

# **SAUK COUNTY**

Baraboo, Wisconsin

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

For the Year Ended December 31, 2014

# SAUK COUNTY

## TABLE OF CONTENTS For the Year Ended December 31, 2014

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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 <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 OMB Circular A-133 and the <i>State Single Audit Guidelines</i>	3 – 5
Schedule of Expenditures of Federal and State Awards	6 – 10
Notes to Schedule of Expenditures of Federal and State Awards	11 – 12
Schedule of Findings and Questioned Costs	13 – 18

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

Independent Auditors' Report

To the County Board of Supervisors  
Sauk County  
Baraboo, Wisconsin

We have audited, in accordance with 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, 2014, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated June 29, 2015.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. This significant deficiency is item 2014-001.

To the County Board of Supervisors  
Sauk County

### **Compliance and Other Matters**

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

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

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

### **Purpose of this Report**

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

*Baker Tilly Vuchaw Krause, LLP*

Madison, Wisconsin  
June 29, 2015

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 OMB CIRCULAR A-133 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, Wisconsin's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. Sauk County's major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or major state program occurred. An audit includes examining, on a test basis, evidence about Sauk County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

To the County Board of Supervisors  
Sauk County

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

In our opinion, Sauk County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal and major state program is not modified with respect to this matter.

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

Sauk County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. 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 OMB Circular A-133 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-002, 2014-003, and 2014-004, that we consider to be significant deficiencies.

To the County Board of Supervisors  
Sauk County

### **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 OMB Circular A-133 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 OMB Circular A-133 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, 2014, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements. We issued our report thereon dated June 29, 2015, 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 OMB Circular A-133 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 Vichow Krause, LLP*

Madison, Wisconsin  
September 23, 2015

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2014

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues				Expenditures	
				(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues		
FEDERAL PROGRAMS									
U. S. Department of Agriculture									
Special Supplemental Food Program for Women, Infants, and Children	10.557	DHS	N/A	\$ -	\$ 319,022	\$ -	\$ 319,022	319,022	
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	N/A	-	167,123	-	167,123	167,123	
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DCF	N/A	-	1,861	-	1,861	1,861	
Total 10.561				-	168,984	-	168,984	168,984	
Total U.S. Department of Agriculture				-	488,006	-	488,006	488,006	
U.S. Department of Housing and Urban Development									
Community Development Block Grant/State's Program	14.228	DOA	08-06	(258,008)	258,008	-	-	-	
Community Development Block Grant/State's Program	14.228	DOA	10-13	-	11,283	-	11,283	11,283	
Community Development Block Grant/State's Program	14.228	DOA	MVP-ED	-	376,000	-	376,000	376,000	
Total U.S. Department of Housing and Urban Development				(258,008)	645,291	-	387,283	387,283	
U.S. Department of Transportation									
Formula Grants for Rural Areas	20.509	DOT	N/A	-	150,707	14,170	164,877	164,877	
State and Community Highway Safety	20.600	DOT	N/A	-	38,027	-	38,027	38,027	
Total U.S. Department of Transportation				-	188,734	14,170	202,904	202,904	
U. S. Department of Treasury									
Federal Drug Forfeitures	21.XXX	N/A	N/A	-	39,024	-	39,024	39,024	
Total U.S. Department of Treasury				-	39,024	-	39,024	39,024	
U.S. Department of Education									
Special Education - Grants for Infants and Families	84.181	DHS	N/A	-	61,622	-	61,622	61,622	
Total U.S. Department of Education				-	61,622	-	61,622	61,622	
U.S. Environmental Protection Agency									
State Indoor Radon Grants	66.032	DHS	N/A	-	7,676	-	7,676	7,676	
Total U.S. Environmental Protection Agency				-	7,676	-	7,676	7,676	
U. S. Department of Health and Human Services									
Title III, Part F - Preventive Health	93.043	GWAAR	N/A	(229)	4,421	-	4,192	4,192	
Aging Cluster									
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	N/A	(2,942)	27,730	34,483	59,271	59,271	
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	(31,985)	132,351	7,055	107,421	107,421	
Nutrition Services Incentive Program	93.053	GWAAR	N/A	782	32,481	-	33,263	33,263	
Total Aging Cluster				(34,145)	192,562	41,538	199,955	199,955	

See 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, 2014

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues					Expenditures
				(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues		
<b>U. S. Department of Health and Human Services (cont.)</b>									
Title III, Part E - National Family Caregiver Support	93.052	GWAAR	N/A	\$ (10,668)	\$ 19,861	\$ 16,512	\$ 25,705	\$ 25,705	
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	DHS	N/A	-	54,319	-	54,319	54,319	
Immunization Grants	93.268	DHS	N/A	-	15,514	-	15,514	15,514	
Promoting Safe and Stable Families	93.556	DCF	N/A	-	42,827	-	42,827	42,827	
Block Grants for Temporary Assistance for Needy Families	93.558	DHS	N/A	-	104,625	-	104,625	104,625	
Block Grants for Temporary Assistance for Needy Families	93.558	DCF	N/A	-	149,078	-	149,078	149,078	
Total 93.558				-	253,703	-	253,703	253,703	
Family Support Payments to States - Assistance Payments	93.560	DCF	N/A	-	(59)	-	(59)	(59)	
Child Support Enforcement	93.563	DCF	N/A	-	702,959	-	702,959	702,959	
Low Income Home Energy Assistance Block Grant	93.568	DOA	N/A	(32,367)	114,181	-	81,814	81,814	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	N/A	-	146,651	-	146,651	146,651	
Chafee Education and Training Vouchers Program	93.599	DCF	N/A	-	1,007	-	1,007	1,007	
Child Welfare Service Grants - State Grants	93.645	DCF	N/A	-	29,714	-	29,714	29,714	
Child Welfare Service Grants - State Grants	93.645	DCF	N/A	329	5,461	(822)	4,968	4,968	
Total 93.645				329	35,175	(822)	34,682	34,682	
Foster Care - Title IV-E	93.658	DCF	N/A	493	7,613	(1,151)	6,955	6,955	
Foster Care - Title IV-E	93.658	DCF	N/A	-	211,389	-	211,389	211,389	
Total 93.658				493	219,002	(1,151)	218,344	218,344	
Social Services Block Grant	93.667	DHS	N/A	-	186,033	-	186,033	186,033	
Social Services Block Grant	93.667	GWAAR	N/A	(980)	-	-	(980)	(980)	
Social Services Block Grant	93.667	DCF	N/A	-	81,326	-	81,326	81,326	
Total 93.667				(980)	267,359	-	266,379	266,379	
Chafee Foster Care Independence Program	93.674	DCF	N/A	-	15,358	-	15,358	15,358	
Children's Health Insurance Program	93.767	DHS	N/A	-	17,979	-	17,979	17,979	
Medical Assistance Program	93.778	DHS	N/A	-	223,088	-	223,088	223,088	
Medical Assistance Program	93.778	DCF	N/A	-	(10)	-	(10)	(10)	
Medical Assistance Program	93.778	DCF	N/A	-	286,501	-	286,501	286,501	
Medical Assistance Program - WIMCR	93.778	DHS	N/A	-	406,139	-	406,139	406,139	
Medical Assistance Program State Pharmaceutical Assistance Program (Fed Match)	93.778	GWAAR	N/A	-	6,779	-	6,779	6,779	
Medical Assistance Program Federal Match EBS	93.778	GWAAR	N/A	(9,139)	25,805	11,549	28,215	28,215	
Total 93.778				(9,139)	948,302	11,549	950,712	950,712	
Centers for Medicare and Medicaid Services Research	93.779	GWAAR	N/A	(3,451)	3,451	3,293	3,293	3,293	
Block Grants for Community Mental Health Services	93.958	DHS	N/A	-	17,540	-	17,540	17,540	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	N/A	-	82,089	-	82,089	82,089	
Maternal and Child Health Services Block Grant	93.994	DHS	N/A	-	23,759	-	23,759	23,759	
Total U.S. Department of Health and Human Services				(90,157)	3,177,960	70,919	3,158,722	3,158,722	
<b>U. S. Department of Homeland Security</b>									
Disaster Assistance - Public Assistance	97.036	DOMA	N/A	-	49,749	-	49,749	49,749	
Total U.S. Department of Homeland Security				-	49,749	-	49,749	49,749	
<b>TOTAL FEDERAL PROGRAMS</b>				<b>\$ (348,165)</b>	<b>\$ 4,658,062</b>	<b>\$ 85,089</b>	<b>\$ 4,394,986</b>	<b>\$ 4,394,986</b>	

See 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, 2014

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS						
Wisconsin Department of Agriculture, Trade and Consumer Protection						
Nutrient Management Farmer Education Program	None	\$ -	\$ 4,667	\$ 6,710	\$ 11,377	\$ 11,377
Wisconsin Clean Sweep	115.040	-	-	15,461	15,461	15,461
County Staff and Support	115.150	-	129,381	-	129,381	129,381
Land and Water Resource Management	115.400	(45,276)	66,239	74,323	95,286	95,286
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(45,276)	200,287	96,494	251,505	251,505
Wisconsin Department of Natural Resources						
Targeted Runoff Management Program	370.TF1	-	-	94,522	94,522	94,522
Boating Enforcement Aids	370.550	-	11,739	-	11,739	11,739
Wildlife Damage Claims	370.553	(6,457)	6,457	8,577	8,577	8,577
Forest Crop/Managed Forest	370.566	-	20,095	-	20,095	20,095
Snowmobile Trail Aids	370.485	-	60,591	-	60,591	60,591
Total Wisconsin Department of Natural Resources		(6,457)	98,882	103,099	195,524	195,524
Wisconsin Department of Transportation						
Elderly and Handicapped County Aids	395.101	-	150,451	-	150,451	150,451
Wisconsin Department of Corrections						
Community Intervention	410.302	(17,104)	19,900	7,160	9,956	9,956
Youth Aids	410.313	32,051	533,044	(80,271)	484,824	484,824
Total Wisconsin Department of Corrections		14,947	552,944	(73,111)	494,780	494,780
Wisconsin Department of Health Services						
Congenital Disorders	435.124000	-	86,672	-	86,672	86,672
Birth Defects/CYSHCN Proj	435.154790	-	2,000	-	2,000	2,000
Cons Contracts CHHD LD	435.157720	-	13,642	-	13,642	13,642
WIC Farmers Market Grant	435.154720	-	1,805	-	1,805	1,805
Cons Contracts MCH	435.159320	-	1,444	-	1,444	1,444
FSET Admin GPR/Fed Base	435.231	-	13,001	-	13,001	13,001
FSET Admin GPR/Fed Base	435.233	-	690	-	690	690
IMAA State Share	435.283	-	283,693	-	283,693	283,693
Medicaid Subrogation Collection	435.291	-	(5,204)	-	(5,204)	(5,204)

See 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, 2014

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>Wisconsin Department of Health Services (cont.)</b>						
IMAA State Share Supp	435.292	\$ -	\$ 14,036	\$ -	\$ 14,036	\$ 14,036
IMAA Federal Share Supp	435.293	-	118	-	118	118
Adult Protective Services	435.312	-	46,441	-	46,441	46,441
Community Options Program	435.367	-	199,692	-	199,692	199,692
Alzheimer's Family Support	435.381	-	13,677	-	13,677	13,677
Certified Mental Health Program	435.517	-	30,603	-	30,603	30,603
Non-Resident Reimbursement	435.531	-	29,858	-	29,858	29,858
Birth to Three Initiative	435.550	-	60,354	-	60,354	60,354
Basic County Allocation	435.561	-	1,155,484	-	1,155,484	1,155,484
Family Support	435.577	-	34,650	-	34,650	34,650
Base County Allocation - State Match	435.681	-	158,525	-	158,525	158,525
Regional Crisis Grants	435.81075	-	59,586	-	59,586	59,586
MA Crisis Training - Nonfed	435.81079	-	18,004	-	18,004	18,004
CLTS OTHER GPR	435.871	-	114,477	-	114,477	114,477
CLTS AUTISM GPR	435.874	-	88,037	-	88,037	88,037
CLTS OTHER CWA AMIN GPR	435.877	-	35,995	-	35,995	35,995
CLTS AUTISM CWA AMIN GPR	435.880	-	13,831	-	13,831	13,831
Passed Through Greater Wisconsin Agency on Aging Resources						
Benefit Specialist County	435.560320	(16,609)	33,275	11,549	28,215	28,215
EBS OCI Replacement	435.560327	-	6,779	-	6,779	6,779
Senior Community Svs Prog	435.560330	-	5,774	1,813	7,587	7,587
Title 3C-1 Cong Meal Prog	435.560350	(24,266)	90,370	7,506	73,610	73,610
Title 3C-2 Home Meals	435.560360	(1,288)	5,850	-	4,562	4,562
Health Insurance Information (SHIP)	435.560432	-	-	158	158	158
Elder Abuse	435.607	-	5,912	-	5,912	5,912
Total Wisconsin Department of Health Services		(42,163)	2,619,071	21,026	2,597,934	2,597,934
<b>Wisconsin Department of Children and Families</b>						
AFDC Agency Collection Take Back	437.238	-	(66)	-	(66)	(66)
AFDC Agency Incentive	437.238	-	20	-	20	20
Total 437.238		-	(46)	-	(46)	(46)

See 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, 2014

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>Wisconsin Department of Children and Families (cont.)</b>						
Food Stamp Agency Collections Take Back	437.267	\$ -	\$ (1,975)	\$ -	\$ (1,975)	\$ (1,975)
Food Stamp Agency Collections Incentive	437.267	-	3,835	-	3,835	3,835
MA Agency Incentive	437.267	-	1,325	-	1,325	1,325
MA Agency Collection Take Back	437.267	-	(1,335)	-	(1,335)	(1,335)
Total 437.267		-	1,850	-	1,850	1,850
Adam Walsh Foster/Adoptive Parent Fingerprinting	437.332	-	328	-	328	328
Basic County Allocation	437.3561	-	293,975	-	293,975	293,975
Basic County Allocation Overmatch	437.3681	-	51,759	-	51,759	51,759
CW WSACWIS Annual Op Maint Fee	437.3935	-	(7,453)	-	(7,453)	(7,453)
CS State GPR/PR Funding Allocation	437.7502	-	86,744	-	86,744	86,744
Total Wisconsin Department of Children and Families		-	427,157	-	427,157	427,157
<b>Wisconsin Department of Justice</b>						
Tribal Law Enforcement	455.277	-	26,188	-	26,188	26,188
Victim Witness Program	455.532	(26,272)	50,756	29,810	54,294	54,294
Total Wisconsin Department of Justice		(26,272)	76,944	29,810	80,482	80,482
<b>Wisconsin Department of Military Affairs</b>						
Emergency Planning Grant	465.337	(8,827)	18,463	9,635	19,271	19,271
Emergency Government Response Equipment	465.367	-	5,399	-	5,399	5,399
Total Wisconsin Department of Military Affairs		(8,827)	23,862	9,635	24,670	24,670
<b>Wisconsin Department of Administration</b>						
Land Information Program	505.166	-	1,000	-	1,000	1,000
Utility Public Benefits - Low Income Assistance	505.371	-	52,486	-	52,486	52,486
Total Wisconsin Department of Administration		-	53,486	-	53,486	53,486
<b>Wisconsin Department of Veteran Affairs</b>						
County Veterans Service Officer	485.001	-	11,500	-	11,500	11,500
Total Wisconsin Department of Administration		-	11,500	-	11,500	11,500
<b>TOTAL STATE PROGRAMS</b>		<b>\$ (114,048)</b>	<b>\$ 4,214,584</b>	<b>\$ 186,953</b>	<b>\$ 4,287,489</b>	<b>\$ 4,287,489</b>

See 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, 2014

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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, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, 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/CORE 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:

<u>Agency Number</u>	<u>Date</u>
56-410	May 1, 2015
56-430	May 1, 2015

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2014 CORE report.

## **SAUK COUNTY**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2014**

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

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Federal funds have been passed through the following grantors:

- DOT – Wisconsin of Transportation
- DOA – Wisconsin Department of Administration
- DHS – Wisconsin Department of Health Services
- DCF – Wisconsin Department of Children and Families
- GWAAR – Greater Wisconsin Agency on Aging Resources
- DOMA – Department of Military Affairs

# SAUK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

### SECTION I – SUMMARY OF AUDITORS' RESULTS

#### FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ yes ☒ no

#### FEDERAL OR STATE AWARDS

Internal control over major programs:

- |   | <u>Federal Programs</u>                 |  | <u>State Programs</u>                   |  |
|---|---|--|---|--|
| > Material weakness(es) identified?       | <input type="checkbox"/> yes            | <input checked="" type="checkbox"/> no | <input type="checkbox"/> yes            | <input checked="" type="checkbox"/> no |
| > Significant deficiency(ies) identified? | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> none reported | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> 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 510(a) of Circular A-133?

☒ yes ☐ no

	<u>Federal Programs</u>		<u>State Programs</u>	
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of major federal programs:

#### CFDA Numbers

#### Name of Federal Program

14.228  
93.563  
93.596  
  
93.667  
93.778

Community Development Block Grant/State's Program  
Child Support Enforcement  
Child Care Mandatory and Matching Funds of the Child Care and Development Fund  
Social Services Block Grant  
Medical Assistance Program

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

<u>Federal</u>	<u>State</u>
\$300,000	\$100,000

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

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

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

Identification of major state programs:

State Number	Name of State Program
115.150	County Staff and Support
115.400	Land and Water Resource Management
395.101	Elderly and Handicapped County Aids
435.367	Community Options Program
435.561/681 and 437.3561/3681	Basic County Allocation
435.283	Income Maintenance
435.871/874/877/880	Children's Long-Term Support Waivers
437.7502	CS State GPR/PR Funding Allocation

The following Federal programs were tested as major programs according to the requirements of the *State Single Audit Guidelines*:

CFDA Numbers	Name of Federal Program or Cluster
93.778	Medical Assistance Program/Wisconsin Medicaid Cost Reporting

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

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##### **FINDING 2014-001: INTERNAL CONTROL ENVIRONMENT**

**Criteria:** Statement on Auditing Standards (SAS) 115 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the county's structure of internal control over financial reporting.

**Condition:** During the financial audit, audit procedures and inquiries were performed to evaluate the effectiveness of controls over various transaction cycles. As a result of these procedures, the following area was identified where your controls over transactions could be improved:

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

**Cause:** The county has not established these controls due to limited resources.

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

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

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

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##### ***FINDING 2014-001: INTERNAL CONTROL ENVIRONMENT (cont.)***

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

**Management's Response:** Sauk County will continue to refine its documentation of internal controls, both county-wide and specific to individual departments. This refinement will include working with each department to define and emphasize the importance of internal controls, as well as adjust processes to enhance the strength of controls. While invoice approvals are being made appropriately, we are developing a consistent process by which specific approvals will be documented.

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

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##### ***FINDING 2014-002***

**State ID No./Program Title:** 395.101 – Elderly and Handicapped County Aids

**State Agency:** Wisconsin Department of Transportation

**Criteria:** The grant agreement with the state requires the first semi-annual report to be submitted by August 15 of the current year and the second semi-annual report to be submitted by March 1st of the following year. The grant agreement also requires that the annual report be submitted by March 31st of the following year.

**Condition:** Both semi-annual reports were filed after the respective deadlines and the annual report was not submitted. In addition, supporting documentation for the information included in the semi-annual reports could not be located.

**Questioned Costs:** None noted

**Cause:** The cause is unknown due to turnover in program personnel.

**Effect:** The county is not in compliance with the reporting requirements set forth in the grant agreement.

**Recommendation:** We recommend that the county implement procedures to ensure that all required reports are submitted to the state prior to the deadlines set by the grant agreement and that supporting documentation is kept on file with the county.

##### ***Management's Response:***

Sauk County is crosstraining personnel so that more employees are able to perform tasks such as compiling and submitting grant reporting. Further, we are emphasizing that supporting documentation must be clear and must be maintained.

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

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

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##### **FINDING 2014-003**

**State ID No./Program Title:** 115.400 Land and Water Resource Management

**State Agency:** Wisconsin Department of Agriculture, Trade and Consumer Protection

**Criteria:** The *State Single Audit Guidelines* require that local entities receiving state awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. The *State Single Audit Guidelines* further requires auditors to obtain an understanding of the local entity's internal control over state programs. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the preparation and submission of reports, which should be reviewed and approved by a responsible party other than the original preparer.

**Condition:** Counties may file reimbursement requests to DATCP as projects are completed during the year but they must file an annual reimbursement request no later than February 15<sup>th</sup> following the grant year. The Sauk County Conservation, Planning, and Zoning Department files reimbursement requests to DATCP for the Land and Water Resource Management Program. These reimbursement requests are not independently reviewed by anyone other than the preparer.

**Questioned Costs:** None noted.

**Cause:** Unknown.

**Effect:** Failure to obtain an independent review could result in incorrect costs or other errors to be reported.

**Recommendation:** We recommend the county implement an independent review and approval process for these reimbursement requests to improve internal controls.

##### **Management's Response:**

Sauk County is committed to ensuring accurate reporting. The county has increased emphasis on a secondary review of all grant-related documents sent to granting agencies, as well as formally documenting the review and approval. There are no questioned costs or errors noted.

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

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

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##### ***FINDING 2014-004***

**CFDA No./Program Title:** 93.778 Medical Assistance Program/Wisconsin Medicaid Cost Reporting

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

**Pass Through Agency:** Wisconsin Department of Health Services

**Criteria:** The *State Single Audit Guidelines* require that local entities receiving state awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. The *State Single Audit Guidelines* further requires auditors to obtain an understanding of the local entity's internal control over state programs. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the preparation and submission of reports, which should be reviewed and approved by a responsible party other than the original preparer.

**Condition:** There is no evidence that Wisconsin Medicaid cost reports were reviewed by an individual other than the original preparer.

**Questioned Costs:** None noted

**Cause:** The county did not have evidence that another individual was responsible for reviewing the reports.

**Effect:** Lack of independent review prior to submission could result in incorrect costs or other errors to be reported.

**Recommendation:** We recommend the county implement an independent review and approval process for these reports.

##### ***Management's Response:***

Sauk County is committed to ensuring accurate reporting. The county has increased emphasis on a secondary review of all grant-related documents sent to granting agencies, as well as formally documenting the review and approval. There are no questioned costs or errors noted.

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

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

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

  X   yes        no

4. Name and signature of partner



Heather S. Acker, CPA, Partner

5. Date of report

September 23, 2015