

Sauk County

Report on Federal and State Awards

December 31, 2021

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 of
Sauk County

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sauk County (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

The County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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.

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

Madison, Wisconsin

July 29, 2022, except for the material weakness in internal control reported as finding 2021-001, as to which the date is September 29, 2023

**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 of
Sauk County

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited Sauk County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the County's major federal and major state programs for the year ended December 31, 2021. The 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.

In our opinion, the County complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 *Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and the *Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major federal and major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

As discussed in Note 6 to the schedule of expenditures of federal awards, this report replaces a previously issued report dated September 22, 2022. The differences between this report and the report previously issued includes the addition of \$586,053 in funding received from the U.S. Department of Health and Human Services under Assistance Listing Number (ALN) 93.498 COVID-19 Provider Relief Program. In addition, ALN 93.498 was tested as a major federal program and audit findings 2021-001 and 2021-002 were added to the schedule of findings and questioned costs.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The 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.

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 *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 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 the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 29, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic 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 *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 basic 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 US, LLP

Madison, Wisconsin

September 22, 2022, except for the items discussed in the Other Matters paragraphs, as to which the date is September 29, 2023

Sauk County

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass-Through Agency	Pass-Through Agency or Grant ID	Expenditures	Payments to Subrecipients
Federal Programs					
U. S. Department of Agriculture					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	056-130	\$ 335,764	\$ -
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	056-130	33,249	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Dane County, WI	83020	190,223	-
Total SNAP Cluster				223,472	-
Total U.S. Department of Agriculture				559,236	-
U.S. Department of Justice					
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	DOJ	2020-CV-01 16260	39,835	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	DOJ	2020-CV-01 16638	144,430	-
Subtotal				184,265	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Improving Criminal Justice Responses Grant Program)	16.590	DOJ	2017-WE-AX-0016	103,505	103,505
State Criminal Alien Assistance Program	16.606	DOJ	15PBJA-20-RR-00487-SCAA	13,665	-
Bullet Proof Vest Partnership Program	16.607	DOJ	FY2019	3,500	-
Total U.S. Department of Justice				304,935	103,505
U.S. Department of Transportation					
Formula Grants for Rural Areas	20.509	DOT	N/A	95,652	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	05487	41,769	-
State and Community Highway Safety	20.600	DOT	05510	38,192	-
State and Community Highway Safety	20.600	DOT	05796	9,395	-
State and Community Highway Safety	20.600	DOT	05697	11,817	-
Total Highway Safety Cluster				101,173	-
Total U.S. Department of Transportation				196,825	-
U.S. Department of Treasury					
Federal Drug Forfeitures	21.016	N/A	WI0570000	18,521	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	N/A	20-1982-0-1-806	57,534	-
Total U.S. Department of Treasury				76,055	-
U.S. Environmental Protection Agency					
State Indoor Radon Grants	66.032	DHS	056-130	5,989	-
Total U.S. Environmental Protection Agency				5,989	-

See notes to schedule of expenditures of federal and state awards

Sauk County

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass-Through Agency	Pass-Through Agency or Grant ID	Expenditures	Payments to Subrecipients
U.S. Department of Education					
Special Education-Grants for Infants and Families	84.181	DHS	056-130	\$ 63,685	\$ -
Total U.S. Department of Education				63,685	-
U.S. Election Assistance Commission					
COVID-19 HAVA Election Security Grants	90.404	WEC	WI20101001	21,220	-
Total U.S. Election Assistance Commission				21,220	-
U. S. Department of Health and Human Services					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	GWAAR	N/A	9,721	-
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	N/A	67,987	-
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - ARPA	93.044	GWAAR	N/A	37,806	-
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	N/A	9,294	-
Subtotal				115,087	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	N/A	186,498	-
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services - ARPA	93.045	GWAAR	N/A	54,510	-
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	N/A	10	-
Subtotal				241,018	-
Nutrition Services Incentive Program	93.053	GWAAR	N/A	31,209	-
Total Aging Cluster				387,314	-
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	N/A	47,908	-
Public Health Emergency Preparedness	93.069	DHS	056-130	54,752	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	DHS	056-130	163,062	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	DHS	056-130	214,729	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	NEWAHEC	3918258389	48,618	-
Subtotal				263,347	-
Immunization Cooperative Agreements	93.268	DHS	056-130	16,654	-
Drug-Free Communities Support Program	93.276	DHS		23,631	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	DHS	056-130	5,949	-
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	N/A	N/A	586,053	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Adams County, WI	18-3004	600,042	-
COVID-19 Promoting Safe and Stable Families	93.556	DCF	SPARC 2021	5,268	-
Promoting Safe and Stable Families	93.556	DCF	SPARC 2021	41,831	-
Subtotal				47,099	-

See notes to schedule of expenditures of federal and state awards

Sauk County

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Grantor Agency / Program Title	Federal AL Number	Pass-Through Agency	Pass-Through Agency or Grant ID	Expenditures	Payments to Subrecipients
Temporary Assistance for Needy Families	93.558	DHS	056-110	\$ 227,749	\$ -
Child Support Enforcement	93.563	DCF	SPARC 2021	808,117	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	SPARC 2021	124,539	-
Total CCDF Cluster				124,539	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	SPARC 2021	27,301	-
Foster Care - Title IV-E	93.658	DCF	SPARC 2021	504,531	-
COVID-19 Foster Care - Title IV-E	93.658	DCF	SPARC 2021	1,430	-
Subtotal				505,961	-
Adoption Assistance	93.659	DCF	SPARC 2021	238	-
Social Services Block Grant	93.667	DHS	056-110	194,186	-
Children's Health Insurance Program	93.767	Dane County, WI	83020	24,880	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	056-110	95,241	-
Medical Assistance Program	93.778	Dane County, WI	83020	255,622	-
Medical Assistance Program - WIMCR	93.778	DHS	056-110	507,435	-
Medical Assistance Program - CLTS	93.778	DHS	N/A	837,477	-
Total Medicaid Cluster				1,695,775	-
Opioid STR	93.788	DHS	056-110	190,837	-
Block Grants for Community Mental Health Services	93.958	DHS	056-110	16,993	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	056-110	73,628	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.991	DHS	056-130	13,275	-
Maternal and Child Health Services Block Grant to the States	93.994	DHS	056-130	16,905	-
Total U.S. Department of Health and Human Services				6,125,916	-
U. S. Department of Homeland Security					
Emergency Management Performance Grants	97.042	DMA	N/A	57,711	-
Total U.S. Department of Homeland Security				57,711	-
Total federal programs				\$ 7,411,572	\$ 103,505

See notes to schedule of expenditures of federal and state awards

Sauk County

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency or Grant ID	Expenditures
State Programs				
Wisconsin Department of Agriculture, Trade and Consumer Protection				
Wisconsin Clean Sweep	115.040	N/A	N/A	\$ 13,721
County Staff and Support	115.150	N/A	9217-21-57-00	140,180
Land and Water Resource Management	115.400	N/A	LW 20-03,04,08,12,15,17,18,19,20,04,01,02,07	122,996
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection				276,897
Off-Highway Motorcycle Trail Grant	370.952	N/A	ATV-43258,4327	820
Snowmobiles - Registration	370.574	N/A	N/A	12,902
Recreational Aids - Snowmobile Trail and Area	370.485	N/A	N/A	99,396
Wildlife Damage Claims	370.553	N/A	20-7255-0044RA	20,403
Conservation Aids	370.563	N/A	N/A	1,866
Total Wisconsin Department of Natural Resources				135,387
Wisconsin Department of Transportation				
Specialized Transportation Assistance Program, Elderly and Handicapped County Aids	395.101	N/A	N/A	180,027
Total Wisconsin Department of Transportation				180,027
Wisconsin Department of Health Services				
Non Resident Reimbursement	435.105000	N/A	N/A	11,584
WIC Farmers Market	435.154720	N/A	056-130	3,889
Birth Defect/CYSHCN PROJ2	435.154791	N/A	056-130	1,800
Comm Disease Ctrl & Prev	435.155800	N/A	056-130	5,300
Cons Contracts CHHD LD	435.157720	N/A	056-130	4,548
IMAA State Share	435.283000	Dane County, WI	83018	473,900
IMAA Federal Share	435.284000	Dane County, WI	83020	3,175
APS-Adult Protective Services	435.312000	N/A	056-110	42,570
Children's COP	435.377000	N/A	056-110	50,025
Alzheimer's Family Support	435.381000	N/A	056-110	15,513
Coordinated Services Team Initiative	435.515000	N/A	056-110	49,842
Community Mental Health	435.516000	N/A	056-110	180,961
Birth to Three Initiative	435.550000	N/A	056-110	73,154
B3 Innovation Grant	435.553000	N/A	056-110	42,925
Senior Community Svs Prog	435.560330	GWAAR	N/A	7,587
Title 3C-1 Cong Meal Prog	435.560350	GWAAR	N/A	78,179
Title 3C-2 Home Meals	435.560360	GWAAR	N/A	2,896
Elder Abuse Service	435.560490	N/A	056-110	21,768
Basic County Allocation	435.561000	N/A	056-110	1,145,065
Basic County Allocation	435.681000	N/A	056-110	158,483

See notes to schedule of expenditures of federal and state awards

Sauk County

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass- Through Agency or Grant ID	Expenditures
CLTS WAIVER GPR	435.871000	N/A	N/A	\$ 434,748
CLTS WAIVER CWA ADMIN GPR	435.877000	N/A	056-110	69,374
CLTS WAIVER CWA ADMIN GPR	435.882000	N/A	N/A	(4,905)
Total Wisconsin Department of Health Services				<u>2,872,381</u>
Wisconsin Department of Children and Families				
Food Stamp Agency Incentives	437.0965	N/A	SPARC 2021	368
AFDC Agency Incentives	437.0975	N/A	SPARC 2021	112
Medicaid Agency Incentives	437.0980	N/A	SPARC 2021	1,047
CW Kinship Care Program - Benefits	437.3377B	N/A	SPARC 2021	89,924
CW Kinship Care Program - Assessment	437.3380B	N/A	SPARC 2021	8,992
JJ Community Intervention Program	437.3410	N/A	SPARC 2021	17
JJ Youth Aids	437.3413	N/A	SPARC 2021	649,367
Basic County Allocation	437.3561	N/A	SPARC 2021	536,702
CW Children & Families Allocations	437.3681	N/A	SPARC 2021	42,999
CS Additional Funding	437.7335	N/A	SPARC 2021	19,497
CS State GPR/PR Funding Allocation	437.7502	N/A	SPARC 2021	94,026
CS Medical Support GPR Earned	437.7606	N/A	SPARC 2021	2,091
Total Wisconsin Department of Children and Families				<u>1,445,142</u>
Wisconsin Department of Justice				
Treatment Alternatives & Diversion Program	455.271	N/A	N/A	88,706
Tribal Law Enforcement	455.277	N/A	N/A	24,287
Victim and Witness Assistance Program	455.532	N/A	N/A	70,072
Pre-Booking Diversion Pilot Program	455.289	N/A	N/A	86,945
Total Wisconsin Department of Justice				<u>270,010</u>
Wisconsin Department of Military Affairs				
Emergency Government Response Equipment	465.308	N/A	12412	4,044
Total Wisconsin Department of Military Affairs				<u>4,044</u>
Wisconsin Department of Veteran Affairs				
County Veterans Service Officer	485.001	N/A	N/A	11,500
County Veterans Transportation Services	485.002	N/A	N/A	2,405
Total Wisconsin Department of Veteran Affairs				<u>13,905</u>
Wisconsin Department of Administration				
Land Information Board Grants	505.173	N/A	N/A	51,000
Utility Public Benefits - Low Income Assistance	505.371	N/A	N/A	73,942
Total Wisconsin Department of Administration				<u>124,942</u>
Total state programs				<u>\$ 5,322,735</u>

See notes to schedule of expenditures of federal and state awards

Sauk County

Notes to Schedule of Expenditures of Federal and State Awards Year Ended December 31, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of Sauk County, Wisconsin under programs of the federal and state government for the year ended December 31, 2021. 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 County.

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 or other applicable regulations, 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 period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

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 dated February 22, 2022 and System for Payments and Reports of Contracts (SPARC) reports for December 2021.

4. Indirect Cost Rate

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

Sauk County

Notes to Schedule of Expenditures of Federal and State Awards Year Ended December 31, 2021

5. Pass-Through Agencies

Sauk County received federal awards from the following pass-through agencies:

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

6. Restatement of Previously Issued Schedule of Expenditures of Federal Awards

Subsequent to the issuance of Sauk County's single audit report for the year ended December 31, 2021, the County identified an omission of a federal grant from the schedule of expenditures of federal and state awards. The differences between this report and the report previously issued includes the addition of \$586,053 in funding received from the U.S. Department of Health and Human Services under Assistance Listing Number (ALN) 93.498 COVID-19 Provider Relief Program and American Rescue Plan (ARP) Rural Distribution. In addition, ALN 93.498 was audited as a major federal program and audit findings 2021-001 and 2021-002 were added to the schedule of findings and questioned costs.

7. ALN 93.498 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

The Health Resources and Services Administration (HRSA) has directed health care providers to report expenditures on the Schedule using Periods that are based on the deadline to use the funds along with the PRF portal reporting time period. In accordance with this guidance, Sauk County has reported expenditures for ALN 93.498 that were incurred between January 1, 2021 and December 31, 2021, which represent Periods 1 and 2 as identified by HRSA, in the accompanying Schedule.

Sauk County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 X yes

 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:

Federal Programs

State Programs

Material weakness(es) identified?

 yes X no

 yes X no

Significant deficiencies identified that are not considered to be material weakness(es)?

 X yes none reported

 yes X 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) of the Uniform Guidance or the *State Single Audit Guidelines*?

 X yes no

 yes X 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:

ALN Number

Name of Federal Program or Cluster

93.498

93.563

93.778

COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
Child Support Enforcement
Medicaid Cluster - Medical Assistance Program

Identification of major state programs:

State Number

Name of State Program

437.7502

435.283

435.561/681 and 437.3561

435.871000/877000

395.101

CS State GPR/PR Funding Allocation
IMAA State Share
Basic County Allocation
CLTS Waiver GPR, CLTS Waiver CWA Admin GPR
Elderly and Handicapped Transportation Aids

Sauk County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section II - Financial Statement Findings Required to be Reported in Accordance With Government Auditing Standards

Finding 2021-001 - Material Weakness - Preparation of the Schedule of Expenditures of Federal Awards

Criteria: Non-federal entities in receipt of federal funds must comply with the requirements of 2 CFR 200.303(a), which require an entity to establish and maintain effective internal control over federal awards to ensure compliance with federal statutes, regulations, and the terms and conditions of those federal awards. This includes properly identifying all federal awards subject to the Uniform Guidance and fairly presenting the required information in the schedule of expenditures of federal awards.

Condition: Subsequent to the issuance of Sauk County's single audit report for the year ended December 31, 2021, it was discovered that there was an omission of a federal grant with expenditures totaling \$586,053 from the schedule of expenditures of federal awards.

Cause: The award was obtained by a County department that does not typically administer federal awards and the reporting of expenditures does not line up with the timing of incurrence of those expenditures; therefore, the award was not appropriately identified by the County during the preparation of the schedule of expenditures of federal awards.

Effect: The schedule of expenditures of federal awards was understated by \$586,053, which resulted in the restatement of the previously issued schedule of expenditures of federal awards to correct the omission and the addition of a major program.

Recommendation: The County should review its process to identify and accumulate all federal award information and evaluate ways to ensure completeness of the information.

Views of Responsible Officials: The County acknowledges the award was not appropriately identified and reported. The County reissued the 2021 Schedule of Expenditures of Federal Awards with the addition of \$586,053 funding received from the U.S. Department of Health and Human Services under Assistance Listing Number (ALN) 93.498 COVID-19 Provider Relief Program and American Rescue Plan (ARP) Rural Distribution. All departments will be reviewed annually, and funding evaluated for appropriate reporting.

Sauk County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section III - Federal and State Awards Findings and Questioned Costs

Finding 2021-002

Program: ALN 93.498 - COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

Federal Agency: U.S. Department of Health and Human Services

Award Number / Year: 2020 / 2021

Criteria: Program regulations require the submission of periodic financial reports, which provide information to HRSA regarding expenditures incurred and lost revenue calculations. Entities receiving funding under the Provider Relief Fund (PRF) award could calculate revenue loss based on comparison to actual or budgeted amounts and apply the PRF award to the lost revenue component in lieu of incurring allowable expenditures. In addition, federal awardees should have adequate internal controls in place to ensure that financial reports are prepared accurately.

Condition: We tested the Period 2 report, one of the two PRF reports required to be submitted, and noted that the revenues used in the lost revenue calculations were not adequately supported by the financial records. The report had no evidence that it was reviewed and approved by someone other than the preparer prior to submission. Our sample was not statistically valid.

Cause: There has been turnover in the position that originally prepared this report; therefore, supporting documentation for the amounts used in the report could not be located by current personnel. The County did not have a process in place to allow for a separate review and approval of the report prior to submission.

Effect: Revenue loss calculations included in the report do not appear to be accurate. However, based on audited financial information available, the County appears to have enough revenue loss to support the amounts received as revenue replacement from its PRF award.

Questioned Costs: None reported since the County did not overclaim revenue replacement funds.

Recommendation: We recommend the County ensure that there is a process to review all reports prepared by County personnel for accuracy prior to submission to the grantor.

Views of Responsible Officials: The County acknowledges the calculations were not adequately supported by the financial records. After review of the submitted financial information, the County determined that there was enough revenue loss to support the revenue replacement funds received from the PRF award. The County will have secondary review of all grant award reports prior to their submission and maintain proper documentation for each submission.

Sauk County

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section IV - Other Issues

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

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection

_____ yes X no

Department of Military Affairs

_____ yes X no

Department of Transportation

_____ yes X no

Department of Health Services

_____ yes X no

Department of Children and Families

_____ yes X no

Department of Justice

_____ yes X no

Department of Veteran Affairs

_____ yes X no

Department of Administration

_____ yes X no

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

_____ yes X no

Name and signature of partner



Amanda Blomberg, CPA, Firm Director

Date of report

September 22, 2022