

SAUK COUNTY

Baraboo, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2009

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, 2009, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated July 27, 2010. Our report includes a reference to other auditors. 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, and compliance and other matters that are 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be material weaknesses and a deficiency that we consider to be a significant deficiency.

To the County Board of Supervisors
Sauk County

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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness item is 09-1.

A significant deficiency is a deficiency, or 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. We consider item 09-2 as described in the schedule of findings and questioned costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sauk County's 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 July 27, 2010.

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 Tilly Virchow Krause, LLP

Madison, Wisconsin
July 27, 2010

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, 2009. 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 \$1,247,716 in federal awards which are not included in the schedule of expenditures of federal and state awards for the year ended December 31, 2009. 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.

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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 09-3, 09-4, 09-5, and 09-6.

To the County Board of Supervisors
Sauk County

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 and to test and report on internal control over compliance 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 09-5. 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.

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, 2009, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated July 27, 2010. 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, as described in our report on Sauk County's 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 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.

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 the Sauk County's response and, accordingly, we express no opinion on it.

To the County Board of Supervisors
Sauk County

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 Silly Virchow Krause, UP

Madison, Wisconsin

September 2, 2010 except for the schedule of
expenditures of federal and state awards, as to
which the date is July 27, 2010.

SAUK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantor's 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								
Special Supplemental Food Program for Women, Infants, and Children	10.557		\$ -	\$ 256,692	\$ -	\$ 256,692	\$ 256,692	
WIC Farmers Market Grant	10.572		-	154	-	154	154	
State Administration Matching Grants for Food Stamp Program	10.561		-	164,860	-	164,860	164,860	
Passed through Wisconsin Department of Children and Families								
State Administration Matching Grants for Food Stamp Program	10.561		-	521	-	521	521	
Total Food Stamp Program			-	165,381	-	165,381	165,381	
Total U.S. Department of Agriculture			-	422,227	-	422,227	422,227	
U.S. Department of Housing and Urban Development								
Passed Through Wisconsin Department of Commerce								
Community Development Block Grant/State's Program	14.228	EAP 08-06	-	3,672,566	326,525	3,999,091	3,999,091	
U.S. Department of Transportation								
Passed Through Wisconsin Department of Transportation								
State and Community Highway Safety	20.600		-	14,908	-	14,908	14,908	
U.S. Department of Transportation								
Direct Assistance								
Federal Drug Forfeitures	21.xxx		-	29,736	-	29,736	29,736	
U.S. Environmental Protection Agency								
Passed through Wisconsin Department of Health Services								
Indoor Radon Contract Service	66.032		-	7,676	-	7,676	7,676	
U.S. Department of Education								
Passed through Wisconsin Department of Health Services								
Special Education - Grants for Infants and Families	84.181		-	61,103	-	61,103	61,103	
Passed through Wisconsin Department of Children and Family								
ARRA Funds - Early Intervention Program for Infants and Toddlers with Disabilities	84.393		-	8,171	-	8,171	8,171	
Passed through Wisconsin Department of Corrections								
ARRA Funds - State Fiscal Stabilization Fund-Government Services Recovery Act	84.397	S397 A0900 50	-	141,446	-	141,446	141,446	
Passed through Wisconsin Department of Revenue								
ARRA Funds - State Fiscal Stabilization Fund-Government Services Recovery Act	84.397		-	353,502	-	353,502	353,502	
Total ARRA Funds - State Fiscal Stabilization Funds			-	494,948	-	494,948	494,948	
Total U.S. Department of Education			-	564,222	-	564,222	564,222	

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, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantor's 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						
Passed through Wisconsin Department of Health Services						
Substance Abuse and Mental Health Service - Projects of Regional and National Significance	93.243		\$ -	\$ 9,000	\$ -	\$ 9,000
ARRA Funds - Immunization Program and Vaccines for Children Grants	93.712		-	-	1,454	1,454
Medical Assistance Program - WIMCR	93.778		-	695,740	-	695,740
Medical Assistance Program	93.778		-	672,932	-	672,932
Total Medical Assistance			-	1,368,672	-	1,368,672
Preventive Health and Health Services						
Block Grant	93.991		-	19,326	-	19,326
Maternal and Child Health Services Block Grant	93.994		-	21,756	-	21,756
Children's Health Insurance Program	93.767		-	13,775	-	13,775
Public Health Emergency Preparedness	93.069		-	48,476	-	48,476
Immunization Grants	93.268		-	14,669	-	14,669
Block Grants for Prevention and Treatment of Substance Abuse	93.959		-	82,646	-	82,646
Social Services Block Grant	93.667		-	222,196	-	222,196
Passed through Wisconsin Department of Children and Families						
Social Services Block Grant	93.667		-	46,146	-	46,146
Total Social Services Block Grant			-	268,342	-	268,342
Passed through Wisconsin Department of Workforce Development						
Refugee and Entrant Assistance - State Administered Programs	93.566		-	3,586	-	3,586
Passed through Wisconsin Department of Children and Families						
Block Grants for Temporary Assistance for Needy Families (TANF)	93.558		-	191,702	-	191,702
Passed through Wisconsin Department of Health Services						
Block Grants for Temporary Assistance for Needy Families (TANF)	93.558		-	53,949	-	53,949
Total TANF			-	245,651	-	245,651
Passed through Wisconsin Department of Children and Families						
Promoting Safe and Stable Families	93.556		-	46,350	-	46,350
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		-	88,191	-	88,191
Child Welfare Services Grant - State Grants	93.645		-	496	-	496
Passed Through Wisconsin Department of Corrections						
Child Welfare Service Grants - State Grants	93.645		-	33,595	-	33,595
Total Child Welfare Services Grant			-	34,091	-	34,091

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, 2009

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Grant/ Pass-through Grantor's 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 Health Services								
Child Support Enforcement	93.563		\$ -	\$ 510,999	\$ -	\$ 510,999	\$ 510,999	
ARRA Funds - Child Support Enforcement	93.563		-	276,981	-	276,981	276,981	
Total Child Support Enforcement			-	787,980	-	787,980	787,980	
Chafee Foster Care Independence Program	93.674		-	21,227	-	21,227	21,227	
Chafee Education and Training Vouchers Program	93.599		-	2,149	-	2,149	2,149	
Passed Through Wisconsin Department of Administration								
Low Income Home Energy Assistance Block Grant	93.568		(14,397)	92,063	9,032	86,698	86,698	
Passed Through Wisconsin Department of Corrections								
Foster Care Title - IV-E	93.658		-	745	-	745	745	
Passed through Wisconsin Department of Children and Families								
Foster Care - Title IV-E	93.658		-	343,697	-	343,697	343,697	
Total Foster Case - Title IV-E			-	344,442	-	344,442	344,442	
Passed Through Greater Wisconsin Area on Aging Resources								
Special Programs for the Aging								
Title III, Part D - Preventive Health	93.043		(1,671)	4,603	1,898	4,830	4,830	
Aging Cluster								
Title III, Part B - Grants for Supportive Services	93.044		(8,298)	69,022	-	60,724	60,724	
Title III, Part C - Nutrition Services	93.045		(4,348)	78,937	4,383	78,972	78,972	
Title III, Part C - Nutrition Services	93.045		-	34,738	3,759	38,497	38,497	
Total Title III, Part C - Nutrition Services			(4,348)	113,675	8,142	117,469	117,469	
Title III, Part E - National Family Caregiver Support	93.052		(3,577)	30,654	712	27,789	27,789	
Nutrition Service Incentive Program	93.053		-	8,782	20,797	29,579	29,579	
Total Aging Cluster			(16,223)	222,133	29,651	235,561	235,561	
Total U.S. Department of Health and Human Services			(32,291)	3,739,128	42,035	3,748,872	3,748,872	
U. S. Department of Homeland Security								
Passed through Wisconsin Department of Military Affairs								
Disaster Assistance - Public Assistance (Presidentially Declared Disasters)	97.036		-	398,814	-	398,814	398,814	
Passed through Wisconsin Department of Administration								
Office of Justice Assistance								
Homeland Security Grant	97.067	2006HS05113-4029	-	33,992	-	33,992	33,992	
Total U.S. Department of Homeland Security			-	432,806	-	432,806	432,806	
TOTAL FEDERAL PROGRAMS			\$ (32,291)	\$ 8,883,269	\$ 368,560	\$ 9,219,538	\$ 9,219,538	

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, 2009

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						
County Staff and Support	115.150	\$ -	\$ 184,174	\$ -	\$ 184,174	\$ 184,174
Land and Water Resource Management	115.400	(109,636)	109,641	123,575	123,580	123,580
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(109,636)	293,815	123,575	307,754	307,754
Wisconsin Department of Natural Resources						
Recreational Aids - Snowmobile Trail and Area	370.485	-	50,475	-	50,475	50,475
Boating Enforcement Aids	370.550	-	9,939	-	9,939	9,939
Wildlife Damage Claims	370.553	-	9,696	-	9,696	9,696
Environmental Aids - Lake Protection Grant	370.663	-	1,596	-	1,596	1,596
Environmental Aids - River Protection	370.675	-	2,500	-	2,500	2,500
Total Wisconsin Department of Natural Resources		-	74,206	-	74,206	74,206
Wisconsin Department of Transportation						
Elderly and Handicapped County Aids	395.101	-	146,881	-	146,881	146,881
Wisconsin Department of Corrections						
Youth Aids	410.313	-	48,403	-	48,403	48,403
Wisconsin Department of Health Services						
Funeral/Cemetery W-2 & Non W-2	435.105	-	87,818	-	87,818	87,818
Medicaid Transportation	435.131	-	71,994	-	71,994	71,994
MA Transportation Administration	435.132	-	9,008	-	9,008	9,008
FSET Admin GPR/Fed Base	435.231	-	31,018	-	31,018	31,018
FSET Admin GPR/Fed Base	435.233	-	3,000	-	3,000	3,000
FSET Retent GPR/Fed Base	435.235	-	371	-	371	371
IMAA State Share	435.283	-	241,819	-	241,819	241,819
IMAA Federal Share	435.284	-	6,627	-	6,627	6,627
Medicaid Subrogation Collection	435.291	-	(45,189)	-	(45,189)	(45,189)
Adult Protective Services	435.312	-	46,441	-	46,441	46,441
Community Options Program	435.367	-	172,492	-	172,492	172,492
Alzheimer's Family Support	435.381	-	19,547	-	19,547	19,547

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, 2009

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 (cont.)						
Wisconsin Department of Health Services (cont.)						
CLTS GPR	435.450	\$ -	\$ 146,748	\$ -	\$ 146,748	\$ 146,748
CLTS MH Non Federal	435.451	-	7,484	-	7,484	7,484
CLTS Non Federal Other	435.460	-	33,800	-	33,800	33,800
CLTS MH Non Fed Other	435.461	-	8,969	-	8,969	8,969
CLTS PD Non Fed Other	435.462	-	4,484	-	4,484	4,484
Non-Resident Reimbursement	435.531	-	2,022	-	2,022	2,022
Birth to Three Initiative	435.550	-	72,982	-	72,982	72,982
Fraud Refer Admin	435.560	-	557	-	557	557
Basic County Allocation	435.561	-	1,178,015	-	1,178,015	1,178,015
Family Support	435.577	-	40,846	-	40,846	40,846
Base County Allocation - State Match	435.681	-	179,440	-	179,440	179,440
CYSHCN Nutrition NTWK GPR	435.11013	-	6,240	-	6,240	6,240
Limited Agent Program	435.124000	-	97,526	-	97,526	97,526
WIC Farmers Market Grant	435.154720	-	1,651	-	1,651	1,651
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	-	52,729	-	52,729	52,729
TPCP - WI Wins	435.158127	-	4,550	-	4,550	4,550
Cons Contracts Maternal and Child Health Services	435.159320	-	1,421	-	1,421	1,421
Passed Through Greater Wisconsin Area on Aging Resources						
Special Programs for the Aging:						
Elder Abuse	435.560490	(24,263)	24,263	-	-	-
Elderly Benefit Specialist Program	435.560320	(434)	24,887	-	24,453	24,453
EBS OCI Replacement	435.560327	-	13,099	-	13,099	13,099
State Senior Community Services	435.560330	(1,062)	8,445	594	7,977	7,977
Title 3C-1 Cong Meal Program	435.560350	(4,124)	74,622	4,143	74,641	74,641
Title 3C-2 Home Meals	435.560360	-	4,536	491	5,027	5,027
MIPPA SHIP	435.560610	-	579	-	579	579
Total Wisconsin Department of Health Services		(29,883)	2,649,872	5,228	2,625,217	2,625,217

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, 2009

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 Children and Families						
Food Stamp Agency Collections Take Back	437.267	\$ -	\$ 521	\$ -	\$ 521	\$ 521
W-2 Other work activities	437.215	-	110	-	110	110
W-2 Retention and Advancement Services	437.215	-	63	-	63	63
County Allocated Shared - W-2 Other Work Activities	437.215	-	5,244	-	5,244	5,244
County Allocated Shared - W-2 Job Skills Training	437.215	-	169	-	169	169
County Allocated Shared - W-2 Parenting & Life Skills Training	437.215	-	158	-	158	158
County Allocated Shared - W-2 Retention & Life Skills Training	437.215	-	8,926	-	8,926	8,926
County Allocated Shared - W-2 SSI/SSDI Advocacy	437.215	-	181	-	181	181
W-2 Jobs Access Loans	437.223	-	401	-	401	401
Job Access Loan Rpmnt - Cash	437.223	-	(240)	-	(240)	(240)
W-2 Emergency Ass't	437.215	-	5,313	-	5,313	5,313
F State/ County match	437.368	-	74,404	-	74,404	74,404
Unemployment Ins Fees	437.334	-	(515)	-	(515)	(515)
County Allocated Shared - TANF Eligibility	437.215	-	22,624	-	22,624	22,624
County Allocated Shared - EA Eligibility	437.215	-	1,718	-	1,718	1,718
County Allocated Shared - Refugee	437.215	-	11,881	-	11,881	11,881
AFDC Agency Collection Take Back	437.238	-	(106)	-	(106)	(106)
AFDC Agency Incentive	437.238	-	87	-	87	87
Children First	437.265	-	9,000	-	9,000	9,000
County Allocated Shared - Children First	437.265	-	3,100	-	3,100	3,100
AW DOJ Fingerprint Backgr	437.332	-	137	-	137	137
Children and Family Services Incentive	437.334	-	97,131	-	97,131	97,131
Basic County Allocation	437.3561	-	227,308	-	227,308	227,308
WISACWIS Financial Interf	437.361	-	11,370	-	11,370	11,370
Total Wisconsin Department of Children and Families		-	478,985	-	478,985	478,985
Wisconsin Department of Justice						
Tribal Law Enforcement	455.277	-	27,408	-	27,408	27,408
Regional Training Facilities	455.503	-	24,059	-	24,059	24,059
Victim Witness Program	455.532	-	24,750	21,080	45,830	45,830
Total Wisconsin Department of Justice		-	76,217	21,080	97,297	97,297
Wisconsin Department of Military Affairs						
Public Safety - Emergency Government Disaster Assistance	465.305	-	49,590	-	49,590	49,590
Emergency Planning Grant	465.337	-	24,624	-	24,624	24,624
Total Wisconsin Department of Military Affairs		-	74,214	-	74,214	74,214

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, 2009

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 (cont.)						
Wisconsin Department of Veteran Affairs County Veterans Service Officer	485.001	\$ -	\$ 12,514	\$ -	\$ 12,514	\$ 12,514
Wisconsin Department of Administration Land Information Board Grants	505.116	-	37,850	-	37,850	37,850
Public Benefits	505.371	(3,090)	34,665	-	31,575	31,575
Total Wisconsin Department of Administration		(3,090)	72,515	-	69,425	69,425
TOTAL STATE PROGRAMS		\$ (142,609)	\$ 3,927,622	\$ 149,883	\$ 3,934,896	\$ 3,934,896

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, 2009

NOTE 1 – REPORTING ENTITY

This report on Federal and State Awards includes the federal and state awards of Sauk County, Wisconsin. The reporting entity for Sauk 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 their 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, 2009 include:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
Food Stamp Program	10.561	\$ 6,127,980
W-2 Benefits	93.558	<u>146,540</u>
Total		<u>\$ 6,274,520</u>

SAUK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2009

NOTE 4 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The county received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2009:

<u>County Department</u>	<u>Provider No.</u>	<u>Unaudited Amount</u>
Sauk County Public Health Nursing	41520200	\$ 55,143
Sauk County Health Care Center	20132500	3,259,077
Sauk County Human Services	43078900	212,216
Sauk County Human Services	43170100	263,418
Sauk County Human Services	43421900	1,170,006
Total		<u>\$ 4,959,860</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:

<u>Agency Number</u>	<u>Date</u>
56-034	May 1, 2010
56-037	May 1, 2010

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2009 CORE report.

NOTE 6 – SPECIALIZED TRANSPORTATION ASSISTANCE MATCH

Sauk County has complied with the 20% match requirement of the Specialized Transportation Assistance Program – Elderly & Handicapped Aids (State ID No. 395.101). Total allowable expenditures were \$146,881.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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 deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

FEDERAL OR STATE AWARDS

Internal control over major programs:

- > Material weakness(es) identified? yes X no
- > Significant deficiency(ies) identified? X yes 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 Numbers

Name of Federal Program or Cluster

14.228	Community Development Block Grant/State's Program
84.397	ARRA Funds – State Fiscal Stabilization Fund – Government Services, Recovery Act
93.563	Child Support Enforcement
93.563	ARRA Funds – Child Support Enforcement
93.658	Foster Care Title IV-E
97.036	Disaster Assistance – Public Assistance (Presidentially Declared Disasters)

 Federal

 State

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

 \$300,000

 \$100,000

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

FEDERAL OR STATE AWARDS (cont.)

Identification of major state programs:

State Number	Name of State Program
395.101	Elderly and Handicapped County Aids
435.283/284	Income Maintenance
435.367	Community Options Program
435.561/437.3561	Basic County Allocation
435.681	Basic County Allocation/State Match
435.450-462	Community Long-Term Support Waivers

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

CFDA No.	Name of Federal Program
93.778	Medical Assistance Program – Wisconsin Medicaid Cost Reporting (WIMCR)
93.778	Medical Assistance Program – Medicaid Personal Care

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

FINDING 09-1: INTERNAL ACCOUNTING CONTROLS

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

- > Controls over adding new vendors
- > Approval of invoices
- > Health care receivables are reconciled at year end, but should be reconciled more frequently to ensure timely collections and make sure that receivables recorded are valid
- > Human Services Department adjusting journal entries and supporting documentation should be reviewed and approved by an appropriate person who is not the original preparer
- > Account reconciliations should be performed by someone independent of the processing of transactions in the account
- > GASB No. 34 conversion entries and supporting documentation should be reviewed and approved by an appropriate person who is not the original preparer

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

FINDING 09-1: INTERNAL ACCOUNTING CONTROLS (cont.)

Condition: (cont.)

- > Client-prepared annual financial statements, including fund financial statements and government-wide statements, should be reviewed by a responsible party that is not involved in the preparation of the financial statements
- > The county should have a process in place to track internal/external changes to the county's IT system
- > The county should have strong passwords for their computer systems
- > The county should have a policy to track access rights changes to the IT system
- > CORE reports should be reviewed by someone other than the preparer prior to submission

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'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. At all times, any additional cost to enhance a control will be weighed against the potential cost and likelihood of loss.

FINDING 09-2: INTERNAL CONTROL OVER FINANCIAL REPORTING

Criteria: Statement on Auditing Standards (SAS) No. 115 requires us to report a significant deficiency when certain internal controls are not in place. Entities should have adequate internal controls in place to prepare an accurate schedule of expenditures of federal and state awards.

Condition: We, as your auditors, prepared the schedule of expenditures of federal and state awards.

Effect: The schedule of expenditures of federal and state awards is not available to the county until it is completed by the auditors.

Questioned Costs: None

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

FINDING 09-2: INTERNAL CONTROL OVER FINANCIAL REPORTING (cont.)

Recommendation: We recommend that the county put in place procedures to prepare a complete and accurate schedule of expenditures of federal and state awards.

Management's Response: Sauk County is proud that no material journal entries or changes to the financial statements or footnotes were recommended by the auditors. We continue to strive to record all transactions appropriately, as well as prepare the resulting financial statements with a high degree of accuracy. Cross training of staff throughout the county departments, particularly in the Accounting Department, will emphasize review of each other's work. We will further consider the costs versus the benefits of county staff preparing the schedule of expenditures of federal and state awards.

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

FINDING 09-3: 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 2009 single audit, the following reports have not been received or reviewed:

<u>Provider</u>	<u>Amount</u>
Double R & Associates	\$ 96,913
St. Clare Hospital	75,252
Tellurian, Inc.	101,669
Wisconsin Early Autism	186,399

In addition, the following audit reports that were not received or reviewed during the 2008 audit, and were not received in 2009:

<u>Provider</u>	<u>Amount</u>
Empowerment	\$ 122,040
Spring Acres	106,388

Condition: The Department of Health Services (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

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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

FINDING 09-3: DEPARTMENT OF HEALTH SERVICES GENERAL REQUIREMENTS (cont.)

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: Our contracts state that audits need to be received by June 30th of the following year for the previous year. In the past, a letter did not go out to remind providers of this until after the deadline had passed. This year, we implemented a new policy that reminder letters went out before June 30th reminding them of when the audit was due and that if they needed an extension or are requesting to have their audit waived, they need to put that in writing. If we did not receive any response and we are still contracting with them, we hold their check until they have complied with the request. For those audits not received in 2009 for 2008 services, we have no recourse to get these audits as we did not contract with them for 2009. Multiple reminder letters were sent to them with no response.

FINDING 09-4: DEPARTMENT OF HEALTH SERVICES GENERAL REQUIREMENTS

Criteria: The DHS general requirements require the county to provide information on the nature of funding to its providers so that the provider can have the appropriate type of audit.

Condition: The DHS general requirements found in the *State Single Audit Guidelines* states that the county is to provide information on the nature of funding so the provider can have the appropriate type of audit.

Effect: Subrecipients may not be aware of the audit requirements and required audits may not be performed.

Questioned Costs: None

Recommendation: We recommend that the county include language in its subrecipient contracts as to the nature of funding (federal, state, local, mixture) so that the provider can have the appropriate type of audit.

Management's Response: We will work to incorporate this in contracts for 2011, as 2010 contracts have already been completed.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2009

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

FINDING 09-5: 395.101 ELDERLY AND HANDICAPPED COUNTY AIDS

Criteria: The Wisconsin Department of Transportation (DOT) for the Elderly and Handicapped County Aids program requires that the county meet specified reporting deadlines for the Elderly and Handicapped County Aids program.

Condition: The Wisconsin DOT Elderly and Handicapped County Aids contract states that the county should submit reports by the deadlines outlined in the grant agreement.

Effect: The two semi-annual reports and the final annual report were not submitted by the deadlines included in the grant agreement.

Questioned Costs: None

Recommendation: We recommend that the county submit reports by the deadlines included in the grant agreement, or obtain documentation from the grantor that the deadline has been extended.

Management's Response: Sauk County submitted its reports beyond the deadlines with unwritten authorization from the DOT. The county was not penalized in any way for the late submissions. In the future, the county will maintain an emphasis on timely filing of reports. If deadlines are extended, their extension will be documented.

FINDING 09-6: 435.283 INCOME MAINTENANCE

Criteria: The DHS general requirements require all agencies to have invoices or other support for all costs reported.

Condition: One of the forty invoices we tested did not have a supporting invoice.

Effect: Costs submitted to the state for reimbursement may not be accurate.

Questioned Costs: We tested \$26,312 paid to vendors. Of this amount, one invoice in the amount of \$1,420 did not have a supporting invoice.

Recommendation: We recommend all costs submitted for reimbursement be supported by invoices or similar documentation.

Management's Response: No expenses are paid unless there is supporting documentation. In this instance the documentation was misplaced. We were able to get a duplicate invoice from the provider showing that the expenses were indeed valid and the correct amount was paid. Out of the invoices that were tested, only one was not immediately found.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

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 Commerce	<u> </u>	yes	<u> X </u>	no
Department of Workforce Development	<u> </u>	yes	<u> X </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> </u>	yes	<u> X </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
Department of Revenue	<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

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

5. Date of report September 2, 2010