

SAUK COUNTY

Baraboo, Wisconsin

**REPORT ON FEDERAL AND
STATE AWARDS**

For the Year Ended December 31, 2008

SAUK COUNTY

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**INDEPENDENT AUDITORS' 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**

To the County Board of Supervisors
Sauk County
Baraboo, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2008, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated August 17, 2009. Our report was modified to include a reference to other auditors and the implementation of Governmental Accounting Standards Board Statement No. 45. We conducted our audit 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. Other auditors audited the financial statements of the Sauk County Housing Authority, a component unit of Sauk County, as described in our report on Sauk County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sauk County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sauk County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

To the County Board of Supervisors
Sauk County

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Sauk County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Sauk County's financial statements that is more than inconsequential will not be prevented or detected by Sauk County's internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. These deficiencies are items 08-1 and 08-2.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Sauk County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies identified above, we consider items 08-1 and 08-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sauk County's basic financial statements are free of 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*.

We noted certain matters that we reported to management of Sauk County in a separate letter dated August 17, 2009.

Sauk County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Sauk County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Sauk County's management, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Madison, Wisconsin
August 17, 2009

Baker Silly Virchow Krause, LLP

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES AND THE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

To the County Board of Supervisors
Sauk County
Baraboo, Wisconsin

Compliance

We have audited the compliance of Sauk County, Wisconsin with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that are applicable to each of its major federal and major state programs for the year ended December 31, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and major state programs is the responsibility of Sauk County's management. Our responsibility is to express an opinion on Sauk County's compliance based on our audit.

Sauk County's basic financial statements included the operation of the Sauk County Housing Authority, which received \$1,304,747 of federal awards which are not included in the schedule of expenditures of federal and state awards for the year ended December 31, 2008. Our audit, described below, did not include the operations of the Sauk County Housing Authority because the component unit had a separate audit in accordance with OMB Circular A-133.

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. Our audit does not provide a legal determination of Sauk County's compliance with those requirements.

To the County Board of Supervisors
Sauk County

In our opinion, Sauk County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements 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 08-3.

Internal Control Over Compliance

The management of Sauk County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Sauk County's internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2008, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated August 17, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Sauk County's basic financial statements. Our report was modified to include a reference to other auditors who audited the financial statements of the Sauk County Housing Authority, a component unit of Sauk County. Our report was also modified due to the implementation of Governmental Accounting Standards Board Statement No. 45. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

To the County Board of Supervisors
Sauk County

Sauk County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Sauk County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Sauk County's management, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Jilly Virehow Krause, CPA

Madison, Wisconsin
September 25, 2009, except for the schedule of
expenditures of federal and state awards, as to
which the date is August 17, 2009

SAUK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS							
U. S. Department of Agriculture							
Passed through Wisconsin Department of Health Services/Department of Children and Families Special Supplemental Food Program for Women, Infants, and Children	10.557	\$ -	\$ 223,244	\$ -	\$ 223,244	\$ 223,244	
State Administration Matching Grants for Food Stamp Program	10.561	-	116,824	-	116,824	116,824	
Passed through Wisconsin Department of Workforce Development/Department of Children and Families State Administration Matching Grants for Food Stamp Program	10.561	-	70,431	-	70,431	70,431	
Total U.S. Department of Agriculture		-	410,499	-	410,499	410,499	
U.S. Department of Justice							
Passed Through Wisconsin Department of Administration - Office of Justice Assistance Criminal History Improvement Program Drug Control and System Improvement Formula Grant	16.554	-	14,667	-	14,667	14,667	
Total U.S. Department of Justice	16.579	(1,616)	1,616	-	-	-	
		(1,616)	16,283	-	14,667	14,667	
U.S. Department of Transportation							
Passed Through Wisconsin Department of Transportation Flood Damage Aid	20.205	-	6,494	-	6,494	6,494	
State and Community Highway Safety	20.600	-	11,639	-	11,639	11,639	
Total U.S. Department of Transportation		-	18,133	-	18,133	18,133	
U.S. Department of Treasury							
Direct Assistance							
Federal Drug Forfeitures	21.xxx	-	48,800	-	48,800	48,800	

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS (cont.)						
U.S. Department of Education						
Passed through Wisconsin Department of Health Services/Department of Children and Families Birth to Three	84.181	\$ -	\$ 63,632	\$ -	\$ 63,632	\$ 63,632
U.S. Environmental Protection Agency						
Passed through Wisconsin Department of Health Services/Department of Children and Families Indoor Radon Contract Service	66.032	-	8,185	-	8,185	8,185
U. S. Department of Health and Human Services						
Passed through Wisconsin Department of Health Services/Department of Children and Families Public Health Emergency Preparedness Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices Immunization Grants Centers for Disease Control and Prevention - Investigations and Technical Assistance Family Preservation - Support Block Grants for Temporary Assistance for Needy Families Chafee Education and Training Vouchers Program Foster Care - Title IV-E Social Services Block Grant Chafee Foster Care Independent Living State Children's Insurance Program	93.069 93.130 93.268 93.283 93.556 93.558 93.599 93.658 93.667 93.674 93.767	- - - - - - - - - - -	51,479 10,759 14,669 21,272 55,573 160,844 2,044 219,613 311,980 19,245 32,013	- - - - - - - - - - -	51,479 10,759 14,669 21,272 55,573 160,844 2,044 219,613 311,980 19,245 32,013	51,479 10,759 14,669 21,272 55,573 160,844 2,044 219,613 311,980 19,245 32,013

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
FEDERAL PROGRAMS (cont.)						
U. S. Department of Health and Human Services (cont.)						
Medical Assistance Program	93.778	\$ -	\$ 4,061,680	\$ -	\$ 4,061,680	\$ 4,061,680
Medical Assistance Program - WIMCR	93.778	-	347,133	-	347,133	347,133
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	-	5,960	-	5,960	5,960
Block Grants for Community Mental Health Services	93.958	-	65,120	-	65,120	65,120
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	85,315	-	85,315	85,315
Preventive Health and Health Services Block Grant	93.991	-	19,754	-	19,754	19,754
Maternal and Child Health Services Block Grant	93.994	-	21,772	-	21,772	21,772
Passed Through AgeAdvantage Special Programs for the Aging						
Title III, Part F - Preventive Health Aging Cluster	93.043	-	3,159	1,671	4,830	4,830
Title III, Part B - Grants for Supportive Services						
Title III, Part C - Congregate Meals	93.044	(7,380)	59,396	8,298	60,314	60,314
Title III, Part C - Home Meals	93.045	(2,643)	76,983	4,348	78,688	78,688
Title III, Part E - National Family Caregiver Support	93.045	-	34,876	-	34,876	34,876
Title III, Part D - In-Home Services	93.045	(2,506)	26,560	3,577	27,631	27,631
Nutrition Service Incentive Program	93.046	(702)	702	-	-	-
Total Aging Cluster	93.053	-	38,396	-	38,396	38,396
		(13,231)	236,913	16,223	239,905	239,905
State Health Insurance Program						
Passed through Wisconsin Department of Workforce Development/Department of Children and Families	93.779	-	5,000	-	5,000	5,000
Block Grants for Temporary Assistance for Needy Families						
Child Support Enforcement - Medical Support Liability Incentive Even FFY	93.558	-	40,702	-	40,702	40,702
Child Support Enforcement - Medical Support Liability Incentive Odd FFY	93.563	-	51,882	-	51,882	51,882
Child Support Enforcement - Indirect Cost 66% Federal Share	93.563	-	5,682	-	5,682	5,682
Child Support Enforcement - All Other Exp 66% Federal Share	93.563	-	74,841	-	74,841	74,841
		-	462,543	-	462,543	462,543

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, 2008

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
FEDERAL PROGRAMS (cont.)							
U. S. Department of Health and Human Services (cont.)							
Passed through Wisconsin Department of Workforce Development/Department of Children and Families (cont.)							
Child Support Enforcement - Fees 66% Federal Share	93.563	\$ -	(11,159)	\$ -	(11,159)	\$ (11,159)	
Child Support Enforcement - Performance Based	93.563	-	80,896	-	80,896	80,896	
Child Support Enforcement - FPLS Fees	93.563	-	(2,004)	-	(2,004)	(2,004)	
Child Support Enforcement - Special Improvements and FY 06 Incentives	93.563	-	(844)	-	(844)	(844)	
Child Support Enforcement - CS Regular Expenses/GPR	93.563	-	152,100	-	152,100	152,100	
Refugee and Entrant Assistance - State Administered Programs	93.566	-	776	-	776	776	
Child Care Payments	93.596	-	59,291	-	59,291	59,291	
Passed Through Wisconsin Department of Administration Low Income Home Energy Assistance Block Grant	93.568	-	117,395	14,397	131,792	131,792	
Passed Through Wisconsin Department of Corrections Child Welfare Services Grant - State Grants	93.645	-	3,758	-	3,758	3,758	
Foster Care Title - IV-E	93.658	-	3,758	-	3,758	3,758	
Total U.S. Department of Health and Human Services		(13,231)	6,790,914	32,291	6,809,974	6,809,974	
U.S. Department of Homeland Security							
Passed through Wisconsin Department of Military Affairs Disaster Assistance - Public Assistance	97.036	-	214,362	-	214,362	214,362	
Passed through Wisconsin Department of Administration Office of Justice Assistance	97.067	-	108,050	-	108,050	108,050	
Homeland Security Grant		-	322,412	-	322,412	322,412	
Total U.S. Department of Homeland Security							
TOTAL FEDERAL PROGRAMS		\$ (14,847)	\$ 7,678,858	\$ 32,291	\$ 7,696,302	\$ 7,696,302	\$ 7,696,302

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, 2008

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
STATE PROGRAMS						
Wisconsin Department of Agriculture, Trade and Consumer Protection						
County Staff and Support	115.150	\$ (168,760)	\$ 343,040	\$ -	\$ 174,280	\$ 174,280
Land and Water Resource Management	115.400	-	62,959	109,636	172,595	172,595
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(168,760)	405,999	109,636	346,875	346,875
Wisconsin Department of Natural Resources						
Local Park Aids - Stewardship	370.421	-	36,150	-	36,150	36,150
Recreational Aids - Snowmobile Trail and Area	370.485	-	62,211	-	62,211	62,211
Non-Point Source Grants	370.516	-	34,590	-	34,590	34,590
Boating Enforcement Aids	370.550	-	12,442	-	12,442	12,442
Wildlife Damage Claims	370.553	-	9,495	-	9,495	9,495
Lake Management Grants	370.663	-	6,663	-	6,663	6,663
Total Wisconsin Department of Natural Resources		-	161,551	-	161,551	161,551
Wisconsin Department of Transportation						
Elderly and Handicapped County Aids	395.101	-	143,796	-	143,796	143,796
Wisconsin Department of Corrections						
Youth Aids	410.313	-	243,035	-	243,035	243,035

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, 2008

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 (cont.)							
Wisconsin Department of Health							
Services/Department of Children and Families							
Funeral/Cemetery W-2 & Non W-2	435.105	\$ -	\$ 83,227	\$ -	\$ 83,227	\$ 83,227	
Medicaid Transportation	435.131	-	43,359	-	43,359	43,359	
MA Transportation Administration	435.132	-	5,378	-	5,378	5,378	
IMAA State Share	435.283	-	236,973	-	236,973	236,973	
IMAA Federal Share	435.284	-	5,539	-	5,539	5,539	
Medicaid Subrogation Collection	435.291	-	(18,151)	-	(18,151)	(18,151)	
AW DOJ Fingerprint Backgr	435.324	-	126	-	126	126	
COP-W GPR	435.338	-	236,541	-	236,541	236,541	
Children and Family Services Incentive	435.342	-	124,410	-	124,410	124,410	
Children and Family Services Review Expenses	435.342	-	6,025	-	6,025	6,025	
CIP II Non Federal	435.348	-	416,615	-	416,615	416,615	
Foster Care Continuation	435.365	-	26,422	-	26,422	26,422	
Community Options Program	435.367	-	325,690	-	325,690	325,690	
CIP II Community Relocate Non Federal	435.369	-	44,709	-	44,709	44,709	
CIP II Divisions Non Federal	435.375	-	59,189	-	59,189	59,189	
Kinship Care Base Benefit	435.377	-	92,645	-	92,645	92,645	
Kinship Care Assessments	435.380	-	8,421	-	8,421	8,421	
Alzheimer's Family Support	435.381	-	19,547	-	19,547	19,547	
Temporary Family Care COP W Non Federal	435.392	-	6,290	-	6,290	6,290	
ICFMR Nonfed	435.407	-	122,619	-	122,619	122,619	
CLTS GPR	435.450	-	66,299	-	66,299	66,299	
CLTS MH Non Federal	435.451	-	27,275	-	27,275	27,275	
CLTS Non Federal Other	435.460	-	9,243	-	9,243	9,243	
CLTS MH Non Fed Other	435.461	-	9,243	-	9,243	9,243	
CLTS PD Non Fed Other	435.462	-	4,622	-	4,622	4,622	
PF Non Fed Prog Revenue	435.4xx	-	(862)	-	(862)	(862)	
Brain Injury Waiver	435.506	-	109,045	-	109,045	109,045	
Non-Resident Reimbursement	435.531	-	8,602	-	8,602	8,602	

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, 2008

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 (cont.)							
Wisconsin Department of Health Services/Department of Children and Families							
Birth to Three Initiative	435.550	\$ -	\$ 72,713	\$ -	\$ 72,713	\$ 72,713	
Fraud Refer Admin State	435.560	-	1,500	-	1,500	1,500	
Basic County Allocation	435.561	-	1,390,146	-	1,390,146	1,390,146	
CIP 1B	435.564	-	245,737	-	245,737	245,737	
Fraud Refer Admin Federal	435.570	-	288	-	288	288	
Family Support	435.577	-	46,725	-	46,725	46,725	
CIP 1A	435.580	-	139,537	-	139,537	139,537	
Base County Allocation - State Match	435.681	-	248,461	-	248,461	248,461	
WIC Farmers Market Grant	435.154720	-	1,805	-	1,805	1,805	
Cons Contracts Lead Poisoning	435.157720	-	14,311	-	14,311	14,311	
TPCP - WI Wins Enforcement	435.158116	-	720	-	720	720	
TPCP - Com Interventions - LHD	435.158125	-	39,094	-	39,094	39,094	
TPCP - WI Wins	435.158127	-	9,000	-	9,000	9,000	
Cons Contracts Maternal and Child Health Services	435.159320	-	1,422	-	1,422	1,422	
Passed Through AgeAdvantage							
Area Agency on Aging:							
Elder Abuse							
Elderly Benefit Specialist Program	435.560490	(29,988)	29,988	24,263	24,263	24,263	
EBS OCI Replacement	435.560320	(2,340)	30,121	434	28,215	28,215	
Senior Community Svs Programs	435.560327	(8,557)	8,557	-	-	-	
Title3C-1 Cong Meal Program	435.560330	(634)	7,549	1,062	7,977	7,977	
Title3C-2 Home Meals	435.560350	(4,716)	75,231	4,124	74,639	74,639	
	435.560360	-	5,023	-	5,023	5,023	
Total State of Wisconsin Department of Health Services/Department of Children and Families		(46,235)	4,446,969	29,883	4,430,617	4,430,617	

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, 2008

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 (cont.)							
Wisconsin Department of Workforce Development/Department of Children and Families							
W-2 Children First	445.315	\$ -	\$ 13,500	\$ -	\$ -	\$ 13,500	\$ 13,500
W-2 Jobs Access Loans	445.323	-	754	-	-	754	754
Job Access Loans Repayments	445.323	-	(175)	-	-	(175)	(175)
Child Support Enforcement - Unemployment Insurance Fees 34%	445.334	-	(113)	-	-	(113)	(113)
W-2 Emergency Assistance	445.375	-	825	-	-	825	825
Total Wisconsin Department of Workforce Development/Department of Children and Families		-	14,791	-	-	14,791	14,791
Wisconsin Public Service Commission							
Enhanced 911 Grant	XXX.XXX	-	251,588	-	-	251,588	251,588
Wisconsin Department of Justice							
Tribal Law Enforcement	455.227	-	27,082	-	-	27,082	27,082
Reimbursement for Victim and Witness Assistance Program	455.503	(23,044)	45,739	-	-	22,695	22,695
Victim Witness Program	455.532	-	46,755	-	-	46,755	46,755
Total Wisconsin Department of Justice		(23,044)	119,576	-	-	96,532	96,532
Wisconsin Department of Military Affairs							
Public Safety - Emergency Government Disaster Assistance	465.305	-	18,515	-	-	18,515	18,515
Emergency Planning Grant	465.337	-	16,817	-	-	16,817	16,817
Total Wisconsin Department of Military Affairs		-	35,332	-	-	35,332	35,332
Wisconsin Department of Veteran Affairs							
County Veterans Service Officer	485.001	-	11,500	-	-	11,500	11,500

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, 2008

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 (cont.)							
Wisconsin Department of Administration							
Public Benefits	505.371	\$ -	\$ 25,652	\$ 3,090	\$ 28,742	\$ 28,742	
Land Information Board Grants	505.116	-	47,843	-	47,843	47,843	
Total Wisconsin Department of Administration		-	73,495	3,090	76,585	76,585	
TOTAL STATE PROGRAMS							
		\$ (238,039)	\$ 5,907,632	\$ 142,609	\$ 5,812,202	\$ 5,812,202	

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, 2008

NOTE 1 – REPORTING ENTITY

The Schedule of Expenditures of Federal and State Awards includes all of the funds of Sauk County. The reporting entity for the county is based upon criteria established by the Governmental Accounting Standards Board.

Sauk County is the primary government according to GASB criteria, while the Sauk County Housing Authority (Housing Authority) is a component unit.

Federal and state awards received directly by the Housing Authority are not included in this report since the Housing Authority has been audited by other auditors for its grants and those amounts are reported in a separate report.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

NOTE 2 – BASIS OF PRESENTATION

The 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.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and the *State Single Audit Guidelines*.

NOTE 3 – DIRECT PAYMENTS – STATE OF WISCONSIN

Direct payments to individuals from the State of Wisconsin on behalf of Sauk County for the year ended December 31, 2008 include:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
Food stamps	10.551	\$ 3,602,015
W-2 benefits	93.558	78,549
Total		<u>\$ 3,680,564</u>

SAUK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2008

NOTE 4 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The county received the following payments from Wisconsin Medical Assistance for the year ended December 31, 2008:

<u>County Department</u>	<u>Provider Account Number</u>	<u>Unaudited Amount</u>
Sauk County Public Health Nursing	41520200	\$ 152,998
Sauk County Health Care Center	20132500	3,426,748
Sauk County Human Services	43078900	213,622
Sauk County Human Services	43170100	254,427
Sauk County Human Services	43421900	713,650
Total		<u>\$ 4,761,445</u>

NOTE 5 – CARS-CORE REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) reports as well as through the Contract Balance Report (CORE) as of December 31, 2008:

<u>Agency Number</u>	<u>Date</u>
56-034	5/01/09
56-037	5/01/09

The schedule of expenditures of federal and state awards includes adjustments through the December 31, 2008 CORE report.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

SECTION I – SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: *unqualified*

Internal control over financial reporting:

- > Material weakness(es) identified? X Yes No
- > Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported
- Noncompliance material to basic financial statements noted? Yes X No

FEDERAL OR STATE AWARDS

Internal control over major programs:

- > Material weakness(es) identified? Yes X No
- > Significant deficiencies identified that are not considered to be material weakness(es)? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

 Yes X No

 Federal Programs State Programs

Auditee qualified as low-risk auditee?

 Yes X No Yes X No

Identification of major federal programs:

CFDA Number

93.558

93.596

93.667

93.778

Name of Federal Program or Cluster

Block Grants for Temporary Assistance for
Needy Families
Child Care
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>	
	<u>DHS/DCF</u>	<u>All Others</u>
<u>\$ 300,000</u>	<u>\$ 132,919</u>	<u>\$ 100,000</u>

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

SECTION I – SUMMARY OF AUDITORS RESULTS (cont.)

Identification of major state programs:

<u>State No.</u>	<u>Name of State Program</u>
115.150	County Staff and Support
115.400	Land and Water Resource Management
435.348/338	CIP II/COP W
435.367	Community Options Program
435.450/451/460/461/462	CLTS
435.506	Brain Injury Waiver
435.580/564	CIP 1A/CIP 1B
435.561/681	Basic County Allocation/State Match
445.315	W-2

The following federal program was tested as a major program according to the requirements of the *State Single Audit Guidelines*:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
93.778	Case Management

SECTION II – FINANCIAL STATEMENT FINDINGS

FINDING 08-1: INTERNAL CONTROL OVER FINANCIAL REPORTING

Criteria: Statement on Auditing Standards (SAS) No. 112 requires us to report a material weakness for Sauk County if material journal entries are detected as part of the financial audit, or the auditor prepares the annual financial statements and footnotes. Government Auditing Standards states that entities should have adequate internal controls in place to prepare an accurate schedule of federal and state awards.

Condition: A material journal entry was discovered during the course of the audit and we, as your auditors, made material changes to the county's financial statements. In addition, the auditors prepared the schedule of federal and state awards.

Effect: The financial statements need to contain all of the required disclosures and account balances without material changes made by your auditors. In addition, the schedule of federal and state awards are not available to the county until they are completed by the auditors.

Questioned Costs: None

Recommendation: We recommend that the county put in place procedures in order to reduce the risk of material journal entries as well as determining if resources would be available to prepare a complete set of financial statements without material changes.

Management Response: Sauk County's auditors made one material journal entry to the 2008 financial statements. Although this is a small number, the county will expand on a procedure for more than one person to review all year end account balances and significant transactions. The county is also committed to continuing education of accounting staff in hopes of eliminating auditor corrections of financial statements and footnotes.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT

FINDING 08-2: INTERNAL ACCOUNTING CONTROLS

Criteria: Statement on Auditing Standards (SAS) 112 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the county's structure of internal control.

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 areas were identified where your controls over transactions could be improved:

- > Controls over adding new vendors
- > Approval of invoices
- > Support and approval of payroll transactions
- > Account reconciliations should be performed by someone independent of the processing of transactions in the account
- > Adjusting journal entries and supporting documentation should be reviewed and approved by an appropriate person who is not the original preparer
- > County should have a process in place to track internal/external changes to the county's IT system
- > County should have strong passwords for their computer systems
- > County should have a policy to track access rights changes to the IT system

Effect: Errors or irregularities could occur as part of these financial processes that may not be discovered by your staff.

Questioned Costs: None

Recommendation: We recommend a designated person in the county review these potential controls and make a suggestion on your county's ability and cost (including time) to implement some or all of them.

Management Response: The identified improvements to the county's internal controls will be reviewed. The costs of implementing improved internal control will be weighted against the potential benefits, and improvements will be made accordingly. Annual reviews of written, key internal control processes will be accomplished, with emphasis on the integrity of the systems.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT (cont.)

FINDING 08-3: DEPARTMENT OF HEALTH SERVICES GENERAL REQUIREMENTS

Criteria: Wisconsin Section 46.036(4)(c) requires providers to submit audits to the county. For the county's 2008 single audit, the following reports have not been received or reviewed:

<u>Provider</u>	<u>Amount</u>
Empowerment	\$ 122,040
Harbor Senior	171,317
Pine Valley	95,245
Spring Acres	106,388
Office of JE	119,660

Condition: The DHS general requirements found in the *State Single Audit Guidelines* states that all subrecipient audit reports that have not been received within 180 days of their fiscal year end be identified.

Effect: Subrecipient audit reports could have questioned costs that may affect Sauk County.

Questioned Costs: None

Recommendation: We recommend that the county send reminder letters to the providers so all audit reports are received within 180 days of their fiscal year end. The county should review all audit reports as soon as they are submitted and follow-up on any findings/questioned costs on a timely basis.

Management's Response: Audits are due by June 30th of each year. If a request for extension, request to waive audit or the audit itself is not received by June 30th, a reminder letter is sent to each provider. This procedure will change to include sending a reminder letter prior to the June 30th due date so the audit itself, request for extension, or request to waive audit can be on file and reviewed.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2008

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 deficiencies, 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 Natural Resources

_____ Yes X No

Department of Transportation

_____ Yes X No

Department of Corrections

_____ Yes X No

Department of Health Services

 X Yes _____ No

Department of Children and Families

 X Yes _____ No

Department of Workforce Development

_____ Yes X No

Wisconsin Public Service Commission

_____ Yes X No

Department of Justice

_____ Yes X No

Department of Military Affairs

_____ Yes X No

Department of Veterans Affairs

_____ Yes X No

Department of Administration

_____ Yes X 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

Thomas A. Scheidegger
Thomas A. Scheidegger, CPA, Partner

5. Date of report

September 25, 2009