



Wipfli LLP
2501 West Beltline Highway, Suite 401
Madison, WI 53713
PO Box 8700
Madison, WI 53708-8700
608.274.1980
fax 608.274.8085
www.wipfli.com

June 17, 2019

County Board of Supervisors
Monroe County
Sparta, Wisconsin

Dear County Board of Supervisors

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Monroe County (the "County") for the year ended December 31, 2018. Professional standards require that we provide you with the following information related to our audit:

Our Responsibilities Under Auditing Standards Generally Accepted in the United States and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of Wisconsin Single Audit Guidelines.

As stated in our engagement letter dated October 23, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal and 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 in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*.

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and *State of Wisconsin Single Audit Guidelines* applicable to each of its major federal and state programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the management's discussion and analysis, the schedule of proportionate share of the net pension liability (asset) and contributions – Wisconsin Retirement System and the schedule of changes in the County's total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information Accompanying Audited Financial Statements

We were engaged to report on the combining fund statements, and the schedules of expenditures of federal awards and state financial assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements and, furthermore, management has not requested us to devote attention to any documents containing audited financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Tina Osterberg, in our meeting about planning matters on November 12, 2018, in addition to our engagement letter dated October 23, 2018, accepted by James Bialecki.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. During 2018, GASB 75 related to other post-employment benefits liability and disclosure was applicable to the County's financial statements. Management implemented provisions of this standard.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were as follows:

- The adequacy of the estimated liability for other postemployment benefits is subjective and contingent upon the methods and assumptions used in the actuarial study. We evaluated key factors and assumptions used to develop the liability for other postemployment benefits in determining that it is reasonable in relation to the financial statements.
- The adequacy of the estimated liability for incurred but not reported claims under the County's worker's compensation plan is subjective and contingent upon actual claims incurred during the year ended December 31, 2018, processed by the plan administrator through the financial statement date, as well as an estimate for claims incurred in fiscal year 2018 but not yet processed as of the financial statement date. We evaluated the key factors and assumptions used to develop the liability for incurred but not reported worker's compensation claims in determining that it is reasonable in relation to the financial statements.
- The County is required to capitalize and depreciate its capital assets. The County has to estimate the useful lives of these assets for the purposes of calculating depreciation. We reviewed the lives assigned to the assets in order to determine that depreciation expense on the assets is reasonable.
- The information used for the net pension liability and deferred outflows and inflows related to pensions for the Wisconsin Retirement System (WRS) were provided by WRS and audited by the plan auditor. We reviewed the independent auditor's report, evaluated the competence and independence of the plan auditor, and verified and recalculated the allocation percentage and the amounts allocated to the County for its proportional share of the WRS collective pension amounts.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Copies of the adjustments are available from management.

We did discuss some items that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole (see audit representation letter schedules attached):

- The Rolling Hills Fund had an understatement of revenues for charges and adjustments posted in 2019 for dates of service in 2018 in the amount of \$5,219.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 17, 2019, a copy of which accompanies this letter.

Management Consultation With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Internal Control Matters

In planning and performing our audit of the financial statements of the County, in accordance with auditing standards generally accepted in the United States, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the internal control deficiencies noted below to be significant deficiencies:

Finding 2018-001 – Financial Accounting and Reporting

Criteria – The County is responsible for reporting financial data reliably in accordance with accounting principles generally accepted in the United States (GAAP).

Condition – As part of our professional services for the year ended December 31, 2018, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause – The County does not expect, nor does it require, its financial staff to have the ability to prepare GAAP financial statements.

Effect – As a result of not having an individual trained in the preparation of GAAP basis financial statements, the completeness of the financial statement disclosures and the accuracy of the financial statement presentation are negatively impacted as outside auditors do not have the same comprehensive understanding of the County as its own management.

Recommendation – We recommend that management and those charged with governance continue to evaluate whether to accept the degree of risk associated with this condition because of cost or other considerations.

Finding 2018-002 – Department of Health Services Re-notification of Rights

Criteria – In accordance with the Wisconsin Department of Health Services Audit Guide, the County should document its annual re-notification of rights, including the right to file a grievance.

Condition – The County transitioned from a paper system to an electronic system during the year and was unable to locate the re-notification of rights for some of the patient files that we tested. Although the issue was improved in 2018 as the missing documentation was half of the previous year, the County is still working to improve and eliminate the finding.

Questioned Costs – None.

Cause – During the transition to a paperless system, the County was unable to find some of its re-notification of rights.

Effect – The County is not in compliance with Wisconsin Stat. § 51.61 and Wis. Admin. Code ch. DHS 94, Patient Rights.

Recommendation - We recommend the County have every patient sign the re-notification of rights the first time that the patient is seen every year.

We appreciate the opportunity to be of service to Monroe County, Wisconsin.

This communication is intended solely for the information and use of management, the County Board and others within the County and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering the County's internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
Certified Public Accountants
Enclosure



MONROE COUNTY ADMINISTRATION DEPARTMENT

Tina Osterberg, CPA
County Administrator
124 N Court Street
Sparta, WI 54656

Email: Tina.Osterberg@co.monroe.wi.us
Phone: 608-269-8944
Fax: 608-366-1809

GOVERNMENTAL AUDIT REPRESENTATION LETTER

June 17, 2019

Wipfli LLP
2501 W. Beltline Hwy, Suite 401
Madison, WI 53713

This representation letter is provided in connection with your audit of the financial statements of Monroe County, Wisconsin (the "County") which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and human services fund for the year then ended, and the related notes to financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

This representation letter is also provided in connection with your audit of the federal and state award programs of Monroe County (the "County") as of and for the year ended December 31, 2018, which was performed in accordance with auditing standards generally accepted in the United States; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); *State of Wisconsin Single Audit Guidelines*; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We understand that the purpose of your testing of transactions and records from the County's federal and state programs was to obtain reasonable assurance that the County had complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 23, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is listed below.
 - The Rolling Hills Fund had an understatement of revenues for charges and adjustments posted in 2019 for dates of service in 2018 in the amount of \$5,219.
10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
11. Material concentrations, if any, have been properly disclosed in accordance with GAAP.
12. Guarantees, whether written or oral, under which the County is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.

Information Provided

13. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the County from who you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of County Board or summaries of actions of recent meetings for which minutes have not yet prepared.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of any fraud or suspected fraud affecting the County involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the County's financial statements communicated by employees, former employees, regulators, or others.
18. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
19. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the County's related parties and all the related party relationships and transactions of which we are aware.
21. We have made available to you all financial records and related data.
22. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

23. We have a process to track the status of audit findings and recommendations.
24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
25. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
26. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
27. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
28. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
29. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
30. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
32. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal and state awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal and state awards.

33. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.
34. The County has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
35. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
36. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
37. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
38. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
39. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their net realizable value.
40. Investments are properly valued.
41. Provisions for uncollectible receivables have been properly identified and recorded.
42. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
43. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
44. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
45. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
46. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
47. We believe that the actuarial assumptions and methods used to measure pension and other post-employment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

48. We have appropriately disclosed the County's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
49. We are following our established accounting policy regarding which resources (that is restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
50. The County has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
51. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the County vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
52. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
53. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
54. We acknowledge our responsibility for presenting the respective budgetary comparisons and combining and individual nonmajor fund financial statements and schedules (supplementary information) in accordance with GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

With Respect to Federal and State Award Programs

55. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance and *State of Wisconsin Single Audit Guidelines* including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
56. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and state financial assistance, in accordance with the requirements of the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, and we believe the schedule, including its form and content, is fairly presented in accordance with the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*. The methods of measurement or presentation of the schedule have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the schedule.
57. All material transactions have been recorded in the accounting records and are reflected in the schedule of expenditures of federal awards and state financial assistance.
58. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the schedule of findings and questioned costs.
59. If the schedule of expenditures of federal awards and state financial assistance is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards and state financial assistance no later than the date we issue the supplementary information and auditor's report thereon.

Information Provided

60. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the County from who you determined it necessary to obtain audit evidence.
61. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and *State of Wisconsin Single Audit Guidelines*, and have included in the schedules of expenditures of federal awards and state financial assistance, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
62. We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.
63. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.
64. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.
65. We have received no requests from a federal agency to audit one or more specific programs as a major program.

66. We have complied with direct and material compliance requirements including when applicable, those set forth in the *OMB Compliance Supplement* and *State of Wisconsin Single Audit Guidelines*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal and state awards.
67. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
68. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
69. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
70. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
71. We have made available to you all documentation related to the compliance with the direct material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
72. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
73. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
74. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken with regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
75. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
76. The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
77. We have monitored subrecipients, as necessary, to determine that they have expended subawards in accordance with federal and state statutes, regulations,


and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

78. We have considered the results of subrecipient audits and made any necessary adjustments to our books and records.
79. We have charged costs to federal and state awards in accordance with applicable cost principles.
80. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and *State of Wisconsin Single Audit Guidelines* and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
81. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
82. We are responsible for and have reviewed the auditee section of the Data Collection Form as required by the Uniform Guidance.
83. We are responsible for preparing and implementing a corrective action plan for each audit finding.
84. We have disclosed to you all contracts or other agreements with service organizations. There have been no communications from the service organizations relating to noncompliance at the service organization.

We understand that your audit was made in accordance with auditing standards generally accepted in the United States; the Uniform Guidance, *State of Wisconsin Single Audit Guidelines*; and the standards for financial audits contained in *Government Auditing Standards*, and was, therefore, designed for the purpose of obtaining reasonable assurance about whether the schedule of expenditures of federal and state awards is presented fairly in all material respects in relation to the financial statements taken as a whole and whether the County had, in all material respects, administered each of its major federal and state programs in compliance with the laws, regulations, and provisions of contracts or grants agreements noncompliance with which could have a direct and material effect on the federal or state program. Accordingly, we understand that your tests of the accounting and federal and state program records and other auditing procedures were limited to those that you considered necessary for those purposes.

Sincerely,

Monroe County



Tina Osterberg, Administrator