINDING 2017-001: INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Journal Entries and Preparation of Financial Statements Repeat Finding 2016-001

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 to 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: Due to budget constraints, it is unlikely the County will be in a position to hire additional staff. However, we are looking at the resources that we do have and how we can continue to reduce the number of material audit entries needed.

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings were reported.

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 X yes X no
Department of Public Instruction X yes X no
Department of Natural Resources X yes X no
Department of Transportation X yes X no
Department of Health Services X yes X no
Department of Children and Families X yes X no
Department of Justice X yes X no
Department of Military Affairs X yes X no
Department of Veterans Affairs X yes X no
Department of Administration X 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 Heather S. Acker, CPA, Partner

5. Date of report September 24, 2018