

# **SAUK COUNTY**

Baraboo, Wisconsin

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

For the Year Ended December 31, 2018

# SAUK COUNTY

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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, 2018, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements, and have issued our report thereon dated July 30, 2019.

**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.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
July 30, 2019

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, 2018. 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, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002. Our opinion on each major federal and major state program is not modified with respect to these matters.

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

Sauk County's response to the noncompliance findings 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.

### ***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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002, that we consider to be significant deficiencies.

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

Sauk County's response to the internal control over compliance findings 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, 2018, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements. We issued our report thereon dated July 30, 2019, 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.

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

Madison, Wisconsin  
September 25, 2019

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

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>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	056-830	\$ 310,772	\$ -
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Dane County, WI	83020	172,857	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	056-730	34,450	-
Total SNAP Cluster				207,307	-
Total U.S. Department of Agriculture				518,079	-
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block Grant/State's Program	14.228	DOA	10-13	39,190	-
Community Development Block Grant/State's Program	14.228	DOA	MVP-ED	295,956	-
Subtotal				335,146	-
Total U.S. Department of Housing and Urban Development				335,146	-
<b>U.S. Department of Justice</b>					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Sexual Assault Justice Initiative)	16.590	N/A	N/A	45,716	43,359
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Improving Criminal Justice Responses)	16.590	N/A	N/A	46,267	46,267
Subtotal				91,983	89,626
Bulletproof Vest Partnership Program	16.607	N/A	N/A	3,005	-
Total U.S. Department of Justice				94,988	89,626
<b>U.S. Department of Transportation</b>					
Formula Grants for Rural Areas	20.509	DOT	N/A	105,616	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	04093	42,062	-
State and Community Highway Safety	20.600	DOT	04094	34,020	-
State and Community Highway Safety	20.600	DOT	04377	14,110	-
State and Community Highway Safety	20.600	DOT	04486	6,756	-
State and Community Highway Safety	20.600	DOT	04507	6,136	-
State and Community Highway Safety	20.600	DOT	04904	3,006	-
Total Highway Safety Cluster				106,090	-
Total U.S. Department of Transportation				211,706	-

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, 2018

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	WI0570000	\$ 24,405	\$ -
Total U.S. Department of Treasury				24,405	-
<b>U.S. Environmental Protection Agency</b>					
State Indoor Radon Grants	66.032	DHS	056-810	7,719	-
Total U.S. Environmental Protection Agency				7,719	-
<b>U.S. Department of Education</b>					
Special Education-Grants for Infants and Families	84.181	DHS	056-810	61,561	-
Total U.S. Department of Education				61,561	-
<b>U. S. Department of Health and Human Services</b>					
Special Programs for the Aging_Title III, Part D_Disease Prevention	93.043	GWAAR	N/A	4,139	-
Aging Cluster					
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	GWAAR	N/A	52,216	-
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	169,410	-
Nutrition Services Incentive Program	93.053	GWAAR	N/A	2,484	-
Total Aging Cluster				224,110	-
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	N/A	23,743	-
Public Health Emergency Preparedness	93.069	DHS	056-830	53,354	-
Medicare Enrollment Assistance Program	93.071	GWAAR	N/A	1,350	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	DOJ	2016-PD-01-12555	21,447	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	DHS	056-810	613,872	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	NEWAHEC	3918258389	24,972	-
Subtotal				638,844	-
State Health Insurance Assistance Program	93.324	GWAAR	N/A	4,308	-
Maternal, Infant, and Early Childhood Home Visiting Cluster					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Adams County, WI	18-3004	368,196	-
Total Maternal, Infant, and Early Childhood Home Visiting Cluster				368,196	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in part by Prevention and Public Health Funds	93.539	DHS	056-830	14,634	-
Promoting Safe and Stable Families	93.556	DCF	SPARC 2018	42,827	-

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, 2018

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>					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	DHS	056-810	\$ 170,658	\$ -
Total TANF Cluster				<u>170,658</u>	<u>-</u>
Child Support Enforcement	93.563	DCF	SPARC 2018	720,633	-
Low-Income Home Energy Assistance Block Grant	93.568	DOA	N/A	99,147	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	SPARC 2018	<u>145,595</u>	<u>-</u>
Total CCDF Cluster				<u>145,595</u>	<u>-</u>
Grants to States for Access and Visitation Programs	93.597	DCF	SPARC 2018	34,310	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	SPARC 2018	37,202	-
Foster Care_Title IV-E	93.658	DCF	SPARC 2018	418,860	-
Adoption Assistance	93.659	DCF	SPARC 2018	2,878	-
Social Services Block Grant	93.667	DHS	056-810	197,511	-
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - Financed by Prevention and Public Health Funds (PPHF)	93.734	WIHA	N/A	4,000	-
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PPHF)	93.758	DHS	056-830	16,924	-
Children's Health Insurance Program	93.767	Dane County, WI	83020	22,261	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	056-810/830/930	88,519	-
Medical Assistance Program	93.778	Dane County, WI	83020	220,203	-
Medical Assistance Program - WIMCR	93.778	DHS	056-810	519,828	-
Medical Assistance Program	93.778	DHS	056-810	283,297	-
Medical Assistance Program	93.778	GWAAR	N/A	<u>30,292</u>	<u>-</u>
Total Medicaid Cluster				<u>1,142,139</u>	<u>-</u>
Block Grants for Community Mental Health Services	93.958	DHS	056-810	26,396	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	056-810	83,555	-
Maternal and Child Health Services Block Grant to the States	93.994	DHS	056-810	<u>27,128</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>4,546,149</u>	<u>-</u>
<b>U. S. Department of Homeland Security</b>					
Hazard Mitigation Grant	97.039	DMA	4276-DR-WI	14,456	-
Emergency Management Performance Grants	97.042	DMA	N/A	<u>52,327</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>66,783</u>	<u>-</u>
<b>TOTAL FEDERAL PROGRAMS</b>				<u>\$ 5,866,536</u>	<u>\$ 89,626</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, 2018

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS</b>		
<b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b>		
Wisconsin Clean Sweep	115.040	\$ 12,990
County Staff and Support	115.150	129,164
Land and Water Resource Management	115.400	<u>75,524</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>217,678</u>
<b>Wisconsin Department of Natural Resources</b>		
Urban Rivers Stewardship Program	370.TA1	182,312
Acquisition and Development of Local Parks	370.TA1	<u>17,688</u>
Subtotal		<u>200,000</u>
Boating Enforcement Aids	370.550	19,857
Wildlife Damage Claims	370.553	10,319
Recreational Aids - Snowmobile Trail and Area	370.485	<u>63,570</u>
Total Wisconsin Department of Natural Resources		<u>293,746</u>
<b>Wisconsin Department of Transportation</b>		
Specialized Transportation Program, Elderly and Handicapped Aids, for Counties	395.101	<u>169,550</u>
Total Wisconsin Department of Transportation		<u>169,550</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, 2018

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS (cont.)</b>		
<b>Wisconsin Department of Health Services</b>		
Cons Contracts CHHD LD	435.157720	\$ 7,157
WIC Farmers Market Grant	435.15472	2,739
BIRTH DEFECT/CYSHCN PROJ2	435.154791	1,700
COMM DISEASE CTRL & PREV	435.1558	5,278
IMAA State Share -- Dane County, WI Pass-Thru ID 83020	435.283	415,321
Adult Protective Services	435.312	46,441
Children's COP	435.377	51,691
Alzheimer's Family Support	435.381	45,810
Coordinated Services County	435.515	49,679
Community Mental Health	435.516	197,417
IMD REBALANCING INIT	435.518	1,289
Non-Resident Reimbursement	435.531	14,698
Birth to Three Initiative	435.550	60,415
Basic County Allocation	435.561	1,138,243
Base County Allocation - State Match	435.681	158,525
CLTS Other GPR	435.871	165,367
CLTS Autism GPR	435.874	32,048
CLTS Other CWA Admin GPR	435.877	52,090
IM REG PILOT Second 6MTHS	435.880	7,082
I&A EBS Replacement	435.560024	23,513
EBS OCI Replacement	435.560327	6,779
Senior Community Svs Prog	435.560330	7,587
Title 3C-1 Cong Meal Prog	435.560350	11,311
Title 3C-2 Home Meals	435.560360	1,376
Elder Abuse Service	435.560490	21,768
Total Wisconsin Department of Health Services		<u>2,525,324</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, 2018

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS (cont.)</b>		
<b>Wisconsin Department of Children and Families</b>		
Food Stamp Agency Incentives	437.0965	\$ 3,181
Medicaid Agency Incentives	437.0980	699
CW Kinship Care Program - Benefits	437.3377	81,443
CW Kinship Care Program - Assessment	437.338	9,424
JJ Early Intervention	437.3412	28,838
JJ Youth Aids	437.3413	497,568
Basic County Allocation	437.3561	348,157
CW Children & Families Allocations	437.3681	27,786
CW WSACWIS Annual Op Maint Fee	437.3935	(7,453)
PDS Partnership Fees	437.3940	(2,852)
CS State GPR Funding/PR Funding Allocation	437.7502	90,951
CS Medical Support GPR Earned Federal Match	437.7606	1,581
Total Wisconsin Department of Children and Families		<u>1,079,323</u>
<b>Wisconsin Department of Justice</b>		
Treatment Alternatives & Diversion Program	455.271	116,733
Tribal Law Enforcement	455.277	27,097
Pre-Booking Diversion Pilot Program	455.289	45,295
Victim Witness Program	455.532	<u>65,836</u>
Total Wisconsin Department of Justice		<u>254,961</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, 2018

Grantor Agency / Program Title	State ID Number	Expenditures
<b>STATE PROGRAMS (cont.)</b>		
<b>Wisconsin Department of Military Affairs</b>		
Emergency Planning Grant	465.337	\$ 2,410
Emergency Planning Grant	465.337	<u>19,174</u>
Subtotal		<u>21,584</u>
Total Wisconsin Department of Military Affairs		<u>21,584</u>
<b>Wisconsin Department of Administration</b>		
Utility Public Benefits - Low Income Assistance	505.371	60,242
Land Information Program - Aid to Counties	505.173	<u>51,000</u>
Total Wisconsin Department of Administration		<u>111,242</u>
<b>TOTAL STATE PROGRAMS</b>		<u><u>\$ 4,673,408</u></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, 2018

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#### NOTE 1 – BASIS OF PRESENTATION

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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, 2018. 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.

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

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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.

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#### NOTE 3 – CARS/SPARC REPORT DATES

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

Agency Number	Date
56-810	May 1, 2019
56-830	May 1, 2019

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2018 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 March 6, 2019.

## SAUK COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2018

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#### NOTE 4 – PASS-THROUGH GRANTORS

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Federal funds have been passed through the following grantors:

DCF	Wisconsin Department of Children and Families
DHS	Wisconsin Department of Health Services
DOA	Wisconsin Department of Administration
DOJ	Wisconsin Department of Justice
DMA	Wisconsin Department of Military Affairs
DOT	Wisconsin Department of Transportation
GWAAR	Greater Wisconsin Agency on Aging Resources
NEWAHEC	Northeastern Wisconsin Area Health Education Center
WIHA	Wisconsin Institute for Health Aging
Adams County, WI	Adams County, Wisconsin
Dane County, WI	Dane County, Wisconsin

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#### NOTE 5 – INDIRECT COST RATE

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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, 2018

#### 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 AND 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? | _____                   | yes | <u>  X  </u> 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*?

\_\_\_\_\_ yes   X   no   X   yes \_\_\_\_\_ no

Auditee qualified as low-risk auditee?

  X   yes \_\_\_\_\_ no   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  
93.778

##### Name of Federal Program

Child Support Enforcement  
Medical Assistance

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

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

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

Identification of major state programs:

State Number	Name of State Program
395.101	Specialized Transportation Assistance Program,
435.283	Elderly and Handicapped Aids, for Counties
435.561/681 and 437.3561/3681	Income Maintenance
437.7502	Basic County Allocation
	CS State GPR/PR Funding Allocation

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

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None reported.

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

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##### *FINDING 2018-001:*

<b>State ID No./Program Title:</b>	395.101 Specialized Transportation Assistance Program, Elderly & Handicapped Aids, For Counties
<b>Grantor Agency:</b>	Wisconsin Department of Transportation
<b>State Award No./Year:</b>	N/A / 2018

**Criteria:** As stated in the Calendar Year 2018 Specialized Transportation Assistance Grant Agreement between the State of Wisconsin and Sauk County ("County"), Section IX, the recipient shall submit an annual financial report for each transportation project receiving assistance under the Grant Agreement and the report shall be due no later than March 31, 2019. In addition, as stated within the same agreement within Attachment II, the balance of aid held in trust may not exceed an average daily balance on a quarterly basis of \$80,000. To provide reasonable assurance the records are retained and the financial reports are submitted timely and accurately, there should be an independent review of the annual report.

**Condition/Context:** We selected the 2018 annual report for testing. Our sample was not statistically valid. The report was not submitted by March 31, 2019 and was not reviewed by someone other than the preparer. The balance of aid held in trust was \$91,303 as of December 31, 2018, which was \$11,303 in excess of the \$80,000 limit.

**Questioned Costs:** None noted.

**Cause:** The supervisor who was responsible for preparing the report was not available at the time of the report deadline. At the time the report was completed, the County had made adjustments to the trust fund balance for the end of 2018. The timing of the report completion caused the balance to exceed the \$80,000 limit.

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

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

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##### **FINDING 2018-001:** (cont.)

**Effect:** Inaccurate information could be submitted to the regulating agency without secondary review procedures and the annual report was submitted after the established deadline. In addition, the trust fund was over the allowable limit at year end.

**Recommendation:** We recommend the County review its control procedures to ensure that the report is reviewed by someone other than the preparer, and that the report is submitted timely and accurately.

**Management's Response:** Sauk County strives for timely and accurate reporting. Transportation staff will complete the reports, and the department head will review them prior to their submission to verify the accuracy and that proper documentation is in place. Calendar reminders will be put in place to help assure timeliness of filing. A process map will be put in place that includes reporting requirements. Although the trust balance issue has already been rectified, we will remain cognizant of this requirement going forward.

##### **FINDING 2018-002:**

**State ID No./Program Title:** 395.101 Specialized Transportation Assistance Program, Elderly & Handicapped Aids, For Counties

**Grantor Agency:** Wisconsin Department of Transportation

**State Award No./Year:** N/A / 2018

**Criteria:** As stated in the Appendix to the *State Single Audit Guidelines* for Programs from the Department of Transportation, 2001 Revision, Section 2.4, "Counties receiving this allocated aid shall make periodic reports to the department. The content and timing of these reports shall be specified in the grant agreement." As stated in the Calendar Year 2018 Specialized Transportation Assistance Grant Agreement between the State of Wisconsin and Sauk County ("County"), Section IX, the recipient shall submit quarterly reports and the reports shall be submitted within the month that follows the end of each three-month period. To provide reasonable assurance the records are retained and the reports are submitted timely, there should be an independent review of the quarterly reports.

**Condition/Context:** We selected a sample of two quarterly reports. Neither of these reports indicated documentation of review, submittal dates, nor accurate supporting documentation. Our sample was not statistically valid.

**Questioned Costs:** None noted.

**Cause:** No review of the reports was completed. Staff turnover resulted in the inability to locate sufficient supporting documentation for the submitted reports.

**Effect:** Inaccurate information could be submitted to the regulating agency. In addition, reports were not submitted by the established deadline.

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

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

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**FINDING 2018-002:** (cont.)

**Recommendation:** We recommend the County review its control procedures to ensure that all quarterly reports and supplemental information are reviewed for accuracy and timeliness of reporting.

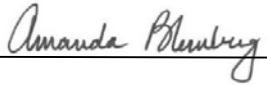
**Management's Response:** Sauk County strives for timely and accurate reporting. Transportation staff will complete the reports, and the department head will review them prior to their submission to verify the accuracy and that proper documentation is in place. Calendar reminders will be put in place to help assure timeliness of filing. A process map will be put in place that includes reporting requirements. The "Assisted Rides" software will be used to develop reports that match the reporting items on the quarterly reports.

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#### SECTION IV – OTHER ISSUES

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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	_____	yes	<u>  X  </u>	no
Department of Transportation	<u>  X  </u>	yes	_____	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 Justice	_____	yes	<u>  X  </u>	no
Department of Natural Resources	_____	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 25, 2019