

SAUK COUNTY

Baraboo, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2017

SAUK COUNTY

TABLE OF CONTENTS For the Year Ended December 31, 2017

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 – 17

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, 2017, 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 27, 2018.

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 opinions 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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.

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
June 27, 2018

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

INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors
Sauk County
Baraboo, Wisconsin

Report on Compliance for Each Major Federal 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, 2017. 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; 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 a 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.

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, 2017.

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 or 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 have not been 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 2017-001, 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.

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, 2017, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements. We issued our report thereon dated June 27, 2018, 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 26, 2018

SAUK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2017

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS					
U. S. Department of Agriculture					
Special Supplemental Food Program for Women, Infants, and Children	10.557	DHS	056-730	\$ 313,774	\$ -
SNAP Cluster					
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Dane County, WI	83020	193,510	-
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	056-730	39,685	-
Total SNAP Cluster				<u>233,195</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>546,969</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
Community Development Block Grant/State's Program	14.228	DOA	MVP-ED	<u>280,010</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development				<u>280,010</u>	<u>-</u>
U.S. Department of Natural Resources					
Outdoor Recreation Acquisition, Development and Planning	15.916	DNR	55-01888	<u>142,468</u>	<u>-</u>
Total U.S. Department of Natural Resources				<u>142,468</u>	<u>-</u>
U.S. Department of Justice					
Grants to Encourage Arrest Policies and Enforcement of Orders Program	16.590	N/A	N/A	177,031	168,595
Bullet Proof Vest Partnership	16.607	N/A	N/A	<u>4,262</u>	<u>-</u>
Total U.S. Department of Justice				<u>181,293</u>	<u>168,595</u>
U.S. Department of Transportation					
Highway Planning and Construction Cluster					
Recreation Trails Program	20.219	DOT	RTA-737-15	<u>51,532</u>	<u>-</u>
Total Highway Planning and Construction Cluster				<u>51,532</u>	<u>-</u>
Formula Grants for Rural Areas	20.509	DOT	N/A	55,003	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	0956-40-26	11,759	-
State and Community Highway Safety	20.600	DOT	3950957-25-14	60,739	-
State and Community Highway Safety	20.600	DOT	3950957-31-09	<u>67,338</u>	<u>-</u>
Total Highway Safety Cluster				<u>139,836</u>	<u>-</u>
Total U.S. Department of Transportation				<u>246,371</u>	<u>-</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, 2017

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS (cont.)					
U.S. Department of Treasury					
Federal Drug Forfeitures	21.XXX	N/A	N/A	\$ 5,520	\$ -
Total U.S. Department of Treasury				5,520	-
U.S. Environmental Protection Agency					
Indoor Radon Contract Service	66.032	DHS	056-710	7,719	-
Total U.S. Environmental Protection Agency				7,719	-
U.S. Department of Education					
Special Education-Grants for Infants and Families	84.181	DHS	056-610	61,561	-
Total U.S. Department of Education				61,561	-
U. S. Department of Health and Human Services					
Title III, Part D - Preventive Health	93.043	GWAAR	N/A	4,169	-
Aging Cluster					
Special Programs for the Aging Title III, Part B	93.044	GWAAR	N/A	58,819	-
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	154,030	-
Nutrition Services Incentive Program	93.053	GWAAR	N/A	36,839	-
Total Aging Cluster				249,688	-
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	N/A	27,319	-
Bioterrorism Preparedness	93.069	DHS	056-730	2,170	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned					
Cooperative Agreements	93.074	DHS	056-730	82,513	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	DOJ	2016-PD-01-12555	24,899	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	DHS	056-710	711,833	-
Immunization Cooperative Agreements	93.268	DHS	056-730	16,286	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance (PPHF)	93.733	DHS	056-730	4,903	-
Health Insurance Assistance Program	93.324	GWAAR	N/A	4,308	-
Maternal, Infant, and Early Childhood Home Visiting Cluster					
Home Visiting Program	93.505	Adams County, WI	17-3004	309,396	-
Total Maternal, Infant, and Early Childhood Home Visiting Cluster				309,396	-
Promoting Safe and Stable Families	93.556	DCF	SPARC 2017	42,827	-
TANF Cluster					
Block Grants for Temporary Assistance for Needy Families	93.558	DHS	056-710	356,310	-
Total TANF Cluster				356,310	-

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, 2017

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
FEDERAL PROGRAMS (cont.)					
U. S. Department of Health and Human Services (cont.)					
Child Support Enforcement	93.563	DCF	SPARC 2017	\$ 702,964	\$ -
Low Income Home Energy Assistance Block Grant	93.568	DOA	N/A	85,609	-
CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	SPARC 2017	73,495	-
Total CCDF Cluster				73,495	-
Child Welfare Service Grants - State Grants	93.645	DCF	SPARC 2017	34,214	-
Foster Care - Title IV-E	93.658	DCF	SPARC 2017	372,122	-
ARRA-Adoption Assistance	93.659	DCF	SPARC 2017	2,284	-
Social Services Block Grant	93.667	DHS	056-710	198,996	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	DHS	056-730	8,361	-
Children's Health Insurance Program	93.767	Dane County, WI	83020	25,648	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	056-710	59,015	-
Medical Assistance Program	93.778	Dane County, WI	83020	263,811	-
Medical Assistance Program - WIMCR	93.778	DHS	056-710	540,010	-
Medical Assistance Program	93.778	DHS	056-710	198,907	-
Medical Assistance Program	93.778	GWAAR	N/A	34,994	-
Total Medicaid Cluster				1,096,737	-
Block Grants for Community Mental Health Services	93.958	DHS	056-710	24,363	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	056-710	82,089	-
Maternal and Child Health Services Block Grant	93.994	DHS	056-710	27,494	-
Total U.S. Department of Health and Human Services				4,570,997	-
U. S. Department of Homeland Security					
Emergency Management Performance Grants	97.042	DOMA	N/A	51,994	-
Homeland Security Grant Program	97.067	DOMA	N/A	7,384	-
Total U.S. Department of Homeland Security				59,378	-
TOTAL FEDERAL PROGRAMS				\$ 6,102,286	\$ 168,595

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, 2017

Grantor Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS		
Wisconsin Department of Agriculture, Trade and Consumer Protection		
Nutrient Management Farmer Education Program	None	\$ 9,800
Wisconsin Clean Sweep	115.040	17,760
County Staff and Support	115.150	127,418
Land and Water Resource Management	115.400	<u>107,264</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>262,242</u>
Wisconsin Department of Natural Resources		
Urban Rivers Stewardship Program	370.TA1	206,000
Recreational Aids - Snowmobile Trail and Area	370.485	94,043
Wildlife Damage Claims	370.553	10,474
Boating Enforcement Aids	370.550	7,971
County Conservation Aids	370.563	1,842
Forest Crop/Managed Forest	370.566	20,357
Shoreland Grant Project	370.663	3,750
River Protection	370.674	<u>1,515</u>
Total Wisconsin Department of Natural Resources		<u>345,952</u>
Wisconsin Department of Transportation		
Elderly and Handicapped County Aids	395.101	<u>159,097</u>
Total Wisconsin Department of Transportation		<u>159,097</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, 2017

Grantor Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS (cont.)		
Wisconsin Department of Health Services		
Birth Defects/CYSHCN Proj	435.154790	\$ 1,700
Cons Contracts CHHD LD	435.157720	7,157
WIC Farmers Market Grant	435.15472	1,805
Cons Contracts MCH	435.15932	1,463
IMAA State Share -- Dane County, WI Pass-Thru ID 83020	435.283	488,539
IMAA Federal Share -- Dane County, WI Pass-Thru ID 83020	435.284	5,569
Adult Protective Services	435.312	46,441
Children's COP	435.377	48,582
Alzheimer's Family Support	435.381	28,976
Coordinated Services County	435.515	53,178
Community Mental Health	435.516	197,417
Non-Resident Reimbursement	435.531	13,175
Birth to Three Initiative	435.550	60,415
Basic County Allocation	435.561	1,136,871
Base County Allocation - State Match	435.681	158,525
CLTS Other GPR	435.871	110,268
CLTS Autism GPR	435.874	30,282
CLTS Other CWA Admin GPR	435.877	14,875
IM REG PILOT Second 6MTHS	435.880	7,408
I&A EBS Replacement	435.560024	28,215
EBS OCI Replacement	435.560327	6,779
Senior Community Svs Prog	435.560330	7,587
Title 3C-1 Cong Meal Prog	435.560350	26,343
Title 3C-2 Home Meals	435.560360	9,039
Elder Abuse Service	435.560490	21,768
Total Wisconsin Department of Health Services		<u>2,512,377</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, 2017

Grantor Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS (cont.)		
Wisconsin Department of Children and Families		
Food Stamp Agency Incentives	437.0965	\$ 1,475
Medicaid Agency Incentives	437.098	739
JJ Community Intervention Program	437.341	43,160
JJ Early Intervention	437.3412	8,962
JJ Youth Aids	437.3413	478,770
Basic County Allocation	437.3561	319,436
CW Children & Families Allocations	437.3681	25,788
CW WSACWIS Annual Op Maint Fee	437.3935	(7,453)
PDS Partnership Fees	437.394	(2,852)
CS MSL Incentive Even FFY	437.7332	34,408
CS State GPR Funding/PR Funding Allocation	437.7502	90,060
CS Medical Support GPR Earned Federal Match	437.7606	1,746
CS Federal Parent Locator Services	437.7903	(2,112)
Total Wisconsin Department of Children and Families		<u>992,127</u>
Wisconsin Department of Justice		
Tribal Law Enforcement	455.277	26,188
Treatment Alternatives & Diversion Program	455.285	116,733
Victim Witness Program	455.532	<u>57,782</u>
Total Wisconsin Department of Justice		<u>200,703</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, 2017

Grantor Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS (cont.)		
Wisconsin Department of Military Affairs		
Emergency Planning Grant	465.337	\$ 19,657
Total Wisconsin Department of Military Affairs		<u>19,657</u>
Wisconsin Department of Administration		
Utility Public Benefits - Low Income Assistance	505.371	65,379
Land Information Program - Aid to Counties	505.173	<u>51,000</u>
Total Wisconsin Department of Administration		<u>116,379</u>
Wisconsin Department of Veteran Affairs		
County Veterans Service Officer	485.001	6,804
County Veterans Transportation Services	485.002	<u>742</u>
Total Wisconsin Department of Veteran Affairs		<u>7,546</u>
TOTAL STATE PROGRAMS		<u>\$ 4,616,080</u>

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, 2017

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, 2017. 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/SPARC REPORT DATES

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

Agency Number	Date
56-710	May 1, 2018
56-730	May 1, 2018

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2017 SPARC report. Federal/State funding splits for awards passed through the Wisconsin Department of Health Services (DHS) are based on splits provided by DHS on January 12, 2018.

SAUK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2017

NOTE 4 – PASS-THROUGH GRANTORS

Federal funds have been passed through the following grantors:

DCF	Wisconsin Department of Children and Families
DHS	Wisconsin Department of Health Services
DNR	Wisconsin Department of Natural Resources
DOA	Wisconsin Department of Administration
DOJ	Wisconsin Department of Justice
DOMA	Wisconsin Department of Military Affairs
DOT	Wisconsin Department of Transportation
GWAAR	Greater Wisconsin Agency on Aging Resources
Adams County, WI	
Dane County, WI	

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, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements were performed in accordance with GAAP:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes X no

FEDERAL OR STATE AWARDS

Internal control over major programs:

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

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

Unmodified

Unmodified

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

 X yes _____ no

Auditee qualified as low-risk auditee?

 X yes _____ no

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

 \$750,000

 \$250,000

Identification of major federal programs:

CFDA Numbers

93.563
93.243

Name of Federal Program

Child Support Enforcement
Substance Abuse and Mental Health Services Projects of
Regional and National Significance

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2017

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 437.7502	Basic County Allocation CS State GPR/PR Funding Allocation

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

None reported.

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

FINDING 2017-001:

REPEAT OF FINDING 2016-002

CFDA and State ID No./Program Titles:	93.563/ 437.7502	Child Support Enforcement/ CS State GPR Funding/PR Funding Allocation
Federal Agency:		U.S. Department of Health and Human Services
Pass-Through Agency:		Wisconsin Department of Children and Families
Pass-Through Agency ID:		SPARC 2017

Criteria: To provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable cost principles, 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. Twenty of the related timesheets did not contain evidence of approval by a supervisor. Our sample was not statistically valid.

Questioned Costs: None noted.

Cause: The supervisor who was responsible for completing the review of payroll timesheets did not document the review process.

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.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2017

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

FINDING 2017-001: (cont.)

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 continues to be committed to ensuring that all timesheets are reviewed and documented prior to the payment of payroll. Effective September 2017, all timesheets have been documented with approval by a supervisor.

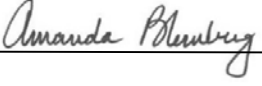
SECTION IV – OTHER ISSUES

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? _____yes X no

4. Name and signature of partner 

Amanda Blomberg, CPA, Firm Director

5. Date of report September 26, 2018