

# **SAUK COUNTY**

Baraboo, Wisconsin

## **REPORT ON FEDERAL AND STATE AWARDS**

For the Year Ended December 31, 2016

# SAUK COUNTY

## TABLE OF CONTENTS For the Year Ended December 31, 2016

---

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Report on Compliance for Each Major Federal and Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	3 – 5
Schedule of Expenditures of Federal and State Awards	6 – 12
Notes to Schedule of Expenditures of Federal and State Awards	13 – 14
Schedule of Findings and Questioned Costs	15 – 18

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

INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors  
Sauk County  
Baraboo, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements, and have issued our report thereon dated June 29, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sauk County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sauk County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sauk County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

To the County Board of Supervisors  
Sauk County

### **Compliance and Other Matters**

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

### **Sauk County's Response to Finding**

Sauk County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Sauk County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 29, 2017

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

INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors  
Sauk County  
Baraboo, Wisconsin

**Report on Compliance for Each Major Federal Program and Major State Program**

We have audited Sauk County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Sauk County's major federal and major state programs for the year ended December 31, 2016. Sauk County's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Sauk County's major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or major state program occurred. An audit includes examining, on a test basis, evidence about Sauk County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and major state program. However, our audit does not provide a legal determination of Sauk County's compliance.

To the County Board of Supervisors  
Sauk County

### ***Opinion on Each Major Federal and Major State Program***

In our opinion, Sauk County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2016.

### **Report on Internal Control Over Compliance**

Management of Sauk County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sauk County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 Sauk County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-002, that we consider to be a significant deficiency.

### **Sauk County's Response to Finding**

Sauk County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Sauk County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

To the County Board of Supervisors  
Sauk County

**Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance  
and the *State Single Audit Guidelines***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements. We issued our report thereon dated June 29, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
September 25, 2017

**SAUK COUNTY**

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

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS</b>					
<b>U.S. Department of Agriculture</b>					
Sustainable Agriculture Research and Education	10.215	UW-Ext	828	\$ 1,248	\$ -
Special Supplemental Food Program for Women, Infants, and Children	10.557	DHS	056-630	307,169	-
SNAP Cluster					
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Dane County, WI	83020	139,335	-
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	056-630	15,943	-
Total SNAP Cluster				155,278	-
Total U.S. Department of Agriculture				463,695	-
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block Grant/State's Program	14.228	DOA	10-13	21,595	-
Community Development Block Grant/State's Program	14.228	DOA	MVP-ED	70,040	-
Total U.S. Department of Housing and Urban Development				91,635	-
<b>U.S. Department of Justice</b>					
Grants to Encourage Arrest Policies and Enforcement of Orders Program	16.590	DOJ	216-SI-AX-K004	168,881	163,713
Bullet Proof Vest Partnership	16.607	DOJ	15-0404-0-1-754	3,188	-
Total U.S. Department of Justice				172,069	163,713
<b>U.S. Department of Transportation</b>					
Formula Grants for Rural Areas	20.509	DOT	S-4103.1	88,048	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	0956-00-71	5,567	-
State and Community Highway Safety	20.600	DOT	0956-00-95	10,566	-
State and Community Highway Safety	20.600	DOT	0956-25-50	9,863	-
State and Community Highway Safety	20.600	DOT	0956-40-26	12,500	-
Total Highway Safety Cluster				38,496	-
Total U.S. Department of Transportation				126,544	-

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



**SAUK COUNTY**

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

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS (cont.)</b>					
<b>U.S. Department of Treasury</b>					
Federal Drug Forfeitures	21.XXX	N/A	N/A	\$ 18,939	\$ -
Total U.S. Department of Treasury				18,939	-
<b>U.S. Department of Education</b>					
Special Education-Grants for Infants and Families	84.181	DHS	056-610	62,159	-
Total U.S. Department of Education				62,159	-
<b>U.S. Environmental Protection Agency</b>					
Indoor Radon Contract Service	66.032	DHS	056-630	7,676	-
Total U.S. Environmental Protection Agency				7,676	-
<b>U. S. Department of Health and Human Services</b>					
Title III, Part D - Preventive Health	93.043	GWAAR	N/A	4,199	-
Aging Cluster					
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	N/A	59,377	-
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	131,658	-
Nutrition Services Incentive Program	93.053	GWAAR	N/A	39,432	-
Total Aging Cluster				230,467	-
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	N/A	26,248	-
Environmental Public Health and Emergency Response	93.070	DHS	056-630	19,944	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)					
Aligned Cooperative Agreements	93.074	DHS	056-610	73,457	-
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	DHS	056-610	457,121	-
Immunization Cooperative Agreements	93.268	DHS	056-610	14,844	-
State Health Insurance Assistance Program	93.324	GWAAR	N/A	6,808	-
Home Visiting Program	93.505	Adams County, WI	17-3004	228,772	-
Promoting Safe and Stable Families	93.556	DCF	CORE 2016	42,827	-
TANF Cluster					
Block Grants for Temporary Assistance for Needy Families	93.558	DHS	056-610	101,169	-
Block Grants for Temporary Assistance for Needy Families	93.558	DCF	CORE 2016	154,808	-
Total TANF Cluster				255,977	-
Child Support Enforcement	93.563	DCF	CORE 2016	676,811	-

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

**SAUK COUNTY**

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

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS (cont.)</b>					
<b>U. S. Department of Health and Human Services (cont.)</b>					
Low Income Home Energy Assistance Block Grant	93.568	DOA	N/A	\$ 139,528	\$ -
CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	CORE 2016	73,054	-
Total CCDF Cluster				73,054	-
Foster Care - Title IV-E	93.658	DCF	CORE 2016	342,478	-
ARRA-Adoption Assistance	93.659	DCF	CORE 2016	2,480	-
Social Services Block Grant	93.667	DHS	056-610	190,776	-
Chafee Foster Care Independence Program	93.674	DCF	CORE 2016	16,494	-
Children's Health Insurance Program	93.767	Dane County, WI	83020	18,243	-
Medicaid Cluster					
Medical Assistance Program	93.778	Dane County, WI	83020	205,113	-
Medical Assistance Program	93.778	DHS	056-610	48,387	-
Medical Assistance Program-State Pharmaceutical Assistance Program (Fed Match)	93.778	GWAAR	N/A	13,558	-
Medical Assistance Program - Match EBS	93.778	GWAAR	N/A	28,215	-
Medical Assistance Program - WIMCR	93.778	DHS	056-610	312,945	-
Medical Assistance Program	93.778	DHS	056-610	222,466	-
Total Medicaid Cluster				830,684	-
Block Grants for Community Mental Health Services	93.958	DHS	056-610	27,012	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	056-610	83,381	-
Maternal and Child Health Services Block Grant	93.994	DHS	056-610	27,496	-
Total U.S. Department of Health and Human Services				3,789,101	-
<b>U. S. Department of Homeland Security</b>					
Disaster Assistance - Public Assistance	97.036	DOMA	N/A	76,727	-
Total U.S. Department of Homeland Security				76,727	-
<b>TOTAL FEDERAL PROGRAMS</b>				<u>\$ 4,808,545</u>	<u>\$ 163,713</u>

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

# SAUK COUNTY

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

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS</b>		
<b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b>		
Nutrient Management Farmer Education Program	None	\$ 5,209
Wisconsin Clean Sweep	115.040	17,931
County Staff and Support	115.150	126,135
Land and Water Resource Management	115.400	<u>112,249</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>261,524</u>
<b>Wisconsin Department of Natural Resources</b>		
Targeted Runoff Management Program	370.TF1	247,135
Boating Enforcement Aids	370.550	7,203
Wildlife Damage Claims	370.553	7,440
County Conservation Aids	370.563	10,000
Forest Crop/Managed Forest	370.566	24,642
Recreational Aids - Snowmobile Trail and Area	370.485	62,310
River Protection	370.674	<u>7,500</u>
Total Wisconsin Department of Natural Resources		<u>366,230</u>
<b>Wisconsin Department of Transportation</b>		
Elderly and Handicapped County Aids	395.101	<u>148,907</u>
Total Wisconsin Department of Transportation		<u>148,907</u>

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

# SAUK COUNTY

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

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS (cont.)</b>		
<b>Wisconsin Department of Health Services</b>		
Limited Agent Program	435.124	\$ 95,516
WIC Total Grants	435.154710	413
Birth Defects/CYSHCN Proj	435.154790	1,700
Cons Contracts CHHD LD	435.157720	12,951
WIC Farmers Market Grant	435.15472	1,805
CONS CONTRACTS PHHS	435.15922	15,866
Cons Contracts MCH	435.15932	1,462
IMAA State Share -- Dane County, WI Pass-Thru ID 83020	435.283	364,995
IMAA Federal Share -- Dane County, WI Pass Thru ID 83020	435.284	2,304
Adult Protective Services	435.312	46,441
Children's COP	435.377	49,802
Alzheimer's Family Support	435.381	19,527
Coordinated Services County	435.515	49,237
Community Mental Health	435.516	197,417
Birth to Three Initiative	435.550	59,817
Basic County Allocation	435.561	1,153,325
Base County Allocation - State Match	435.681	158,525
CLTS Other GPR	435.871	111,573
CLTS Autism GPR	435.874	47,004
CLTS Other CWA Admin GPR	435.877	10,774
IM REG PILOT Second 6MTHS	435.880	6,828
CLTS Autism CWA Admin FED	435.881	1,205
Benefit Specialist County	435.560320	28,215
EBS OCI Replacement	435.560327	13,558
Senior Community Svs Prog	435.560330	7,587
Title 3C-1 Cong Meal Prog	435.560350	51,405
Title 3C-2 Home Meals	435.560360	81,702
Elder Abuse Service	435.560490	36,262
Total Wisconsin Department of Health Services		<u>2,627,216</u>

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

# SAUK COUNTY

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

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS (cont.)</b>		
<b>Wisconsin Department of Children and Families</b>		
AFDC Agency Incentive	437.238	\$ 718
Food Stamp Agency Collections Incentive	437.267	3,727
MA Agency Incentive	437.267	1,135
JJ Community Intervention Program	437.341	28,890
JJ Youth Aids	437.3413	499,036
Basic County Allocation	437.3561	401,478
Basic County Allocation Overmatch	437.3681	32,102
CW WSACWIS Annual Op Maint Fee	437.3935	(7,453)
CS MSL Incentive Even FFY	437.7332	39,551
CS State GPR Funding/PR Funding Allocation	437.7502	85,962
CS Medical Support GPR Earned Federal Match	437.7606	2,543
Total Wisconsin Department of Children and Families		<u>1,087,689</u>
<b>Wisconsin Department of Justice</b>		
Tribal Law Enforcement	455.277	26,188
Victim Witness Program	455.532	56,780
Total Wisconsin Department of Justice		<u>82,968</u>
<b>Wisconsin Department of Military Affairs</b>		
Emergency Planning Grant	465.337	29,554
Total Wisconsin Department of Military Affairs		<u>29,554</u>
<b>Wisconsin Department of Administration</b>		
Land Information Board Grants	505.438	26,000
Utility Public Benefits - Low Income Assistance	505.371	94,439
Total Wisconsin Department of Administration		<u>120,439</u>

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

## SAUK COUNTY

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

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS (cont.)</b>		
<b>Wisconsin Department of Veteran Affairs</b>		
County Veterans Service Officer	485.001	\$ 11,500
Total Wisconsin Department of Veteran Affairs		11,500
<b>TOTAL STATE PROGRAMS</b>		<b>\$ 4,736,027</b>

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

## SAUK COUNTY

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

---

#### NOTE 1 – BASIS OF PRESENTATION

---

The accompanying schedule of expenditures of federal and state awards (the "schedule") includes the federal and state grant activity of Sauk County under programs of the federal and state governments for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Sauk County, it is not intended to and does not present the financial position, changes in net position or cash flows of Sauk County.

---

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

---

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

---

#### NOTE 3 – CARS/CORE REPORT DATES

---

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>
56-610	May 1, 2017
56-630	May 1, 2017

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2016 CORE report. Federal/State funding splits for awards passed through the Wisconsin Department of Health Services (DHS) are based on splits provided by DHS on March 24, 2017.

## **SAUK COUNTY**

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

---

#### **NOTE 4 – PASS-THROUGH GRANTORS**

---

Federal funds have been passed through the following grantors:

- DOT – Wisconsin Department of Transportation
- DOA – Wisconsin Department of Administration
- DHS – Wisconsin Department of Health Services
- DCF – Wisconsin Department of Children and Families
- GWAAR – Greater Wisconsin Agency on Aging Resources
- DOMA – Wisconsin Department of Military Affairs
- DOJ – Wisconsin Department of Justice
- Dane County, WI
- Adams County, WI
- UW-EXT – University of Wisconsin – Extension

---

#### **NOTE 5 – INDIRECT COST RATE**

---

Sauk County has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.



## SAUK COUNTY

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

#### SECTION I – SUMMARY OF AUDITORS' RESULTS

##### FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified?        yes   X   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:

- |   | Federal Programs |     |                             | State Programs |     |                             |
|---|------------------|-----|-----------------------------|----------------|-----|-----------------------------|
| > Material weakness(es) identified?       | <u>      </u>    | yes | <u>  X  </u> no             | <u>      </u>  | yes | <u>  X  </u> no             |
| > Significant deficiency(ies) identified? | <u>  X  </u>     | yes | <u>      </u> none reported | <u>  X  </u>   | yes | <u>      </u> none reported |

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (a) or the *State Single Audit Guidelines*?

  X   yes        no

Auditee qualified as low-risk auditee?

  X   yes        no   X   yes        no

Federal

State

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

\$250,000

Identification of major federal programs:

CFDA Numbers

Name of Federal Program or Cluster

93.563  
93.778

Child Support Enforcement  
Medical Assistance Program

## SAUK COUNTY

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

---

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

---

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

Identification of major state programs:

State Number	Name of State Program
435.561/681 and 437.3561/3681	Basic County Allocation
437.3413	JJ Youth Aids
437.7502	CS State GPR/PR Funding Allocation

---

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

---

##### **FINDING 2016-001: INTERNAL CONTROL ENVIRONMENT** **REPEAT OF FINDING 2015-001**

**Criteria:** According to Statement on Auditing Standards (SAS) AU-C Section 315, auditors are required to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the county's structure of internal control over financial reporting.

**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, the following area was identified where your controls over transactions could be improved:

In relation to the accounts payable/disbursements transactions cycle, there is not a consistent process across county departments to approve invoices and to document that approval.

**Cause:** The county has established these controls incrementally over the year 2016 through electronic approval for accounts payable/disbursement transactions.

**Effect:** There is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body.

**Recommendation:** We recommend that a designated employee review the risks and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost/benefit analysis.

**Management's Response:** Sauk County continues to refine its documentation of internal controls, both county-wide and specific to individual departments. The Sauk County Controller has issued guidance to all County departments requiring manual initials or signatures on all invoices. This is to assure that all invoices for payment have been approved by a person in each department who is authorized to approve payments. As of December 19, 2016, the County Accounting Department has completely implemented department-wide an electronic approval process in our financial system. This includes designation of primary and secondary approvers. This designation will be verified annually. Payments will not be released unless authorized by the appropriate persons.

## SAUK COUNTY

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

---

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

---

**FINDING 2016-002:**

<b>CFDA and State ID No./Program Titles:</b>	93.563/ 437.7502	Child Support Enforcement/ CS State GPR Funding/PR Funding Allocation
<b>Federal Agency:</b>		U.S. Department of Health and Human Services
<b>Pass-Through Agency:</b>		Wisconsin Department of Children and Families
<b>Pass-Through Agency ID:</b>		CORE 2016

**Criteria:** To ensure internal control over the payment of expenditures, there should be an independent review and approval of all timesheets for payroll that is documented.

**Condition/Context:** We selected a sample of thirty payroll transactions. None of the related timesheets contained evidence of approval by a supervisor. There is no documentation of a review being completed.

**Questioned Costs:** None noted.

**Cause:** The supervisor who was responsible for completing the review of payroll timesheets did not formally document the review process. Our sample was not statistically valid.

**Effect:** There is a greater risk that unallowable costs could be charged to the program for expenditures that are not reviewed and documented as such prior to payment.

**Recommendation:** We recommend the county review its control procedures to ensure that all timesheets are reviewed and documented as such prior to the payment of payroll.

**Management's Response:** Sauk County is committed to ensuring that all timesheets are reviewed and documented prior to the payment of payroll. The County has increased emphasis on documentation. Further, the expansion of electronic time reporting and approval will be implemented to more departments. There are no questioned costs or errors noted.

## SAUK COUNTY

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

#### 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 noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Health Services	_____	yes	<u>  X  </u>	no
Department of Children and Families	<u>  X  </u>	yes	_____	no
Department of Transportation	_____	yes	<u>  X  </u>	no
Department of Administration	_____	yes	<u>  X  </u>	no
Department of Military Affairs	_____	yes	<u>  X  </u>	no
Department of Agriculture, Trade, and Consumer Protection	_____	yes	<u>  X  </u>	no
Department of Natural Resources	_____	yes	<u>  X  </u>	no
Department of Justice	_____	yes	<u>  X  </u>	no
Department of Veteran Affairs	_____	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



Amanda Blomberg, CPA, Firm Director

5. Date of report September 25, 2017