

ROCK COUNTY
Janesville, Wisconsin

REPORT ON FEDERAL AND
STATE AWARDS

For the Year Ended December 31, 2008

ROCK COUNTY

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Board of Supervisors
Rock County
Janesville, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rock County, Wisconsin as of and for the year ended December 31, 2008, which collectively comprise Rock County's basic financial statements and have issued our report thereon dated July 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rock County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rock County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Rock County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Rock County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Rock County's financial statements that is more than inconsequential will not be prevented or detected by Rock County's internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. These deficiencies are items 08-1 and 08-2.

To the County Board of Supervisors
Rock County

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Rock County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies identified above, we consider 08-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rock County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Rock County in a separate letter dated July 27, 2009.

Rock County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Rock County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Rock County's management, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Silly Vichow Krause, CPA

Madison, Wisconsin
July 27, 2009

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE *STATE SINGLE AUDIT GUIDELINES* AND THE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

To the County Board of Supervisors
Rock County
Janesville, Wisconsin

Compliance

We have audited the compliance of Rock County, Wisconsin with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that are applicable to each of its major federal and major state programs for the year ended December 31, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and major state programs is the responsibility of Rock County's management. Our responsibility is to express an opinion on Rock County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or major state program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Rock County's compliance with those requirements.

In our opinion, Rock County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 08-3, 08-4, and 08-5.

To the County Board of Supervisors
Rock County

Internal Control Over Compliance

The management of Rock County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Rock County's internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-3 and 08-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rock County, Wisconsin as of and for the year ended December 31, 2008, which collectively comprise Rock County's basic financial statements and have issued our report thereon dated July 27, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Rock County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

To the County Board of Supervisors
Rock County

Rock County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Rock County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Rock County's management, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Silly Virchow Krause, LLP

Madison, Wisconsin
August 27, 2009, except for the schedule of expenditures of
federal and state awards, as to which the date is July 27, 2009

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS							
U. S. Department of Agriculture							
Passed through Wisconsin Department of Public Instruction Child Nutrition Cluster	10.553	\$ -	\$ 16,715	\$ -	\$ 16,715	\$ 16,715	
School Breakfast Program	10.555	-	25,072	-	25,072	25,072	
National School Lunch		-	41,787	-	41,787	41,787	
Total Child Nutrition Cluster							
Passed through Wisconsin Department of Health Services/Department of Children and Families State Administration Matching Grants for Food Stamp Program	10.561	-	624,959	-	624,959	624,959	
Total U.S. Department of Agriculture			666,746		666,746	666,746	
U.S. Department of Housing and Urban Development							
Passed through Wisconsin Department of Commerce - Office of Housing Assistance HOME Investments Partnership Program Passed through City of Janesville HOME Investments Partnership Program	14.239	-	98,128	-	98,128	98,128	
Total U.S. Department of Housing and Urban Development	14.239	-	512,749	(21,011)	491,738	491,738	
		-	610,877	(21,011)	589,866	589,866	
U.S. Department of Justice							
Passed through Wisconsin Department of Military Affairs Bulletproof Vest Partnership Program Passed Through Wisconsin Department of Administration - Office of Justice Assistance Juvenile Accountability Incentive Block Grant Juvenile Justice and Delinquency Prevention Title V Project Safe Neighborhood	16.607	-	948	-	948	948	
	16.523	-	74,042	-	74,042	74,042	
	16.540	-	76,375	-	76,375	76,375	
	16.548	-	82,557	-	82,557	82,557	
	16.774	-	31,941	30,904	62,845	62,845	

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS (cont.)						
U.S. Department of Justice (cont.)						
Passed through Wisconsin Department of Justice Cease Grant	16.595	\$ 3,181	\$ -	\$ (3,181)	\$ -	\$ -
Direct Assistance						
State Criminal Assistance Program	16.606		49,744	-	49,744	49,744
Edward Bryne Memorial Justice Assistance Grant	16.738	28,453	73,140	8,605	110,198	110,198
Total U.S. Department of Justice		31,634	388,747	36,328	456,709	456,709
U.S. Department of Transportation						
Passed Through Wisconsin Department of Transportation State and Community Highway Safety	20.600	-	15,450	-	15,450	15,450
National Foundation on the Arts and the Humanities						
Library Services and Technology Act (LSTA)	45.310	(35,336)	35,336	-	-	-
U.S. Department of Education						
Passed through Wisconsin Department of Health Services/Department of Children and Families Birth to Three	84.181	-	171,191	-	171,191	171,191
U.S. Environmental Protection Agency						
Passed through Wisconsin Department of Health Services/Department of Children and Families Indoor Radon Contract Service	66.032	-	3,000	-	3,000	3,000
Federal Emergency Management						
Passed through Wisconsin Department of Military Affairs Public Safety - Emergency Government Disaster Assistance	83.544	-	137,628	183,980	321,608	321,608

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	Expenditures
FEDERAL PROGRAMS (cont.)						
U. S. Department of Health and Human Services						
Passed through Wisconsin Department of Health Services/Department of Children and Families						
Public Health Emergency Preparedness	93.069	\$ -	\$ 101,421	\$ -	\$ 101,421	\$ 101,421
AIDS Activity - HIV Partner Referral	93.118	(775)	2,100	-	1,325	1,325
AIDS Activity - Testing	93.118	(15)	105	-	90	90
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	-	14,379	-	14,379	14,379
Substance Abuse and Mental Health Service - Projects of Regional and National Significance	93.243	-	293	-	293	293
Immunization Grants	93.268	-	43,903	-	43,903	43,903
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	-	44,582	-	44,582	44,582
Family Preservation - Support Block Grants for Temporary Assistance for Needy Families	93.556	-	61,800	-	61,800	61,800
Chafee Education and Training Vouchers Program	93.558	-	759,775	-	759,775	759,775
Child Welfare Service Grants - State Grants	93.599	-	2,631	-	2,631	2,631
Foster Care - Title IV-E	93.645	-	160,678	-	160,678	160,678
Social Services Block Grant	93.658	-	732,079	-	732,079	732,079
Chafee Foster Care Independent Living	93.667	-	1,232,688	-	1,232,688	1,232,688
State Children's Insurance Program	93.674	-	16,930	-	16,930	16,930
Medical Assistance Program	93.767	-	166,136	-	166,136	166,136
Medical Assistance Program - WIMCR	93.778	-	16,910,981	-	16,910,981	16,910,981
Block Grants for Community Mental Health Services	93.778	-	1,625,497	-	1,625,497	1,625,497
Block Grants for Prevention and Treatment of Substance Abuse	93.958	-	152,912	-	152,912	152,912
Preventive Health and Health Services Block Grant	93.959	-	935,318	-	935,318	935,318
Maternal and Child Health Services Block Grant	93.991	-	19,028	-	19,028	19,028
	93.994	-	63,640	-	63,640	63,640

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS (cont.)							
U. S. Department of Health and Human Services (cont.)							
Passed Through Age Advantage Special Programs for the Aging Aging Cluster							
Title III, Part B - Grants for Supportive Services	93.044	\$ (42,551)	\$ 128,675	\$ 36,925	\$ 123,049	\$ 123,049	
Alzheimer's Disease Demo Grant to States	93.044	(1,418)	3,702	-	2,284	2,284	
Title III, Part D - In-Home Services	93.045	(4,344)	4,344	-	-	-	
Title III, Part C Nutrition Services	93.045	(73,085)	249,034	42,834	218,783	218,783	
Title III, Part E Family Caregiver Support Program	93.045	(17,600)	17,600	-	-	-	
Alzheimer's Disease Demo Grant to States	93.045	(2,397)	6,259	-	3,862	3,862	
Nutrition Service Incentive Program	93.053	-	39,138	-	39,138	39,138	
Total Aging Cluster		(141,395)	448,752	79,759	387,116	387,116	
Title III, Part D - In-Home Services	93.043	-	8,550	577	9,127	9,127	
State Health Insurance Program	93.779	(2,192)	5,000	-	2,808	2,808	
Alzheimer's Disease Demo Grant to States	93.051	(19,710)	51,465	-	31,755	31,755	
National Family Caregiver Support, Title III, Part E	93.052	(622)	1,624	-	1,002	1,002	
Center for Medicare and Medicaid Services Research Passed through Wisconsin Department of Commerce	93.779	(9,853)	25,728	-	15,875	15,875	
Projects For Assistance In Transition From Homelessness Passed through Wisconsin Department of Workforce Development/Department of Children and Families	93.150	-	153,442	-	153,442	153,442	
Block Grants for Temporary Assistance for Needy Families							
Child Support Enforcement - Medical Support Liability Incentive Even FFY	93.558	-	428,545	-	428,545	428,545	
Child Support Enforcement - Medical Support Liability Incentive Odd FFY	93.563	-	64,960	-	64,960	64,960	
Child Support Enforcement - Indirect Cost 66% Federal Share	93.563	-	7,670	-	7,670	7,670	
Child Support Enforcement - All Other Exp 66% Federal Share	93.563	-	204,680	-	204,680	204,680	
Child Support Enforcement - Fees 66% Federal Share	93.563	-	1,670,211	-	1,670,211	1,670,211	
Child Support Enforcement - Performance Based	93.563	-	(21,852)	-	(21,852)	(21,852)	
Child Support Enforcement - FPLS Fees	93.563	-	446,757	-	446,757	446,757	
Child Support Enforcement - CS Regular Expenses/GPR	93.563	-	(9,204)	-	(9,204)	(9,204)	
Child Care Payments	93.563	-	224,061	-	224,061	224,061	
	93.596	-	474,353	-	474,353	474,353	

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS (cont.)							
U. S. Department of Health and Human Services (cont.)							
Passed Through Wisconsin Department of Corrections Child Welfare Services Grant - State Grants Foster Care Title - IV-E	93.645	\$ -	\$ 37,151	\$ -	\$ 37,151	\$ 37,151	\$ 37,151
Passed Through Wisconsin Department of Administration Utility Public Benefits - Low Income Assistance	93.658	-	37,151	-	37,151	37,151	37,151
Total U. S. Department of Health and Human Services	93.568	-	257,729	-	257,729	257,729	257,729
		<u>(174,562)</u>	<u>27,563,649</u>	<u>80,336</u>	<u>27,469,423</u>	<u>27,469,423</u>	<u>27,469,423</u>
U. S. Department of Homeland Security							
Passed through Wisconsin Department of Military Affairs Emergency Management	97.042	(24,100)	138,404	37,239	151,543	151,543	151,543
Passed through Wisconsin Department of Administration Office of Justice Assistance Homeland Security/Exercising Direct Assistance	97.067	(31,997)	32,031	-	34	34	34
Assistance to Firefighters	97.044	-	543,152	83,866	627,018	627,018	627,018
Total U. S. Department of Homeland Security		<u>(56,097)</u>	<u>713,587</u>	<u>121,105</u>	<u>778,595</u>	<u>778,595</u>	<u>778,595</u>
		<u>\$ (234,361)</u>	<u>\$ 30,306,211</u>	<u>\$ 400,738</u>	<u>\$30,472,588</u>	<u>\$30,472,588</u>	<u>\$30,472,588</u>
TOTAL FEDERAL PROGRAMS							

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, 2008

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Revenues		Total Revenues	Expenditures
			Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS						
Wisconsin Department of Agriculture, Trade and Consumer Protection						
Clean Sweep	115.040	\$ -	\$ 20,415	\$ -	\$ 20,415	\$ 20,415
District Fairs	115.050	-	2,801	-	2,801	2,801
County Staff and Support	115.150	(59,079)	210,010	-	150,931	150,931
Land and Water Resource Management	115.400	(63,926)	90,654	24,056	50,784	50,784
County Drainage District Program	115.800	-	43,165	-	43,165	43,165
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(123,005)	367,045	24,056	268,096	268,096
Wisconsin Department of Commerce						
Projects For Assistance In Transition From Homelessness	143.707	-	26,900	-	26,900	26,900
Wisconsin Department of Public Instruction						
Public Library Systems Aid	255.002	353,602	485,612	(367,745)	471,469	471,469
Wisconsin Department of Natural Resources						
Beckman Mill	370.421	(4,520)	-	4,520	-	-
Recreational Aids - Snowmobile Trail and Area	370.485	16,740	79,140	(19,398)	76,482	76,482
Wildlife Damage Control and Abatement	370.553	(3,901)	6,029	4,561	6,689	6,689
DNR Conservation Grant	370.xxx	-	1,946	-	1,946	1,946
Gypsy Moth Suppression	370.xxx	-	3,293	-	3,293	3,293
Total Wisconsin Department of Natural Resources		8,319	90,408	(10,317)	88,410	88,410
Wisconsin Department of Transportation						
Elderly and Handicapped County Aids	395.101	-	341,961	-	341,961	341,961

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, 2008

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Revenues		Total Revenues	Expenditures
			Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
	410.313	\$ -	\$ 2,402,402	\$ -	\$ 2,402,402	\$ 2,402,402
STATE PROGRAMS (cont.)						
Wisconsin Department of Corrections						
Youth Aids						
Wisconsin Department of Health Services/ Department of Children and Families						
Fraud - Contract Cont	435.950	-	5,997	-	5,997	5,997
Funeral/Cemetery W-2 & Non W-2	435.105	-	279,820	-	279,820	279,820
Medicaid Transportation	435.131	-	62,066	-	62,066	62,066
IMAA State Share	435.283	-	820,175	-	820,175	820,175
IMAA Federal Share	435.284	-	28,745	-	28,745	28,745
AW DOJ Fingerprint Backgr	435.324	-	1,948	-	1,948	1,948
COP-W GPR	435.338	-	1,154,187	-	1,154,187	1,154,187
Children and Family Services Incentive	435.342	-	166,265	-	166,265	166,265
CIP II Non Federal	435.348	-	1,986,892	-	1,986,892	1,986,892
Foster Care Continuation	435.365	-	50,000	-	50,000	50,000
Community Options Program	435.367	-	2,129,086	-	2,129,086	2,129,086
CIP II Community Relocate Non Federal	435.369	-	153,672	-	153,672	153,672
CIP II Diversions Non Federal	435.375	-	52,754	-	52,754	52,754
Kinship Care Base Benefit	435.377	-	763,659	-	763,659	763,659
Kinship Care Assessments	435.380	-	68,883	-	68,883	68,883
Alzheimer's Family Support	435.381	-	70,180	-	70,180	70,180
ICFMR Nonfed	435.407	-	973,875	-	973,875	973,875
CLTS Non Federal Other	435.460	-	19,079	-	19,079	19,079
CLTS PD Non Fed Other	435.462	-	6	-	6	6
CIP II MFP Nonfed	435.478	-	1,560	-	1,560	1,560
Community Support Program Wait List	435.504	-	61,500	-	61,500	61,500
Brain Injury Waiver	435.506	-	173,463	-	173,463	173,463
Integrated Services for Children with Severe Disabilities	435.530	-	7,400	-	7,400	7,400

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, 2008

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	(Accrued) Deferred Beginning Balance	Revenues			Total Revenues	Expenditures
			Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
STATE PROGRAMS (cont.)							
Wisconsin Department of Health Services/ Department of Children and Families (cont.)							
Non-Resident Reimbursement	435.531	\$ -	\$ 42,667	\$ -	\$ 42,667	\$ 42,667	
Brighter Future Initiative	435.540	-	125,670	-	125,670	125,670	
Birth to Three Initiative	435.550	-	195,621	-	195,621	195,621	
Basic County Allocation	435.561	-	5,492,712	-	5,492,712	5,492,712	
CIP 1B	435.564	-	570,702	-	570,702	570,702	
IDP Emergency Funds	435.567	-	15,684	-	15,684	15,684	
Treatment Alternative Program	435.576	-	67,512	-	67,512	67,512	
Family Support	435.577	-	72,902	-	72,902	72,902	
CIP 1A	435.580	-	720,857	-	720,857	720,857	
Base County Allocation - State Match	435.681	-	1,012,000	-	1,012,000	1,012,000	
Program Integrity	435.750	-	15,203	-	15,203	15,203	
Cons Contracts Lead Poisoning	435.157720	-	28,728	-	28,728	28,728	
Cons Contracts Maternal and Child Health Services Passed Through Age Advantage Inc. Area Agency on Aging:	435.159320	-	4,638	-	4,638	4,638	
Elder Abuse	435.560490	(15,481)	55,082	8,135	47,736	47,736	
Elderly Benefit Specialist Program	435.560320	-	33,438	-	33,438	33,438	
EBS OCI Replacement State Pharmacy	435.560327	-	12,581	-	12,581	12,581	
State Senior Community Services	435.560327	-	9,990	1,104	11,094	11,094	
State Senior Community Services	435.56330	(928)	-	928	-	-	
Title III Part C-1 Nutrition Services	435.560350	(48,792)	146,317	37,250	134,775	134,775	
Title III Part C-2 Nutrition Services	435.560360	(6,721)	17,255	513	11,047	11,047	
Title III, Part E - Family Caregiver Support	435.705	-	26,356	30,917	57,273	57,273	
Total State of Wisconsin Department of Health Services/Department of Children and Families		(71,922)	17,697,127	78,847	17,704,052	17,704,052	

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, 2008

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS (cont.)						
Wisconsin Department of Workforce Development/Department of Children and Families						
W-2 Administration	445.315	\$ -	\$ 134,368	\$ -	\$ 134,368	\$ 134,368
W-2 Services	445.315	-	350,199	-	350,199	350,199
W-2 Jobs Access Loans	445.323	-	253	-	253	253
Child Support Enforcement - Unemployment Insurance Fees 34%	445.334	-	(518)	-	(518)	(518)
Foodshare Employment and Training	445.367	-	30,653	-	30,653	30,653
W-2 Emergency Assistance	445.375	-	78,094	-	78,094	78,094
Total Wisconsin Department of Workforce Development/Department of Children and Families		-	593,048	-	593,048	593,048
Wisconsin Public Service Commission						
Enhanced 911 Grant	xxx.xxx	(553,414)	592,142	63,211	101,939	101,939
Wisconsin Department of Justice						
Reimbursement for Victim and Witness Assistance Program	455.503	(107,733)	206,771	107,926	206,964	206,964
Wisconsin Department of Military Affairs						
Public Safety - Emergency Government Disaster Assistance	465.305	-	17,446	17,091	34,537	34,537
Emergency Planning Grant	465.337	(18,109)	34,657	19,999	36,547	36,547
Emergency Government Response Equipment	465.367	-	-	-	-	-
Total Wisconsin Department of Military Affairs		(18,109)	52,103	37,090	71,084	71,084
Wisconsin Department of Veterans Affairs						
County Veterans Service Officer	485.001	-	15,063	-	15,063	15,063

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, 2008

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS (cont.)						
Wisconsin Department of Administration						
Comprehensive Land Planning Grants	505.112	\$ -	\$ 27,009	\$ -	\$ 27,009	\$ 27,009
Utility Public Benefits - Low Income Assistance Passed Through the Office of Justice Assistance Treatment Alternatives and Diversion	505.371	-	81,785	-	81,785	81,785
Total Wisconsin Department of Administration	505.622	(85,962)	242,696	32,297	189,031	189,031
		(85,962)	351,490	32,297	297,825	297,825
TOTAL STATE PROGRAMS		\$ (598,224)	\$23,222,072	\$ (34,635)	\$22,589,213	\$22,589,213

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

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2008

NOTE 1 – REPORTING ENTITY

This report on Federal and State Awards includes the federal and state awards of Rock County. The reporting entity for Rock County is based upon criteria established by the Governmental Accounting Standards Board. All functions of Rock County for which it exercises oversight responsibility, are included.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

NOTE 2 – BASIS OF PRESENTATION

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

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and the *State Single Audit Guidelines*.

NOTE 3 – DIRECT PAYMENTS – STATE OF WISCONSIN

Direct payments to individuals from the State of Wisconsin on behalf of Rock County for the year ended December 31, 2008 include:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
W-2 Benefits	93.558	\$ 677,368
Food Stamp Program	10.561	<u>17,568,935</u>
Total		<u>\$ 18,246,303</u>

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2008

NOTE 4 – CARS/CORE REPORT DATES

The Schedule of Expenditures of Federal and State Awards include adjustments through the following Community Aids Reporting System (CARS) reports:

<u>Agency Number</u>	<u>Date</u>
53-043	May 1, 2009
53-044	May 1, 2009
53-047	May 1, 2009

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2008 CORE report.

NOTE 5 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The County received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2008:

<u>County Department</u>	<u>Provider No.</u>	<u>Unaudited Amount</u>
Rock County Health Care Center	20161800	\$ 6,524,502
Rock County Health Department	41861600	3,844
Rock County Health Department	42010100	50
Rock County Health Department	43080300	240,864
Rock County Social Services	43078300	144,670
Rock County 51.437 Board	43078600	89,708
Total		<u>\$ 7,003,638</u>

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

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 Program</u>
115.150	County Staff and Support
115.400	Land and Water Resource Management
435.348/	Community Integration Program II & Community
435.338	Options Program Waiver
435.561/	Basic County Allocation
435.681	Basic County Allocation/State Match
435.564	Community Integration Program 1B
435.580	Community Integration Program 1A
435.367	Community Options Program
435.407	ICFMR Nonfed
435.506	Brain Injury Waiver
505.622	Treatment Alternatives and Diversion Assistance Program

SECTION II – FINANCIAL STATEMENT FINDINGS

FINDING 08-1: INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Journal Entries and Preparation of Financial Statements

Criteria: Statement on Auditing Standards (SAS) No. 112 states that the County should have internal control procedures that enable the preparation of financial records and financial statements by County personnel that are free from material errors.

Condition: Rock County has not presented its financial records that are free from material misstatements and has not prepared the annual financial statements.

Effect: The County's financial records were materially misstated. The auditors proposed and made audit entries that were material to the County's financial statements during the 2008 audit and prepared the annual financial statements.

Recommendation: The County may consider and implement additional internal control procedures to ensure the accuracy of its financial records as well as the preparation of the annual financial statements.

Corrective Action Plan: The County does not have sufficient professionally trained staff to prepare a complete set of year-end financial statements. Due to budget constraints, it is unlikely that the county will be in a position to hire, train, and house professional staff to complete this task in the near future.

Official Responsible: Jeffrey Smith, Finance Director

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS (cont.)

FINDING 08-2: OTHER INTERNAL ACCOUNTING CONTROLS

Criteria: Statement on Auditing Standards (SAS) No. 112 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the County's structure of internal control.

Condition: During the financial audit, audit procedures and inquiries were performed to evaluate the effectiveness of controls over various transaction cycles. As a result of these procedures, two areas were identified where your controls over transactions could be improved: 1) Controls over adding new vendors and 2) Independent second party review to ensure that annual rate changes entered into the payroll system are made correctly.

Effect: Payments may be made to fictitious vendors or incorrect pay rates could be entered into the system.

Questioned Costs: None

Recommendation: We recommend that before a new vendor is added to the accounting system, an assigned staff in the accounting office should verify that the vendor is a legitimate business. This could be done by locating the business in a phone book, verifying the businesses' existence through a phone call, or any other reasonable method of gaining comfort in the legitimacy of the entity. In addition, a supervisor in the accounting office should periodically review a list of vendors recently added to the accounting system and verify proper procedures have been followed.

We also recommend that a second individual review all pay rate changes after being entered into the payroll system.

Corrective Action Plan: The County is in the process of upgrading its accounting software [IFAS]. Two of the enhancements, which will be available once the implementation is completed, are Web Forms and Workflow. These tools will allow the County to modify the existing security in IFAS, which allows many users to create new vendors or modify current vendors. Under the upgraded software, users can enter all the data for the vendor creation or changes into an on-line form. This form will be electronically transferred to a Financial Services staff person who will check the data for accuracy. If the data meets the County's standards it will be approved and the vendor database updated without any other input from the Financial Services staff person.

The Payroll Division of the Finance Director Department (formally under the County Clerk's Office) does verify rate changes due to labor contract settlements and County Board resolution authority. The Payroll division does verify individual rate changes inputted by the Human Resources Department.

The County's Human Resources Department has begun informing the Payroll Division, in writing, all individual rate changes so that Payroll can verify that they are appropriate.

Official Responsible: Jeffrey Smith, Finance Director

Planned Completion Date: Immediate

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

FINDING 08-3: STATE ID No. 435.348/435.338 COMMUNITY INTEGRATION PROGRAM II AND COMMUNITY OPTIONS PROGRAM WAIVER

Criteria: Specific program requirements identified within the *State Single Audit Guidelines* require each client's file to include annual recertification documentation including an Individual Service Plan (ISP), the Long-term Care Functional Screen, the cost share worksheet, and the application of the cost share, where applicable.

Condition: One of the ten CIP-II/COP-W file participants sampled did not contain documentation to support annual recertification information. The file did not contain an updated ISP, Long-term Care Functional Screen, or the cost share worksheet.

Effect: The County may have been reimbursed for incorrect or unallowable expenditures.

Questioned Costs: We tested an invoice in the amount of \$2,616 for the participant file in question. This file is maintained at the Community Support location in the City of Janesville. The controls at this location differ from those found at the primary service location of the County.

Recommendation: We recommend internal inspections of participant files be performed on a regular basis to reduce the risks of non-compliance.

Corrective Action Plan: *The hiring of an additional Community Support Program (CSP) Supervisor has strengthened internal controls.* This provides on site Supervision and control for each of the two CSP service locations. The Supervisors intend to implement the following control procedures:

- A. All Waiver-related applications, documentation, etc. shall be reviewed by the CSP Supervisors for accuracy and completeness,
- B. A tickler system will be created to enable Supervisors to remind staff of re-certification due dates. Also to be created is a checklist of necessary forms to be completed for the re-certification process. The Supervisor prior to submitting the re-certification and accepting continuing Waiver funding shall also review such checklist for completeness.
- C. CSP Supervisors will spot-check Waiver client files monthly for accuracy and completeness, and require staff to fulfill their obligations related to properly completing requisite forms.
- D. Annually, an independent review, on a sample basis, of Waiver client files shall be undertaken by the Long Term Support division Supervisors.

Official Responsible: Chairman Klyve, Director of Human Services

Planned Completion Date: Immediate

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

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

FINDING 08-4: HUMAN SERVICES DEPARTMENT GENERAL REQUIREMENTS – PROVIDER AUDITS

Criteria: Wisconsin Section 46.036(4)(c) requires providers to submit audits to the County.

Condition: The DHS general requirements in the *State Single Audit Guidelines* state that all subrecipient audit reports that have not been received within 180 days of their fiscal year end be identified. For the County's 2007 single audit, we reviewed 2006 audit reports that had not been received as of the end of the 2006 audit fieldwork. As of fieldwork performed for the 2008 audit, the provider, Morning Sun Care Home, still had not had an audit report completed. Payments to this provider during 2008 were \$145,228.

Effect: Subrecipient audit reports could have questioned costs that may affect Rock County.

Questioned Costs: None.

Recommendation: We recommend that the County continue to request this provider receive an audit. The County should consider all of the actions available to it to obtain the required audit report, including withholding payments to the provider.

Corrective Action Plan: The Administrative Services Manager has put in place a process that will result in withholding of payments to the provider if the required audit is not provided. Morning Sun Care Home has until August 21st to prove conclusively to the Department that it has engaged an independent CPA firm to begin the required audit, and provide a firm timeline for the completion of such audit. The Department shall monitor the progress of the audit through to its satisfactory conclusion. Should Morning Sun Care Home fail to prove to the Department's satisfaction that such audit is occurring, the Department shall withhold payments for services beginning September 1, 2009, and for every month thereafter until this condition is remedied.

Official Responsible: Charmain Klyve, Director of Human Services

Planned Completion Date: Immediate

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

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

FINDING 08-5: STATE ID No. 505.622 TREATMENT ALTERNATIVE AND DIVERSION PROGRAM

Criteria: Quarterly reports are required to be submitted by the County as directed in the grant award.

Condition: The Treatment Alternatives and Diversion Program has quarterly reporting requirements. Towards the end of 2008, a new employee was hired to perform administrative duties for this program. The quarterly reports for the third and fourth quarters of 2008 were not filed. Upon discovery of this during the audit, and based on the advice of the Office of Justice Assistance, one report was filed for costs incurred during both the third and fourth quarters of 2008.

Effect: Quarterly reporting requirements were not met and the County was not reimbursed timely for grant eligible costs incurred after June 30, 2008.

Questioned Costs: None.

Recommendation: We recommend that internal controls be implemented requiring the review and documented approval of all quarterly reports. This review should not only focus on the accuracy of the reports being filed, but implement controls so that the reports are filed timely.

Corrective Action Plan: The Sheriff's Office has submitted grant eligible costs for 2008, which have been approved for reimbursement. The Sheriff's Office has created a checklist of all open grants to monitor grant reporting and reimbursements. The Sheriff's Financial Office Manager will maintain the checklist. The checklist and grant reports will be forwarded to the County's Internal Auditor on a regular basis for review and the preparation of the annual Report on Federal and State Awards.

Official Responsible: Robert Spoden, Rock County Sheriff

Planned Completion Date: Immediate

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

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

_____ yes X no

Department of Public Instruction

_____ Yes X No

Department of Natural Resources

_____ Yes X No

Department of Transportation

_____ Yes X No

Department of Corrections

_____ Yes X No

Human Services Department

 X Yes _____ No

Department of Workforce Development

_____ Yes X No

Department of Justice

_____ Yes X No

Department of Military Affairs

_____ Yes X No

Department of Veterans Affairs

_____ Yes X No

Department of Administration

 X Yes _____ No

Department of Commerce

_____ Yes X No

Public Service Commission

_____ Yes X No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?

 X yes _____ no

4. Name and signature of partner

Thomas A. Scheidegger
Thomas A. Scheidegger, CPA, Partner

5. Date of report

August 27, 2009