

Rock County

Report on Federal and State Awards

December 31, 2021

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 of
Rock County

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 (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*.

The County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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 US, LLP

Madison, Wisconsin
July 29, 2022

**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 of
Rock County

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited Rock County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the County's major federal and major state programs for the year ended December 31, 2021. The 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.

In our opinion, the County complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 *Guidelines*. Our responsibilities under those standards, the Uniform Guidance and the *Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the *Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2021-002, 2021-003, 2021-004, 2021-006 and 2021-007. Our opinion on each major federal and major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-002, 2021-003, 2021-004, 2021-005, 2021-006, and 2021-007, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 *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 *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 the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 29, 2022, 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 *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 basic 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

Madison, Wisconsin
September 26, 2022

County of Rock

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL 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	\$ 5,619	\$ -
National School Lunch Program	10.555	DPI	Unknown	11,171	-
Total Child Nutrition Cluster				<u>16,790</u>	<u>-</u>
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	CARS 61, 284, 286	945,336	-
COVID -19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	CARS 250	30,912	-
Subtotal				<u>976,248</u>	<u>-</u>
Total SNAP Cluster				<u>976,248</u>	<u>-</u>
Soil and Water Conservation	10.902	N/A	N/A	18,634	-
Environmental Quality Incentives Program	10.912	N/A	N/A	18,634	-
Conservation Stewardship Program	10.924	N/A	N/A	10,298	-
Conservation Reserve Program	10.069	N/A	N/A	1,471	-
WIC Grants To States (WGS)	10.578	DHS	Unknown	12,225	-
Total U.S. Department of Agriculture				<u>1,054,300</u>	<u>-</u>
U.S. Department of Justice					
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	N/A	31,986	-
Drug Court Discretionary Grant Program	16.585	N/A	N/A	48,045	-
Public Safety Partnership and Community Policing Program	16.710	DOJ	Unknown	10,795	-
Edward Burne Memorial Justice Assistance Grant (JAG) Program	16.738	DOJ	Unknown	101,132	-
Total U.S. Department of Justice				<u>191,958</u>	<u>-</u>
U.S. Department of Transportation					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	Janesville PD	Unknown	10,902	-
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	Beloit PD	Unknown	19,669	-
Occupant Protection Incentive Grants	20.602	DOT	Unknown	23,694	-
National Highway Traffic Safety Administration	20.616	DOT	Unknown	9,827	-
Total Highway Safety Cluster				<u>64,092</u>	<u>-</u>
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT	Unknown	80,415	-
Total Transit Services Programs Cluster				<u>80,415</u>	<u>-</u>
Total U.S. Department of Transportation				<u>144,507</u>	<u>-</u>

See notes to expenditures of federal and state awards

County of Rock

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
Federal Programs					
U.S. Department of Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	\$ 462,903	\$ -
Total U.S. Department of Treasury				<u>462,903</u>	<u>-</u>
U.S. Environmental Protection Agency					
Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(D)) (A)	66.444	DHS	Unknown	3,500	-
Total U.S. Environmental Protection Agency				<u>3,500</u>	<u>-</u>
U.S. Department of Education					
Special Education-Grants for Infants and Families	84.181	DHS	CARS 550	160,248	-
Total U.S. Department of Education				<u>160,248</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	DHS	CARS 560510	6,886	-
Aging Cluster:					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	CARS 560340	120,515	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	DHS	CARS 560350, 560360	407,020	-
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	Unknown	79,205	-
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	DHS	CARS 560361	81,546	-
Subtotal				<u>567,771</u>	<u>-</u>
Total Aging Cluster				<u>688,286</u>	<u>-</u>
National Family Caregiver Support, Title III, Part E	93.052	DHS	CARS 560520	73,157	-
Public Health Emergency Preparedness	93.069	DHS	CARS 155015	28,513	-
Medicare Enrollment Assistance Program	93.071	DHS	CARS 560620	12,044	-
Immunization Cooperative Agreements	93.268	DHS	CARS 155020	38,793	-
COVID-19 Immunization Cooperative Agreements	93.268	DHS	CARS 155809	9,451	-
Subtotal				<u>48,244</u>	<u>-</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	DHS	CARS 155806	1,063,930	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	DHS	CARS 155802	38,400	-
Subtotal				<u>1,102,330</u>	<u>-</u>
State Health Insurance Assistance Program	93.324	DHS	CARS 560432	3,184	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response:					
Public Health Crisis Response	93.354	DHS	CARS 155801	95,382	-
Improving the Health of Americans Through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	DHS	CARS 150426, 150427	26,826	-
COVID-19 Provider Relief Funding - Infection Control	93.498	N/A	N/A	325,070	-
COVID-19 Provider Relief Funding	93.498	N/A	N/A	571,497	-
Subtotal				<u>896,567</u>	<u>-</u>

See notes to expenditures of federal and state awards

County of Rock

Schedule of Expenditures of Federal and State Awards
 Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
Federal Programs					
Promoting Safe and Stable Families	93.556	DCF	SPARC 3306	\$ 74,269	\$ -
Temporary Assistance for Needy Families	93.558	DHS	CARS 561, SPARC 3632	749,975	-
Child Support Enforcement	93.563	DCF	SPARC 7332, 7477, 7482, 7506, 7560, 7618, 7619	2,624,786	-
Low Income Home Energy Assistance Block Grant	93.568	DOA	Unknown	151,254	151,254
CCDF Cluster:					
Child Care and Development Block Grant	93.575	DCF	SPARC 831, 840, 852	451,688	-
Total CCDF Cluster				451,688	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	SPARC 3413, 3561, 3681	112,565	-
Foster Care - Title IV-E	93.658	DCF	SPARC 3396, 3413, 3554, 3561, 3681	2,018,865	-
COVID-19 Foster Care - Title IV-E	93.658	DCF	SPARC 3619	19,435	-
Subtotal				2,038,300	-
Adoption Assistance	93.659	DCF	SPARC 3574	9,868	-
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	DCF	SPARC 533280, 533289	267,450	-
Social Services Block Grant	93.667	DHS	CARS 561	769,310	-
Child Abuse and Neglect State Grants	93.669	DCF	SPARC 3232	208,130	-
COVID-19 Elder Abuse Prevention Interventions Program	93.747	DHS	SPARC 560332	16,501	-
Children's Health Insurance Program	93.767	DHS	CARS 284, 286	140,318	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	CARS 62, 284, 286, 878, 560152, 560155	2,208,732	-
Medical Assistance Program - WIMCR	93.778	DHS	Unknown	1,745,474	-
Medical Assistance Program - CLTS	93.778	DHS	Unknown	7,654,419	-
Subtotal				11,608,625	-
Total Medicaid Cluster				11,608,625	-
Opioid STR	93.788	DHS	CARS 531287	348,626	-
HIV Prevention Activities Health Department Based	93.940	DHS	CARS 155957	363	-
Block Grants for Community Mental Health Services	93.958	DHS	CARS 515, 569	82,174	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	CARS 515, 545, 546, 570, 589, 533142, 533246	626,946	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.991	DHS	CARS 159220	19,788	-
Maternal and Child Health Services Block Grant to the States	93.994	DHS	CARS 159320	67,482	-
Total U.S. Department of Health and Human Services				23,349,837	151,254

See notes to expenditures of federal and state awards

County of RockSchedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

<u>Grantor Agency / Program Title</u>	<u>Federal AL Number</u>	<u>Pass- Through Agency</u>	<u>Pass- Through Agency ID</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
Federal Programs					
U.S. Food and Drug Administration					
Retail Standards Grant	93.103	AFDO	Unknown	\$ 6,442	\$ -
Total U.S. Food and Drug Association				<u>6,442</u>	<u>-</u>
Office of National Drug Control Policy					
High Intensity Drug Trafficking Areas Program	95.001	MKE HIDTA	Unknown	51,214	-
Total Office of National Drug Control Policy				<u>51,214</u>	<u>-</u>
Total federal programs				<u>\$ 25,424,909</u>	<u>\$ 151,254</u>

See notes to expenditures of federal and state awards

County of Rock

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

<u>Grantor Agency / Program Title</u>	<u>State ID Number</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
State Programs			
Wisconsin Department of Agriculture, Trade and Consumer Protection			
Clean Sweep	115.040	\$ 11,152	\$ -
County Staff and Support	115.150	164,360	-
Land and Water Resource Management	115.400	<u>225,200</u>	<u>-</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>400,712</u>	<u>-</u>
Wisconsin Department of Public Instruction			
Public Library Systems Aid	255.002	<u>467,820</u>	<u>-</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	76,329	-
Parks Grant	370.TA1	34,904	-
Wildlife Damage Control and Abatement	370.553	7,580	-
Conservation Grant	370.XXX	8,118	-
Snowmobile Enforcement	370.552	9,600	-
Water Patrol	370.XXX	25,701	-
Transient Non-Community Well Program	370.XXX	<u>24,549</u>	<u>-</u>
Total Wisconsin Department of Natural Resources		<u>186,781</u>	<u>-</u>
Wisconsin Department of Transportation			
Specialized Transit County Operating Aids	395.168	463,126	-
Specialized Transit County Operating Aids - 20% match	395.168	<u>92,625</u>	<u>-</u>
Total Wisconsin Department of Transportation		<u>555,751</u>	<u>-</u>

See notes to expenditures of federal and state awards

County of Rock

Schedule of Expenditures of Federal and State Awards

Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
State Programs			
Wisconsin Department of Health Services			
Comm Disease Ctrl & Prev	435.155800	\$ 9,600	\$ -
HIV Prev PS & Linkages	435.155957	175	-
Cons Contracts CHHD LD	435.157720	23,554	-
IMAA State Share	435.283000	735,974	-
IMAA Federal Share	435.284000	14,215	-
IM FSET GPR MA	435.285000	118,265	-
IM FSET FED MA Amounts	435.286000	804	-
APS-Adult Protective Services	435.312000	184,253	-
Children's COP	435.377000	264,818	-
Coordinated Services Team Initiative	435.515000	49,842	-
Community Mental Health	435.516000	821,034	-
Non-Resident	435.531000	61,284	-
TAP-COUNTY	435.533142	43,200	-
Mat In A Jail Setting	435.533264	49,640	-
Birth to Three Initiative	435.550000	184,075	-
Aging & Dis Resource Ctr	435.560100	954,930	-
ADRC Dementia Care Proj	435.560158	84,287	-
State Aging Unit EBS	435.560321	33,438	-
EBSOCI Replacement	435.560327	5,701	-
Senior Community Svs Prog	435.560330	11,335	-
Title 3C-1 Cong Meal Prog	435.560350	113,042	-
Title 3C-2 Home Meals	435.560360	11,641	-
Alzheimer's Family Caregiver Support Program	435.560381	51,032	-
Elder Abuse Service	435.560490	50,400	-
Basic County Allocation	435.561000	4,536,415	-
FPI Non-Fed	435.600000	90,596	-
STATE/COUNTY MATCH	435.681000	627,865	-
CLTS WAIVER CWA ADMIN GPR	435.877000	173,510	-
		9,304,925	-
Total Wisconsin Department of Health Services			

See notes to expenditures of federal and state awards

County of Rock

Schedule of Expenditures of Federal and State Awards

Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
State Programs			
Wisconsin Department of Children and Families			
Food Stamp Agency Incentives	437.0965	\$ 67,102	\$ -
AFDC Agency Incentives	437.0975	101	-
Medicaid Agency Incentives	437.0980	56,514	-
FTC Annual	437.3202	79,266	-
CW Kinship Care Program - Benefits	437.3377A	236,209	-
CW Kinship Care Program - Benefits	437.3377B	449,807	-
CW Kinship Care Program - Assessment	437.3380A	21,485	-
CW Kinship Care Program - Assessment	437.3380B	50,937	-
Grants for Foster Parents - Foster Parent Retention	437.3390A	7,571	-
JJ Community Intervention Program	437.3410	63,921	-
JJ AODA	437.3411	59,794	-
JJ Youth Aids	437.3413	2,940,819	-
CW Children and Families Allocation	437.3561	2,154,306	-
CW Children & Families Allocations	437.3681	172,598	-
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	16,921	-
CS Additional Funding	437.7335	47,969	-
CS State GPR/PR Funding Allocation	437.7502	279,953	-
CS Medical Support GPR Earned	437.7606	14,243	-
Total Wisconsin Department of Children and Families		6,719,516	-
Wisconsin Department of Justice			
Victim and Witness Assistance Program	455.239	125,000	-
Officer Training and Standards	455.279	26,720	-
Reimbursement for Victim and Witness Assistance Program	455.503	195,285	-
Law Enforcement Drug Trafficking Response	455.XXX	5,931	-
Total Wisconsin Department of Justice		352,936	-
Wisconsin Department of Military Affairs			
Emergency Planning Grant	465.337	36,421	-
Total Wisconsin Department of Military Affairs		36,421	-

See notes to expenditures of federal and state awards

County of Rock

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
State Programs			
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 Board Grants	505.173	26,000	-
Public Benefits	505.371	<u>54,988</u>	<u>54,988</u>
Total Wisconsin Department of Administration		<u>80,988</u>	<u>54,988</u>
Total state programs		<u>\$ 18,118,850</u>	<u>\$ 54,988</u>

See notes to expenditures of federal and state awards

Rock County

Notes to Schedule of Expenditures of Federal and State Awards Year Ended December 31, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of Rock County (the County) under programs of the federal and state government for the year ended December 31, 2021. 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 the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

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.

3. Indirect Cost Rate

The County has not elected to use the 10% de minimis indirect cost rate.

4. Pass-Through Grantors

Federal funds have been passed through the following grantors:

AFDO	Association of Food and Drug Officials
DOT	Wisconsin Department of Transportation
DPI	Wisconsin Department of Public Instruction
DOA	Wisconsin Department of Administration
DHS	Wisconsin Department of Health Services
DOJ	Wisconsin Department of Justice
DCF	Wisconsin Department of Children and Families
GWAAR	Greater Wisconsin Agency on Aging Resources
Beloit PD	City of Beloit Police Department
Janesville PD	City of Janesville Police Department
MKE HIDTA	Milwaukee High-Intensity Drug Trafficking Areas

Rock County

Notes to Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

5. 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 March 31, 2022 and System for Payments and Reports of Contracts (SPARC) reports for April and December 2021.

6. ALN 93.498 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

The Health Resources and Services Administration (HRSA) has directed health care providers to report expenditures on the Schedule using Periods that are based on the deadline to use the funds along with the PRF portal reporting time period. In accordance with this guidance, Rock County has reported expenditures for ALN 93.498 that were incurred between January 1, 2020 and December 31, 2021, which represent Periods 1 and 2 as identified by HRSA, in the accompanying Schedule.

Rock County

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal and State Awards

Internal control over major programs:	<u> Federal Programs </u>		<u> State Programs </u>	
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> X </u> yes	<u> </u> none reported	<u> X </u> yes	<u> </u> none reported
Type of auditor's report issued on compliance for major programs:	<u> Unmodified </u>		<u> Unmodified </u>	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the <i>State Single Audit Guidelines</i> ?	<u> X </u> yes	<u> </u> no	<u> X </u> yes	<u> </u> no
Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
	<u> Federal </u>		<u> State </u>	
Dollar threshold used to distinguish between type A and type B programs:	<u> \$762,747 </u>		<u> DHS </u>	<u> All Other </u>
			<u> \$762,747 </u>	<u> \$250,000 </u>

Rock County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.561	SNAP Cluster: <ul style="list-style-type: none">- State Administrative Matching Grants for the Supplemental Nutrition Assistance Program- COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.498	COVID-19 Provider Relief Funds
93.778	Medicaid Cluster: <ul style="list-style-type: none">- Medical Assistance Program

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
395.168 435.561000, 435.681000 437.3561, 437.3681 437.3377A, 437.3377B	Specialized Transit County Operating Aids Basic County Allocation CW Children and Families Allocation CW Kinship Care Program - Benefits

Identification of federal program tested in accordance with *State Single Audit Guidelines*:

<u>Assistance Listing Number</u>	<u>Name of State Program</u>
93.778	Medical Assistance Program - WIMCR

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2021-001: Internal Control Over Financial Reporting

Material Journal Entries and Preparation of Financial Statements

Repeat Finding 2020-001

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.

Rock County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

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.

Management'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

Section III - Federal and State Awards Findings and Questioned Costs

Finding 2021-002

Program Federal Assistance Listing Number and Title: 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Award Number: 47746-2

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Agency: Wisconsin Department of Human Services

Criteria: The Uniform Guidance and *State Single Audit Guidelines* require that local entities receiving federal and state awards establish and maintain internal control designed to reasonably ensure compliance with laws, regulations, and program compliance requirements. The Uniform Guidance and *State Single Audit Guidelines* further require auditors to obtain an understanding of the local entity's internal control over federal and state programs. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the preparation and submission of monthly reports, which should be reviewed and approved by a responsible party other than the original preparer

Condition/Context: All four of the CARS reports tested were not reviewed by an independent person before submission for reimbursement. Both of the special quarterly reports tested were also not reviewed by an independent person nor were they prepared and submitted as required by the state. The sample was not statistically valid sample.

Cause: The County did not have internal control procedures in place requiring an independent person to review the reports before submission and ensure the reports were accurately and timely submitted.

Effect: Reports were not submitted and those that were submitted could contain errors.

Questioned Costs: None noted.

Recommendation: The County should review its internal control procedures to ensure there are proper review and approval processes over completeness and accuracy of reports are in place before submissions to state agencies are completed.

Management Response: The CARS reports will be reviewed by a supervisor before submission for reimbursement. Supporting documentation for the review will be kept.

Rock County

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Finding 2021-003

Program Federal Assistance Listing Number and Title: 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Award Number: 47746-2

Federal Agency: U.S. Department of Health and Human Services

Pass-Through Agency: Wisconsin Department of Human Services

Criteria: Per 2 CFR 200, Subpart E - Cost Principles the accounting practices of the nonfederal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles and must provide for adequate documentation to support costs charged to the Federal award.

Condition/Context: Six of the forty items tested used a payroll rate that was higher than the hourly rate supported by the documentation provided. The sample was not statistically valid.

Cause: The County currently does not have proper internal controls in place over review and approval of expenditures and related supporting documentation before being submitted to the state agency for reimbursement.

Effect: Lack of effective controls over review and approval could result in ineligible expenditures being submitted for reimbursement.

Questioned Costs: None noted.

Recommendation: The County should review its internal control procedures to ensure expenditures are being properly reviewed and approved for compliance and that appropriate supporting documentation exists.

Management Response: Pay rates will be sent to the department from Payroll on a monthly basis. Monthly reports will be used to create the CARS reports. This process has been in place for the department since October 2021 as a result of a departmental process improvement.

Rock County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Finding 2021-004

Program Federal Assistance Listing Number and Title: 93.498 COVID-19 Provider Relief Funds

Award Number: Unknown

Federal Agency: U.S. Department of Health Services

Pass-Through Agency: None

Criteria: Nonfederal entities in receipt of federal funds must comply with the requirements of 2 CFR 200.303(a), which require an entity to establish and maintain effective internal control over the Federal award to ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Recipients of Provider Relief Funds (PRF) payments must also comply with the reporting requirements described in the PRF terms and conditions and specified in directions issued by the U.S. Department of Health and Human Services (DHS).

Condition/Context: The period two report selected for testing and the lost revenue calculation were not reviewed and approved by an independent person separate from the preparer prior to submission to DHS. In addition upon testing the key line items of the report and the lost revenue calculation it was noted that the infection control expenditures and 8 out of the 12 quarters of actual revenues reported did not agree to supporting details without exception. Lost revenues were ultimately underreported by \$286,934. The sample was not statistically valid sample.

Cause: The County did not have internal control processes and procedures in place requiring an independent person to review the reports before submission to ensure the lost revenue calculation and amounts reported were accurate.

Effect: Information within the period reports submitted could and do contain errors.

Questioned Costs: None noted.

Recommendation: The County should review its internal control procedures to ensure there are proper review and approval processes over completeness and accuracy of reports are in place before submissions to federal agencies.

Management Response: Future reports will be verified by a supervisor prior to submission. Proper documentation of the calculations and review will be kept.

Rock County

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Finding 2021-005

Program State ID Number and Title: 395.168 Specialized Transit County Operating Aids

Award Number: Unknown

State Agency: Wisconsin Department of Transportation (DOT)

Pass-Through Agency: None

Criteria: CFR 200.303 Internal Controls require that nonfederal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including appropriate review and approval of reports. Wisconsin DOT requires the County to submit an annual report which includes reporting of the required expenditure match.

Condition/Context: The annual report required to be submitted to Wisconsin DOT which also includes reporting of the required expenditure match was not reviewed and approved by someone other than the preparer prior to the submission. The sample was not statistically valid.

Cause: The County currently does not have proper internal controls in place over review and approval of reports and matching requirements for accuracy before being submitted to the state agency.

Effect: Lack of effective controls over review and approval could result in reports being submitted with errors including the matching requirement.

Questioned Costs: None noted.

Recommendation: The County should review its internal control procedures to ensure there are proper review and approval processes in place before reports and matching requirements are submitted to the state agency.

Management Response: The reports will be reviewed and approved by a supervisor before submission.

Rock County

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Finding 2021-006

Program State ID Number and Title: 395.168 Specialized Transit County Operating Aids

Award Number: Unknown

State Agency: Wisconsin Department of Transportation (DOT)

Pass-Through Agency: None

Criteria: Per 2 CFR Part 180 when a nonfederal entity enters into a procurement transaction with another entity for goods or services that equals or exceeds \$25,000, also known as a covered transaction, the nonfederal entity must verify that the entity is not suspended or debarred. A nonfederal entity has three options for performing this verification: 1) obtaining a certification from the entity; 2) checking the System for Award Management (SAM) Exclusions (<https://www.sam.gov/SAM/>) or 3) adding language to the contract or subaward with the entity.

Condition/Context: Of the two procured entities that were tested the County was not able to provide documentation supporting they verified one of the entities was not suspended or debarred. The sample was not statistically valid.

Cause: The County was unable to locate the contract with the entity including the suspension and debarment language and was not able to provide another form of documentation supporting that the County verified the vendor was not suspended or debarred prior to entering into transactions using state funding.

Effect: Payments could be made to an entity that is on the suspended or debarred list.

Questioned Costs: None noted.

Recommendation: The County should review its internal control procedures to ensure there are proper processes in place for verifying applicable procurement transactions are not entered into with a suspended or debarred entity.

Management Response: Purchasing will verify vendors are not suspended or debarred before entering into contracts.

Rock County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Finding 2021-007

Program Federal Assistance Listing Number and Title: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Award Number: Unknown

Federal Agency: U.S. Department of Treasury

Pass-Through Agency: None

Criteria: The U.S. Department of Treasury issued Compliance and Reporting Guidance on February 28, 2022 which specifies the information to be reported for each contract, grant, loan, transfer or direct payment greater than \$50,000 pertaining to the State and Local Fiscal Recovery Funds (SLFRF). The required information includes identification of subrecipients which are entities that receive a subaward from a recipient to carry out the purposes (program or project) of the SLFRF award on behalf of the recipient. Subrecipient relationships require additional monitoring and compliance steps. The direct recipient (the County) is responsible for determining if an entity is considered to be a subrecipient.

Condition/Context: The County reported six subrecipients within the 2021 Project and Expenditure report to U.S. Treasury which is not in line with the County's nonsubrecipient relationship determination and the zero subrecipient expenditures reported in the Schedule of Expenditures of Federal Awards for SLFRF. The sample was not statistically valid.

Cause: The County did not have internal controls in place requiring an independent person with an understanding of the subrecipient terminology and classification to review the report prior to submission to the U.S. Department of Treasury.

Effect: The report was submitted with subrecipient misclassifications.

Questioned Costs: None noted.

Recommendation: The County should review its internal control procedures to ensure there are proper review and approval processes in place over completeness and accuracy of reports before submissions to federal agencies are completed.

Management Response: The County will review all entities reported as subrecipients with the US Treasury reporting system to determine if they were categorized appropriately. The FY 2022 SEFSA will be thoroughly reviewed to ensure all subrecipients are identified.

Rock County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section IV - Other Issues

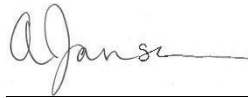
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? yes X no

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> X </u> yes	<u> </u> no
Department of Health Services	<u> X </u> yes	<u> </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

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

Name and signature of partner



Andrea Jansen, CPA, CFE, Partner

Date of report

September 26, 2022