

ROCK COUNTY

Janesville, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2016

ROCK COUNTY

TABLE OF CONTENTS For the Year Ended December 31, 2016

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Report on Compliance for Each Major Federal and Major State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	3 – 5
Schedule of Expenditures of Federal and State Awards	6 – 14
Notes to Schedule of Expenditures of Federal and State Awards	15 – 16
Schedule of Findings and Questioned Costs	17 – 20

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 of Supervisors
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, 2016, 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 26, 2017.

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 were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a material weakness.

To the County Board of Supervisors
Rock County

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 26, 2017

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

INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors
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 the Rock County's major federal and major state programs for the year ended December 31, 2016. 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 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, 2016.

To the County Board of Supervisors
Rock County

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on each major federal and major state program is not modified with respect to this matter.

Rock County's Response to Finding

Rock County's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 and 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 *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 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 *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

To the County Board of Supervisors
Rock County

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, 2016, and the related notes to the financial statements, which collectively comprise Rock County's basic financial statements. We issued our report thereon dated July 26, 2017, 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 *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 28, 2017

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

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	CARS 539170	\$ 16,895	\$ -
National School Lunch Program	10.555	DPI	CARS 539170	28,152	-
Total Child Nutrition Cluster				<u>45,047</u>	<u>-</u>
SNAP Cluster					
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	CARS 61, 230, 231, 277, 284, 293, 298	1,779,221	-
Total SNAP Cluster				<u>1,779,221</u>	<u>-</u>
Senior Farmers Market Nutrition Program	10.576	N/A	N/A	12,225	-
Farm and Ranch Lands Protection Program	10.913	N/A	N/A	86,700	-
Total U.S. Department of Agriculture				<u>1,878,146</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
Lead Hazard Reduction Demonstration Grant Program	14.905	DHS	WILHB0570-13	608,305	570,866
Total U.S. Department of Housing and Urban Development				<u>608,305</u>	<u>570,866</u>
U.S. Department of Justice					
State Criminal Alien Assistance Program	16.606	DOJ	2015-DG-BX-1030	33,818	-
Edward Byrne Memorial Justice Assistance Program	16.738	DOJ	2016-DJ-BX-0936	33,061	26,400
Total U.S. Department of Justice				<u>66,879</u>	<u>26,400</u>
U.S. Department of Transportation					
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT	Cycle 39	75,304	-
Total Transit Services Programs Cluster				<u>75,304</u>	<u>-</u>
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	FG-2016-03527	33,996	-
State and Community Highway Safety	20.600	Jefferson Cty	SpeedHwy26	18,829	-
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	DOT	FG-2016-03089	28,797	-
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	Dane Cty	FG-2016-Dane Co-0359E	8,963	-
Occupant Protection Incentive Grants	20.602	DOT	FG-2016-03409	32,819	-
National Priority Safety Programs	20.616	DOT	Contract 3550569	49,485	21,222
Total Highway Safety Cluster				<u>172,889</u>	<u>21,222</u>
Total U.S. Department of Transportation				<u>248,193</u>	<u>21,222</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, 2016

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS (cont.)					
National Foundation on the Arts and the Humanities					
Library Services and Technology Act (LISTA)	45.310	DPI	16-53-9926-16-159	\$ 9,600	\$ -
Library Services and Technology Act (LISTA)	45.310	DPI	16-53-9926-16-135	4,404	-
Library Services and Technology Act (LISTA)	45.310	DPI	16-53-9926-16-117	7,076	-
Total Library Services and Technology Ac				<u>21,080</u>	-
Total National Foundation on the Arts and the Humanitie:				<u>21,080</u>	-
U.S. Environmental Protection Agency					
Indoor Radon Contract Grant:	66.032	DHS	CARS 150327	3,500	-
Total U.S. Environmental Protection Agency				<u>3,500</u>	-
U.S. Department of Education					
Special Education-Grants for Infants and Families:	84.181	DHS	CARS 550	167,228	-
Total U.S. Department of Education				<u>167,228</u>	-
U. S. Department of Health and Human Services					
Special Programs for the Aging_ Title III, Part D Aging Cluster	93.043	DHS	GWAAR-2016	7,847	-
Special Programs for the Aging_ Title III, Part E	93.044	DHS	GWAAR-2016	130,764	-
Special Programs for the Aging_ Title III, Part C	93.045	DHS	GWAAR-2016	234,580	-
Nutrition Services Incentive Program	93.053	DHS	GWAAR-2016	42,546	-
Total Aging Cluster				<u>407,890</u>	-
National Family Caregiver Support, Title III, Part E	93.052	DHS	GWAAR-2016	62,717	-
Environmental Public Health and Emergency Response	93.070	DHS	N/A	23,336	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)					
Aligned Cooperative Agreement:	93.074	DHS	CARS 155015	134,016	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	DOA	16-07	117,448	-
Immunization Cooperative Agreement:	93.268	DHS	CARS 155020	42,459	-
Home Visiting Program	93.505	DCF	CFA0064	408,058	298,126
Promoting Safe and Stable Families	93.556	DCF	CFA00495	65,991	-
TANF Cluster					
Temporary Assistance for Needy Families:	93.558	DHS	CARS 561	400,601	-
Temporary Assistance for Needy Families	93.558	DCF	CARS 840, 983, 3377, 3380, 3561, 3612	1,157,273	-
Total TANF Cluster				<u>1,557,874</u>	-
Child Support Enforcement	93.563	DCF	CARS 7332, 7477, 7482, 7502, 7506, 7606, 7613, 7903	2,277,426	-

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, 2016

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.)					
CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fun	93.596	DCF	CARS 831, 852, 9006	\$ 268,470	\$ -
Total CCDF Cluster				<u>268,470</u>	<u>-</u>
Chafee Education and Training Vouchers Program (ETV)	93.599	DCF	CARS 3398	5,319	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DOC	2016	26,004	-
	93.658	DCF	CARS 3324, 3341, 3342,		
Foster Care - Title IV-E		DCF	3396, 3561	1,198,741	-
Social Services Block Grant	93.667	DHS	N/A	755,419	-
Child Abuse and Neglect Discretionary Activities	93.670	DCF	CARS 1035	134,077	-
Chafee Foster Care Independence Program	93.674	DCF	N/A	33,792	-
Children's Health Insurance Program	93.767	DHS	N/A	228,461	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	N/A	15,267,521	-
	93.778	DHS	CARS 62, 277, 284, 293, 298, 339, 349, 370, 376, 408, 411, 563, 581, 878, 966, 967, 159320, 560081, 560087,		
Medical Assistance Program - WIMCR			560091, 560155	1,333,186	-
Medical Assistance Program - CLTS	93.778	DCF	2016-40	<u>2,004,277</u>	<u>-</u>
Total Medicaid Cluster				<u>18,604,984</u>	<u>-</u>
Money Follows the Person Rebalancing Demonstration	93.791	DHS	N/A	101,696	-
HIV Care Formula Grants	93.917	DHS	CARS 155957	2,079	-
HIV Prevention Activities - Health Department Base	93.940	DHS	CARS 155957	3,329	-
Block Grants for Community Mental Health Services	93.958	DHS	2016-22	91,653	-
	93.959	DHS	CARS 570, 576, 579, 589,		
Block Grants for Prevention and Treatment of Substance Abuse		DHS	81039	579,946	-
Maternal and Child Health Services Block Grant	93.994	DHS	CARS 159320	<u>72,167</u>	<u>-</u>
Total U.S. Department of Health and Human Services:				<u>27,211,199</u>	<u>298,126</u>

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS (cont.)					
Office of National Drug Control Policy					
High Intensity Drug Trafficking Areas Program	95.001	Milwaukee HIDT	G15ML0016A	\$ 59,000	\$ -
High Intensity Drug Trafficking Areas Program	95.001	Milwaukee HIDT	G16ML0016A	46,571	-
Total High Intensity Drug Trafficking Areas Program				<u>105,571</u>	<u>-</u>
Total Office of National Drug Control Policy				<u>105,571</u>	<u>-</u>
U. S. Department of Homeland Security					
Hazard Mitigation Grant	97.039	DMA	N/A	90,763	-
Total U.S Department of Homeland Security				<u>90,763</u>	<u>-</u>
TOTAL FEDERAL PROGRAMS				<u>\$ 30,445,911</u>	<u>\$ 916,614</u>

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

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	\$ 13,041	\$ -
County Staff and Support	115.150	158,794	-
Land and Water Resource Management	115.400	107,222	-
Prescription Drug Collection Program	115.xxx	5,600	-
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>284,657</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	56,600	-
Wildlife Damage Control and Abatement	370.553	8,078	-
Snowmobile Enforcement	370.XXX	9,142	-
Water Patrol	370.XXX	29,209	-
Gypsy Moth Suppression Grant	370.XXX	1,422	-
Transient Non-Community Well Program	370.XXX	25,440	-
Total Wisconsin Department of Natural Resources		<u>129,891</u>	<u>-</u>
Wisconsin Department of Transportation			
Elderly and Handicapped County Aids	395.101	410,251	-
Total Wisconsin Department of Transportation		<u>410,251</u>	<u>-</u>

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Health Services			
HIV Prev PS & Linkages	435.155947	\$ 3,263	\$ -
Cons Contracts CHHD LD	435.157720	24,999	-
CONS CONTRACTS PHHS	435.15922	13,882	-
Cons Contracts MCH	435.15932	3,838	-
IMAA State Share ACA CY	435.276	335,919	-
IMAA Fed Share ACA CY	435.277	2,274	-
IMAA State Share	435.283	1,625,719	-
IMAA Federal Share	435.284	26,576	-
Adult Protective Services	435.312	53,739	-
COP-W Waiver	435.338	574,259	-
CIP II Non Federal	435.348	1,635,757	-
Community Options Program	435.367	931,445	-
CIP II Community Relocate Non Federal	435.369	90,095	-
CIP II Diversions Non Federal	435.375	178,881	-
Children's COP	435.377	117,853	-
Alzheimer's Family Support	435.381	12,180	-
ICFMR Nonfed	435.407	828,364	-
FC Transition CIP1B Nonfed	435.410	14,543	-
CIP1B MFP Nonfed	435.475	22,817	-
CIP II MFP Nonfed	435.478	2,609	-
Coordinated Services County	435.515	49,237	-
Community Mental Health	435.516	821,034	-
Non-Resident Reimbursement	435.531	50,939	-
Birth to Three Initiative	435.550	160,927	-
Basic County Allocation	435.561	4,566,849	-

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Health Services (cont.)			
CIP 1B	435.564	\$ 833,884	\$ -
Treatment Alternative Program	435.576	45,159	-
CIP 1A	435.580	731,173	-
FPI NON-FED	435.600	45,825	-
Base County Allocation - State Match	435.681	628,030	-
CLTS Other CWA Admin GPR	435.877	12,815	-
IM REG PILOT Second 6MTHS	435.880	2,891	-
CLTS Autism CWA Admin FED	435.881	510	-
CLTS PF BCA Matched	435.883	(149)	-
Aging & Dis Resource Ctr	435.560100	815,223	-
ADRC Dementia Care proj	435.560158	66,478	-
Benefit Specialist County	435.560320	33,438	-
EBS OCI Replacement	435.560327	9,967	-
Senior Community Svs Prog	435.560330	11,335	-
Title 3C-1 Cong Meal Prog	435.560350	132,244	-
Title 3C-2 Home Meals	435.560360	9,493	-
ALZH Family Support Aging	435.560381	73,087	-
Health Ins Informatn ship	435.560432	5,259	-
Elder Abuse Service	435.560490	50,400	-
Total Wisconsin Department of Health Services		<u>15,655,060</u>	<u>-</u>
Wisconsin Department of Children and Families			
AFDC Agency Incentive	437.238	302	-
Food Stamp Agency Collections Incentive	437.267	56,901	-
MA Agency Incentive	437.267	25,144	-
Foster Care Continuation	437.3365	23,165	-

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Children and Families (cont.)			
JJ Community Intervention Program	437.341	\$ 200,861	\$ -
JJ Early Intervention	437.3412	33,847	-
JJ Early Intervention - Youth Aids	437.3413	2,916,294	-
Basic County Allocation	437.3561	1,612,208	-
Basic County Allocation Overmatch	437.3681	128,504	-
CW WSACWIS Annual Op Maint Fee	437.3935	(20,934)	-
CS MSL Incentive Even FFY	437.7332	79,255	-
CS State GPR Funding/PR Funding Allocation	437.7502	282,648	-
CS Medical Support GPR Earned Federal Match	437.7606	12,038	-
Total Wisconsin Department of Children and Families		<u>5,350,233</u>	<u>-</u>
Wisconsin Department of Justice			
Treatment Alternatives and Diversion	455.239	110,931	-
Officer Training and Standards	455.279	35,302	-
Reimbursement for Victim Witness Assistance Program	455.503	201,413	-
Total Wisconsin Department of Justice		<u>347,646</u>	<u>-</u>
Wisconsin Department of Military Affairs			
Emergency Planning Grant	465.337	40,216	40,216
Total Wisconsin Department of Military Affairs		<u>40,216</u>	<u>40,216</u>
Wisconsin Department of Veterans Affairs			
County Veterans Service Officer	485.001	13,000	13,000
Total Wisconsin Department of Veterans Affairs		<u>13,000</u>	<u>13,000</u>

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2016

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
STATE PROGRAMS (cont.)			
Wisconsin Department of Administration			
Land Information Program	505.166	\$ 26,000	\$ 26,000
Total Wisconsin Department of Administration		<u>26,000</u>	<u>26,000</u>
TOTAL STATE PROGRAMS		<u>\$ 22,695,559</u>	<u>\$ 79,216</u>

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2016

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 under programs of the federal and state government for the year ended December 31, 2016. 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 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:

- Jefferson Cty, Wisconsin
- Dane Cty, Wisconsin
- DOJ – Wisconsin Department of Justice
- 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
- DOC – Wisconsin Department of Corrections
- DMA – Wisconsin Department of Military Affairs
- Milwaukee HIDTA – High-Intensity Drug Trafficking Areas

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2016

NOTE 4 – CARS/CORE 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, 2017 and SPARC reports for December 2016. Federal/state funding splits for awards passed through Wisconsin Department of Health Services (DHS) are based on the splits provided by DHS on March 24, 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, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X no

FEDERAL OR STATE AWARDS

Internal control over major programs:

- | | 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

	Federal Programs	State Programs
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance or the <i>State Single Audit Guidelines</i> ?	<u> </u> yes <u> X </u> no	<u> X </u> yes <u> </u> no

	Federal Programs	State Programs
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no	<u> </u> yes <u> X </u> no

	Federal	State	
		DHS	All Other
Dollar threshold used to distinguish between type A and type B programs:	\$ 913,377	\$ 913,377	\$ 250,000

Identification of major federal programs:

CFDA Number	Name of Federal Programs
93.563	Child Support Enforcement (Title IV-D)
93.658	Foster Care Title IV-E
93.778	Medical Assistance Program

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

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

FEDERAL OR STATE AWARDS (cont.)

Identification of major state programs:

State Number	Name of State Programs
255.002	Public Library System Aid
437.3413	JJ Early Intervention Youth Aids
435.561,	Basic County Allocation
435.681,437.3561,437.3681	
437.7502	Child Support GPR Funding

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

FINDING 2016-001: INTERNAL CONTROL OVER FINANCIAL REPORTING

**Material Journal Entries and Preparation of Financial Statements
Repeat Finding 2015-001**

Criteria: Statement on Auditing Standards (SAS) No. 115 requires auditors to report a material weakness if material journal entries are required for the financial statements, or if the auditor prepares the annual financial statements and footnotes.

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 was not able 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.

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2016

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

FINDING 2016-001: INTERNAL CONTROL OVER FINANCIAL REPORTING (cont.)

**Material Journal Entries and Preparation of Financial Statements
Repeat Finding 2015-001 (cont.)**

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.

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

**FINDING 2016-002: STATE SINGLE AUDIT GUIDELINES GENERAL REQUIREMENTS, WISCONSIN DEPARTMENT
OF HEALTH SERVICES (DHS)**

Repeat Finding: 2015-002

Award Number: N/A

State Agency: Wisconsin Department of Health Services

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

Condition/Context: During testing, we followed up on audit reports from the prior year's audit. There were two audit reports from 2015 that were not received and reviewed by the County in a timely manner. Audit reports are supposed to be provided to the County by June 30, 2016. The sample was not a statistically valid sample.

Cause: Unknown.

Effect: Audit findings of the provider to Rock County may affect the County's decision to provide further funding, or result in corrective action.

Questioned Costs: None noted.

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

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2016

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

FINDING 2016-002: STATE SINGLE AUDIT GUIDELINES GENERAL REQUIREMENTS, WISCONSIN DEPARTMENT OF HEALTH SERVICES (DHS) (cont.)

Grantee's Response: The County has procedures in place to help ensure all required audit reports are received timely. These procedures include withholding payments to the vendor until the required audit report is received. However, we are no longer doing business with the vendors in question, so are not likely to receive an audit report.


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, 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*

Department of Public Instruction	_____	yes	<u> X </u>	no
Department of Natural Resources	_____	yes	<u> X </u>	no
Department of Transportation	_____	yes	<u> X </u>	no
Department of Health Services	<u> X </u>	yes	_____	no
Department of Children and Families	_____	yes	<u> X </u>	no
Department of Justice	_____	yes	<u> X </u>	no
Department of Military Affairs	_____	yes	<u> X </u>	no
Department of Veterans Affairs	_____	yes	<u> X </u>	no
Department of Administration	_____	yes	<u> X </u>	no

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? _____ X yes _____ no

4. Name and signature of partner


Heather S. Acker, CPA, Partner

5. Date of report September 28, 2017