

**ROCK COUNTY**

Janesville, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2009

# ROCK COUNTY

## TABLE OF CONTENTS December 31, 2009

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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	1 – 2
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	3 – 4
Schedule of Expenditures of Federal and State Awards	5 – 14
Notes to Schedule of Expenditures of Federal and State Awards	15 – 16
Schedule of Findings and Questioned Costs	17 – 21

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, 2009, which collectively comprise Rock County's basic financial statements and have issued our report thereon dated July 16, 2010. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and a deficiency that we consider to be a significant deficiency.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 09-1.

To the County Board of Supervisors  
Rock County

A significant deficiency is a deficiency, or 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. We consider the deficiency described in the schedule of findings and questioned costs to be a significant deficiency. This significant deficiency is item 09-2.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Rock County's 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 16, 2010.

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 Vinchow Krause, LLP*

Madison, Wisconsin  
July 16, 2010

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, 2009. 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, 2009.

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 and to test and report on internal control over compliance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rock County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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.

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

### ***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, 2009, which collectively comprise Rock County's basic financial statements and have issued our report thereon dated July 16, 2010. 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.

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 Jilly Virehow Krause, CPA*

Madison, Wisconsin  
August 5, 2010, except for the schedule  
of expenditures of federal and state awards, as to which  
the date is July 16, 2010.

**ROCK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantors' Number	Revenues				Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>FEDERAL PROGRAMS</b>								
<b>U. S. Department of Agriculture</b>								
Passed through Wisconsin Department of Public Instruction								
Child Nutrition Cluster								
School Breakfast Program	10.553		\$ -	\$ 13,242	\$ -	\$ 13,242	\$ 13,242	
National School Lunch	10.555		-	19,862	-	19,862	19,862	
Total Child Nutrition Cluster			-	33,104	-	33,104	33,104	
Passed through Wisconsin Department of Health Services								
State Administration Matching Grants for Food Stamp Program								
	10.561		-	744,505	-	744,505	744,505	
Passed through Wisconsin Department of Children and Families								
State Administration Matching Grants for Food Stamp Program								
	10.561		-	(666)	-	(666)	(666)	
Total Food Stamp Program			-	743,839	-	743,839	743,839	
Total U.S. Department of Agriculture			-	776,943	-	776,943	776,943	
<b>U.S. Department of Housing and Urban Development</b>								
Passed Through Wisconsin Department of Commerce								
Office of Housing Assistance								
ARRA Funds - Lead Hazard Reduction Demonstration Grant	14.909-ARRA		-	104,147	(35,232)	68,915	68,915	
Community Development Block Grant Emergency Assistance Program	14.228	EAP 08-10	-	306,615	-	306,615	306,615	
HOME Investments Partnership Program	14.239	WILHB0344-06	21,011	383,644	(21,011)	383,644	383,644	
Passed through City of Janesville								
HOME Investments Partnership Program	14.239		-	25,258	(16,077)	9,181	9,181	
Total HOME Program			21,011	408,902	(37,088)	392,825	392,825	
Total U.S. Department of Housing and Urban Development			21,011	819,664	(72,320)	768,355	768,355	

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, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantors' Number	Revenues			Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>FEDERAL PROGRAMS (cont.)</b>							
<b>U.S. Department of Justice</b>							
Passed Through Wisconsin Department of Administration - Office of Justice Assistance							
Juvenile Justice Accountability Block Grant	16.523		\$ -	\$ 102,835	\$ -	\$ 102,835	\$ 102,835
Juvenile Justice and Delinquency Prevention Project Safe Neighborhood	16.540 16.744		-	118,308	-	118,308	118,308
Passed through Wisconsin Department of Justice Cease Grant		2874	(30,904)	50,445	-	19,541	19,541
Direct Assistance	16.595		3,181	4,145	(3,181)	4,145	4,145
State Criminal Assistance Program	16.606	2009-G6739-WI-AP	-	60,204	-	60,204	60,204
Drug Court Discretionary Grant Program	16.585	2009-DC-BX-0019	-	-	18,435	18,435	18,435
Edward Bryne Memorial Justice Assistance Grant-2006	16.738		1,669	-	-	1,669	1,669
Edward Bryne Memorial Justice Assistance Grant-2007	16.738		(10,274)	10,274	-	-	-
Edward Bryne Memorial Justice Assistance Grant-2009	16.738		-	71,988	(31,796)	40,192	40,192
ARRA Funds - Edward Bryne Memorial Justice Assistance Grant	16.738-ARRA	2009-SB-9B-0870	-	296,049	(118,528)	177,521	177,521
Total U.S. Department of Justice			(36,328)	714,248	(135,070)	542,850	542,850
<b>U.S. Department of Transportation</b>							
Passed Through Wisconsin Department of Transportation							
TraCS Implementation	20.232	0050 83 08	-	-	51,503	51,503	51,503
State and Community Highway Safety	20.600	0939-04-18	-	9,996	-	9,996	9,996
State and Community Highway Safety	20.600	0939-41-30	-	19,992	-	19,992	19,992
State and Community Highway Safety	20.600	0939-44-02	-	15,000	-	15,000	15,000
Total U.S. Department of Transportation			-	44,988	51,503	96,491	96,491
<b>National Foundation on the Arts and the Humanities</b>							
Library Services and Technology Act (LSTA)	45.310	09-152	-	-	3,308	3,308	3,308
Library Services and Technology Act (LSTA)	45.310	09-200	-	1,727	773	2,500	2,500
Library Services and Technology Act (LSTA)	45.310	09-114	-	9,600	-	9,600	9,600
Library Services and Technology Act (LSTA)	45.310	09-502	-	6,688	-	6,688	6,688
Total National Foundation on the Arts and Humanities			-	18,015	4,081	22,096	22,096

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, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantors' Number	Revenues			Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>FEDERAL PROGRAMS (cont.)</b>							
<b>U.S. Department of Education</b>							
Passed through Wisconsin Department of Revenue							
ARRA Funds - State Fiscal Stabilization Fund	84.397-ARRA		\$ -	\$ 2,427,584	\$ -	\$ 2,427,584	\$ 2,427,584
Passed through Wisconsin Department of Administration							
ARRA Funds - State Fiscal Stabilization Fund	84.397-ARRA		-	398,443	-	398,443	398,443
Total ARRA Funds - State Fiscal Stabilization Funds			-	2,826,027	-	2,826,027	2,826,027
Passed through Wisconsin Department of Health Services							
Safe and Drug-Free Schools and Communities-National Program	84.181		-	164,386	-	164,386	164,386
Total U.S. Department of Education			-	2,990,413	-	2,990,413	2,990,413
<b>Federal Emergency Management</b>							
Passed through Wisconsin Department of Military Affairs							
Public Safety - Emergency Government Disaster Assistance	83.544	FEMA-3285-EM	(183,980)	183,980	-	-	-
<b>U. S. Department of Health and Human Services</b>							
Passed through Wisconsin Department of Health Services							
AIDS Activity - HIV Partner Referral	93.118		-	1,631	-	1,631	1,631
AIDS Activity - Testing	93.118		-	60	-	60	60
Total AIDS			-	1,691	-	1,691	1,691
Substance Abuse and Mental Health Service - Projects of Regional and National Significance	93.243		-	5,000	-	5,000	5,000
Block Grants for Temporary Assistance for Needy Families (TANF)	93.558		-	214,051	-	214,051	214,051
Passed through Wisconsin Department of Workforce Development							
Block Grants for Temporary Assistance for Needy Families (TANF)	93.558		-	8,045	-	8,045	8,045
Passed through Wisconsin Department of Children and Families							
Block Grants for Temporary Assistance for Needy Families (TANF)	93.558		-	1,581,454	-	1,581,454	1,581,454
Total TANF			-	1,803,550	-	1,803,550	1,803,550

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, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantors' Number	Revenues			Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>FEDERAL PROGRAMS (cont.)</b>							
<b>U. S. Department of Health and Human Services (cont.)</b>							
Passed through Wisconsin Department of Health Services							
Block Grants for Community Mental Health Services Preventive Health and Health Services	93.958		\$ -	\$ 152,912	\$ -	\$ 152,912	\$ 152,912
Block Grant	93.991	16635	-	20,800	-	20,800	20,800
Maternal and Child Health Services Block Grant	93.994	16635	-	63,474	-	63,474	63,474
Children's Health Insurance Program	93.767		-	77,642	-	77,642	77,642
Public Health Emergency Preparedness	93.069	16898	-	94,311	-	94,311	94,311
Immunization Grants	93.268	16635	-	43,903	-	43,903	43,903
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779		-	45,672	-	45,672	45,672
Medical Assistance Program	93.778		-	18,288,966	-	18,288,966	18,288,966
Passed Through Wisconsin Department of Workforce Development							
Medical Assistance Program - WIMCR	93.778		-	3,744,540	-	3,744,540	3,744,540
Medical Assistance Program	93.778		-	75,584	-	75,584	75,584
Total Medical Assistance			-	22,109,090	-	22,109,090	22,109,090
Passed through Wisconsin Department of Children and Families							
Social Services Block Grant	93.667		-	181,622	-	181,622	181,622
Passed through Wisconsin Department of Health Services							
Social Services Block Grant	93.667		-	881,590	-	881,590	881,590
Total Social Services Block Grant			-	1,063,212	-	1,063,212	1,063,212
Block Grants for Prevention and Treatment of Substance Abuse	93.959		-	935,323	-	935,323	935,323
Passed Through Greater Wisconsin Area on Aging Resources							
Special Programs for the Aging							
Aging Cluster							
Title III, Part B - Grants for Supportive Services	93.044		(36,925)	156,522	4,352	123,949	123,949
Title III, Part C - Nutrition Services	93.045		(42,834)	218,379	51,727	227,272	227,272
Nutrition Service Incentive Program	93.053		-	43,311	-	43,311	43,311
ARRA Funds - Aging Home Delivered Nutrition Services for States	93.705-ARRA		-	-	13,421	13,421	13,421
ARRA Funds - Aging Congregate Nutrition Services for States	93.707-ARRA		-	-	12,093	12,093	12,093
Total Aging Cluster			(79,759)	418,212	81,593	420,046	420,046
Title III, Part D - In Home Services	93.043		(577)	6,725	1,670	7,818	7,818
Title III, Part E - Family Caregiver Support	93.052		-	29,053	38,395	67,448	67,448
Centers for Medicare and Medicaid Research, Demonstrations and Evaluations	93.779		-	3,954	(1,320)	2,634	2,634

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, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantors' Number	Revenues				Expenditures
			(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
<b>FEDERAL PROGRAMS (cont.)</b>							
<b>U. S. Department of Health and Human Services (cont.)</b>							
Passed through Wisconsin Department of Commerce Projects for Assistance In Transition From Homelessness	93.150		\$ -	\$ 198,799	\$ -	\$ 198,799	\$ 198,799
Passed through Wisconsin Department of Children and Families Promoting Safe and Stable Families	93.556		-	61,800	-	61,800	61,800
Family Support Payments to States - Assistance Payments	93.560		-	591	-	591	591
Child Support Enforcement	93.563		-	2,300,767	-	2,300,767	2,300,767
ARRA Funds - Child Support Enforcement	93.563-ARRA		-	1,062,675	-	1,062,675	1,062,675
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		-	597,259	-	597,259	597,259
Chafee Education and Training Vouchers Program	93.599		-	3,208	-	3,208	3,208
Chafee Foster Care Independence Program	93.674		-	25,774	-	25,774	25,774
Passed through Wisconsin Department of Children and Families (cont.) Child Welfare Service Grants - State Grants	93.645		-	132,225	-	132,225	132,225
Passed Through Wisconsin Department of Corrections Child Welfare Services Grant - State Grants	93.645		-	18,043	-	18,043	18,043
Total Child Welfare Service Grants - State Grants			-	150,268	-	150,268	150,268
Passed through Wisconsin Department of Children and Families Foster Care - Title IV-E	93.658		-	1,208,773	-	1,208,773	1,208,773
Passed Through Wisconsin Department of Corrections Foster Care - Title IV-E	93.658		-	27,064	-	27,064	27,064
Total Foster Care - Title IV-E			-	1,235,837	-	1,235,837	1,235,837
Passed Through Wisconsin Department of Administration Low Income Home Energy Assistance Block Grant	93.568		-	250,373	-	250,373	250,373
Total U.S. Department of Health and Human Services			(80,336)	32,761,875	120,338	32,801,877	32,801,877
<b>U.S. Department of Homeland Security</b>							
Passed through Wisconsin Department of Military Affairs Emergency Management Performance Grants	97.042		(37,239)	80,811	50,639	94,211	94,211
Passed through Wisconsin Department of Administration Office of Justice Assistance Homeland Security Grant Program	97.067		-	44,771	-	44,771	44,771
Direct Assistance Assistance to Firefighters Grant	97.044	EMW-2007-FR-00544	(83,866)	288,922	-	205,056	205,056
Total U.S. Department of Homeland Security			(121,105)	414,504	50,639	344,038	344,038
<b>TOTAL FEDERAL PROGRAMS</b>			<u>\$(400,738)</u>	<u>\$ 38,724,630</u>	<u>\$ 19,171</u>	<u>\$ 38,343,063</u>	<u>\$ 38,343,063</u>

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

**ROCK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2009

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Grant/ Pass-through Grantors' Number	Revenues					Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustment	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>STATE PROGRAMS</b>									
<b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b>									
Clean Sweep	115.040		\$ -	\$ -	\$ 5,448	\$ -	\$ 5,448	\$ 5,448	\$ 5,448
County Staff and Support	115.150	9214-09-54-00	-	-	151,944	-	151,944	151,944	151,944
Land and Water Resource Management	115.400	9214-09-54-00	(24,056)	-	98,838	73,106	147,888	147,888	147,888
Drainage Board Grants	115.800		-	-	43,165	-	43,165	43,165	43,165
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection			(24,056)	-	299,395	73,106	348,445	348,445	348,445
<b>Wisconsin Department of Commerce</b>									
Projects For Assistance In Transition From Homelessness	143.707		-	-	14,823	-	14,823	14,823	14,823
<b>Wisconsin Department of Public Instruction</b>									
Public Library Systems Aid	255.002		367,745	-	354,202	(354,202)	367,745	367,745	367,745
<b>Wisconsin Department of Natural Resources</b>									
Beckman Mill	370.421	URGP2-146	(4,520)	-	-	4,520	-	-	-
Recreational Aids - Snowmobile Trail and Area 07/08 - 06/09	370.485	S-3646	19,398	-	28,300	-	47,698	47,698	47,698
Recreational Aids - Snowmobile Trail and Area 07/09 - 06/10	370.485	S-3788	-	-	28,300	(17,725)	10,575	10,575	10,575
Wildlife Damage Control and Abatement	370.553		(4,561)	-	6,754	6,662	8,855	8,855	8,855
DNR Conservation Grant	370.XXX		-	-	1,946	(834)	1,112	1,112	1,112
Gypsy Moth Suppression Grant	370.XXX	GM-085-09	-	-	12,389	-	12,389	12,389	12,389
Total Wisconsin Department of Natural Resources			10,317	-	77,689	(7,377)	80,629	80,629	80,629
<b>Wisconsin Department of Transportation</b>									
Elderly and Handicapped County Aids	395.101		-	-	349,299	-	349,299	349,299	349,299
<b>Wisconsin Department of Corrections</b>									
Youth Aids	410.313		-	-	1,759,145	-	1,759,145	1,759,145	1,759,145

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, 2009

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Grant/ Pass-through Grantors' Number	Revenues					Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustment	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>STATE PROGRAMS (cont.)</b>									
<b>Wisconsin Department of Health Services</b>									
Funeral/Cemetery W-2 & Non W-2	435.105		\$ -	\$ -	\$ 241,132	\$ -	\$ 241,132	\$ 241,132	\$ 241,132
Medicaid Transportation	435.131		-	-	60,642	-	60,642	60,642	60,642
Cons Contracts Lead Poisoning	435.157720	16635	-	-	28,728	-	28,728	28,728	28,728
Cons Contracts Maternal and Child Health Services	435.159320		-	-	4,626	-	4,626	4,626	4,626
FSET Admin GPR/Fed Base	435.231		-	-	26,354	-	26,354	26,354	26,354
FSET Admin GPR/Fed Base	435.233		-	-	1,185	-	1,185	1,185	1,185
FSET Retent GPR/Fed Base	435.235		-	-	20	-	20	20	20
IMAA State Share	435.283		-	-	852,761	-	852,761	852,761	852,761
IMAA Federal Share	435.284		-	-	37,351	-	37,351	37,351	37,351
COP-W GPR	435.338		-	-	1,126,788	-	1,126,788	1,126,788	1,126,788
CIP II Non Federal	435.348		-	-	1,964,689	-	1,964,689	1,964,689	1,964,689
Community Options Program	435.367		-	-	1,864,424	-	1,864,424	1,864,424	1,864,424
CIP II Community Relocate Non Federal	435.369		-	-	224,053	-	224,053	224,053	224,053
CIP II Diversions Non Federal	435.375		-	-	88,594	-	88,594	88,594	88,594
Alzheimer's Family Support	435.381		-	-	72,180	-	72,180	72,180	72,180
ICFMR Nonfed	435.407		-	-	1,180,173	-	1,180,173	1,180,173	1,180,173
MA, BC, BC+ Outreach	435.445455		-	-	3,397	-	3,397	3,397	3,397
CLTS Non Federal Other	435.460		-	-	38,867	-	38,867	38,867	38,867
CLTS MH Non Fed Other	435.461		-	-	10,533	-	10,533	10,533	10,533
CLTS PD Non Fed Other	435.462		-	-	13,855	-	13,855	13,855	13,855
CIP II MFP Nonfed	435.478		-	-	8,220	-	8,220	8,220	8,220
Community Support Program Wait List	435.504		-	-	59,947	-	59,947	59,947	59,947
Brain Injury Waiver	435.506		-	-	240,539	-	240,539	240,539	240,539
Integrated Services for Children with Severe Disabilities	435.530		-	-	7,400	-	7,400	7,400	7,400
Non-Resident Reimbursement	435.531		-	-	51,085	-	51,085	51,085	51,085
Birth to Three Initiative	435.550		-	-	196,346	-	196,346	196,346	196,346
Basic County Allocation	435.561		-	-	4,673,927	-	4,673,927	4,673,927	4,673,927
CIP 1B	435.564		-	-	552,903	-	552,903	552,903	552,903

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, 2009

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Grant/ Pass-through Grantors' Number	Revenues				Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustment	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>STATE PROGRAMS (cont.)</b>								
<b>Wisconsin Department of Health Services (cont.)</b>								
IDP Emergency Funds	435.567		\$ -	\$ -	\$ 25,254	\$ -	\$ 25,254	\$ 25,254
Treatment Alternative Program	435.576		-	-	60,607	-	60,607	60,607
Family Support	435.577		-	-	80,957	-	80,957	80,957
CIP 1A	435.580		-	-	701,000	-	701,000	701,000
Base County Allocation - State Match	435.681		-	-	713,001	-	713,001	713,001
Program Integrity	435.750		-	-	5,875	-	5,875	5,875
Fraud - Contract Cont	435.950		-	-	4,545	-	4,545	4,545
Brighter Future Initiative	437.354		-	-	125,670	-	125,670	125,670
Passed Through Greater Wisconsin Area on Aging Resources								
Elderly Benefit Specialist Program	435.560320		-	-	33,438	-	33,438	33,438
State Pharmacy Assistance Program	435.560327		-	-	12,335	(12,335)	-	-
State Senior Community Services	435.560327		(1,104)	-	1,104	-	-	-
State Senior Community Services	435.56330		(928)	928	10,026	1,892	11,918	11,918
Title III Part C-1 Nutrition Services	435.560350		(37,250)	-	132,276	39,762	134,788	134,788
Title III Part C-1 Nutrition Services	435.560350		-	-	-	12,684	12,684	12,684
Title III Part C-2 Nutrition Services	435.560360		(513)	-	10,307	1,261	11,055	11,055
Title III Part C-2 Nutrition Services	435.560360		-	-	-	1,579	1,579	1,579
Title III Part E - Family Caregiver Support	435.560381		(30,917)	-	30,917	-	-	-
Elder Abuse Grant	435.560490		(8,135)	-	35,356	23,688	50,909	50,909
Total State of Wisconsin Department of Health Services			(78,847)	928	15,613,387	68,531	15,603,999	15,603,999
<b>Wisconsin Department of Children and Families</b>								
County Allocated Shared - W-2 Work Experience	437.215		-	-	10,318	-	10,318	10,318
County Allocated Shared - W-2 Other Work Activities	437.215		-	-	141,301	-	141,301	141,301
County Allocated Shared - W-2 Education	437.215		-	-	7,122	-	7,122	7,122
County Allocated Shared - W-2 Job Skills Training	437.215		-	-	106	-	106	106
County Allocated Shared - W-2 Parenting & Life Skills Training	437.215		-	-	1,576	-	1,576	1,576
County Allocated Shared - W-2 Retention & Life Skills Training	437.215		-	-	40,032	-	40,032	40,032
County Allocated Shared - W-2 SSI/SSDI Advocacy	437.215		-	-	8,298	-	8,298	8,298
County Allocated Shared - TANF Eligibility	437.215		-	-	18,069	-	18,069	18,069
County Allocated Shared - Refugee	437.215		-	-	73,384	-	73,384	73,384
W-2 Other work activities	437.215		-	-	198	-	198	198

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, 2009

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Grant/ Pass-through Grantors' Number	Revenues				Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustment	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>STATE PROGRAMS (cont.)</b>								
<b>Wisconsin Department of Children and Families (cont.)</b>								
W-2 Education	437.215		\$ -	\$ -	\$ 235	\$ -	\$ 235	\$ 235
W-2 Parenting and Life Skills Training	437.215		-	-	613	-	613	613
W-2 Retention and Advancement Services	437.215		-	-	433	-	433	433
W-2 Transportation	437.215		-	-	5,519	-	5,519	5,519
W-2 Emergency Payments	437.215		-	-	1,554	-	1,554	1,554
W-2 Transition Benefits (W-2T)	437.215		-	-	124,501	-	124,501	124,501
W-2 Community Service Jobs	437.215		-	-	55,506	-	55,506	55,506
W-2 Custodial Parent of an Infant	437.215		-	-	174,137	-	174,137	174,137
W-2 Emergency Ass't	437.215		-	-	91,782	-	91,782	91,782
W-2 Job Access Loan Paid Centrally	437.223		-	-	4,054	-	4,054	4,054
AFDC Agency Collection Take Back	437.238		-	-	(451)	-	(451)	(451)
AFDC Agency Incentive	437.238		-	-	915	-	915	915
Food Stamp Agency Collections Take Back	437.267		-	-	(5,546)	-	(5,546)	(5,546)
Food Stamp Agency Collections Take Back	437.267		-	-	4,880	-	4,880	4,880
MA Agency Incentive	437.267		-	-	988	-	988	988
MA Agency Collection Take Back	437.267		-	-	(5,327)	-	(5,327)	(5,327)
AW DOJ Fingerprint Backgr	437.332		-	-	1,147	-	1,147	1,147
Children and Family Services Incentive	437.334		-	-	135,953	-	135,953	135,953
Unemployment Ins Fees	437.334		-	-	(2,018)	-	(2,018)	(2,018)
Children and Family Services Review Expenses	437.335		-	-	7,799	-	7,799	7,799
Foster Care Continuation	437.337		-	-	23,165	-	23,165	23,165
Basic County Allocation	437.3561		-	-	894,637	-	894,637	894,637
F State/ County match	437.368		-	-	301,467	-	301,467	301,467
Total Wisconsin Department of Children and Family			-	-	2,116,343	-	2,116,343	2,116,343
<b>Wisconsin Public Service Commission</b>								
Enhanced 911 Grant	XXX.XXX	5-TR-104	(63,211)	-	85,110	-	21,899	21,899
<b>Wisconsin Department of Justice</b>								
Reimbursement for Victim and Witness Assistance Program	455.503		(107,926)	-	218,987	114,912	225,973	225,973

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, 2009

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Grant/ Pass-through Grantors' Number	Revenues					Total Revenues	Expenditures
			(Accrued) Deferred Beginning Balance	Adjustment	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>STATE PROGRAMS (cont.)</b>									
<b>Wisconsin Department of Military Affairs</b>									
Public Safety - Emergency Government Disaster Assistance	465.305	FEMA-3285-EM	\$ (17,091)	\$ -	\$ 22,234	\$ (5,143)	\$ -	\$ -	
Emergency Planning Grant	465.337		(19,999)	-	35,203	17,673	32,877	32,877	
Emergency Government Response Equipment	465.367		-	(9,361)	17,554	-	8,193	8,193	
Total Wisconsin Department of Military Affairs			<u>(37,090)</u>	<u>(9,361)</u>	<u>74,991</u>	<u>12,530</u>	<u>41,070</u>	<u>41,070</u>	
<b>Wisconsin Department of Veterans Affairs</b>									
County Veterans Service Officer	485.001		-	-	16,925	-	16,925	16,925	
<b>Wisconsin Department of Administration</b>									
Comprehensive Land Planning Grants	505.112		-	-	97,364	-	97,364	97,364	
Public Benefit Funds	505.371		-	-	95,168	-	95,168	95,168	
Passed Through the Office of Justice Assistance									
Treatment Alternatives and Diversion	505.622	2008-TD-01-3065	(32,297)	-	147,628	-	115,331	115,331	
Digital Recording Grant	505.636	2008-DR-01-3409	-	-	20,469	-	20,469	20,469	
Total Wisconsin Department of Administration			<u>(32,297)</u>	<u>-</u>	<u>360,629</u>	<u>-</u>	<u>328,332</u>	<u>328,332</u>	
<b>TOTAL STATE PROGRAMS</b>			<u>\$ 34,635</u>	<u>\$ (8,433)</u>	<u>\$ 21,340,925</u>	<u>\$ (92,500)</u>	<u>\$ 21,274,627</u>	<u>\$ 21,274,627</u>	

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

# ROCK COUNTY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2009

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### NOTE 1 – REPORTING ENTITY

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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.

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

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### NOTE 2 – BASIS OF PRESENTATION

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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*.

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### NOTE 3 – SPECIALIZED TRANSPORTATION ASSISTANCE MATCH

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Rock County has complied with the 20 percent match of state funds as is required by the Specialized Transportation Assistance Program – Elderly and Handicapped Aids (State ID No. 395.101).

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### NOTE 4 – DIRECT PAYMENTS – STATE OF WISCONSIN

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Direct payments to individuals from the State of Wisconsin on behalf of Rock County for the year ended December 31, 2009 include:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
W-2 Benefits	93.558	\$ 710,641
Food Stamp Program	10.561	<u>28,858,260</u>
Total		<u>\$ 29,568,901</u>

## ROCK COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2009

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#### **NOTE 5 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE**

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The County received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2009:

<u>County Department</u>	<u>Provider No.</u>	<u>Unaudited Amount</u>
Rock County Health Care Center	20161800	\$ 7,380,419
Rock County Health Department	41861600	7,684
Rock County Health Department	42010100	566
Rock County Health Department	43080300	28,491
Rock County Social Services	43078300	162,953
Rock County 51.437 Board	43078600	87,066
Total		<u>\$ 7,667,179</u>

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#### **NOTE 6 – CARS/CORE REPORT DATES**

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

<u>Agency Number</u>	<u>Date</u>
53-043	May 1, 2010
53-044	May 1, 2010
53-047	May 1, 2010

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2009 CORE report.

# ROCK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

### SECTION I – SUMMARY OF AUDITORS’ RESULTS

#### *FINANCIAL STATEMENTS*

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?             yes        X   no

#### *FEDERAL OR STATE AWARDS*

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?             yes        X   no

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.397	ARRA Funds – State Fiscal Stabilization Fund
93.558	Block Grants for Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.563	ARRA Funds – Child Support Enforcement
93.778	Medical Assistance Program

	<u>Federal</u>	<u>State</u>	
		<u>DHS</u>	<u>All Others</u>
Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 1,150,292</u>	<u>\$ 468,120</u>	<u>\$ 100,000</u>

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

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##### *FEDERAL OR STATE AWARDS (cont.)*

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
395.101	Elderly and Handicapped County Aids
410.313	Youth Aids
435.348, 435.369, 435.375, 435.478, & 435.338 478.338	Community Integration Program II & Community Options Program Waiver
435.367	Community Options Program
435.460-462	Community Long-Term Support Waivers
435.506	Brain Injury Waiver
435.564	Community Integration Program 1B
435.580	Community Integration Program 1A
435.407	ICFMR Nonfed
435.561/	Basic County Allocation
435.681	Basic County Allocation/State Match
437.215	W-2
437.334	Children and Family Services Incentive
437.368	F State/County match
455.503	Reimbursement for Victim and Witness Assistance Program
505.622	Treatment Alternatives and Diversion Assistance

The following Federal programs were tested as major programs according to the requirements of the *State Single Audit Guidelines*:

<u>CFDA Nos.</u>	<u>Name of Federal Program</u>
93.778	Case Management
93.778	Medical Assistance Program – Wisconsin Medicaid Cost Reporting
93.778	Medical Assistance Program – Medicaid Personal Care
93.558	Block Grants for Temporary Assistance for Needy Families – Kinship Care

# ROCK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

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#### *FINDING 09-1: INTERNAL CONTROL OVER FINANCIAL REPORTING*

##### *Material Journal Entries and Preparation of Financial Statements*

**Criteria:** Statement on Auditing Standards (SAS) No. 115 requires us to report a material weakness for Rock County if material journal entries are detected as part of the financial audit, or the auditor prepares the annual financial statements and footnotes. In addition, the County should have adequate internal controls to prepare an accurate schedule of expenditures of federal and state awards.

**Condition:** Material journal entries were identified during the course of the audit and we, as your auditors, prepared your annual financial statements. In addition, we made material changes to the schedule of expenditures of federal and state awards.

**Effect:** The financial statements need to contain all of the required disclosures and account balances without material changes by your auditors. In addition, the schedule of expenditures of federal and state awards should be prepared by County personnel without material changes by the auditors.

**Questioned Costs:** None.

**Recommendation:** We recommend that the County put in place procedures in order to reduce the risk of material journal entries as well as determining if resources would be available to prepare a complete set of financial statements and the schedule of expenditures of federal and state awards.

**Corrective Action Plan:** The County does not have sufficient professionally trained staff to prepare a complete set of year-end financial statements and schedule of federal and state awards free of material changes by the auditors. 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 A. Smith, Finance Director

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

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##### **FINDING 09-2: OTHER INTERNAL ACCOUNTING CONTROLS**

**Criteria:** Statement on Auditing Standards (SAS) No. 115 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, controls over transactions could be improved when adding new vendors.

**Effect:** Payments may be made to fictitious vendors.

**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.

**Corrective Action Plan:** When a new vendor is to be added to the accounting system, an email is routed to the Purchasing Manager and Financial Services Controller. The Purchasing Manager verifies the vendor formatting is correctly entered into the system. The Controller checks to see if there is an IRS identifying number [Social Security Account Number or Taxpayer Identification Number] is on file. For those vendors that don't have an IRS identifying number on file an IRS Form W-9 is sent to the vendor. Payments are not made unless a completed W-9 Form is on file or the vendor is properly identified as being exempt from IRS Form 1099 reporting.

An Account Clerk in Financial Services periodically [usually monthly] runs a report showing the new vendors added to the system for the prior month. The clerk uses internet sites to verify businesses are listed. The clerk also uses local phone books to verify addresses of local vendors. The Controller reviews the clerk's reports and verifies proper procedures were followed.

**Official Responsible:** Jeffrey A. Smith, Finance Director

**Planned Completion Date:** This process was implemented in 2010.

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

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None.

# ROCK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

### 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	_____	<u>  X  </u>	no
Department of Public Instruction	_____	yes	_____	<u>  X  </u>	no
Department of Natural Resources	_____	yes	_____	<u>  X  </u>	no
Department of Transportation	_____	yes	_____	<u>  X  </u>	no
Department of Corrections	_____	yes	_____	<u>  X  </u>	no
Department of Health Services	_____	yes	_____	<u>  X  </u>	no
Department of Children and Families	_____	yes	_____	<u>  X  </u>	no
Public Service Commission	_____	yes	_____	<u>  X  </u>	no
Department of Justice	_____	yes	_____	<u>  X  </u>	no
Department of Military Affairs	_____	yes	_____	<u>  X  </u>	no
Department of Veterans Affairs	_____	yes	_____	<u>  X  </u>	no
Department of Administration	_____	yes	_____	<u>  X  </u>	no
Department of Commerce	_____	yes	_____	<u>  X  </u>	no
Department of Revenue	_____	yes	_____	<u>  X  </u>	no
Department of Workforce Development	_____	yes	_____	<u>  X  </u>	no

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

4. Name and signature of partner      Thomas A. Scheidegger  
Thomas A. Scheidegger, CPA, Partner

5. Date of report      August 5, 2010