

SAUK COUNTY

Baraboo, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2015

SAUK COUNTY

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

Independent Auditors' Report

To the County Board of Supervisors
Sauk County
Baraboo, Wisconsin

We have audited, in accordance with 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, 2015, 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 27, 2016.

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 2015-001.

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 Vuchow Krause LLP

Madison, Wisconsin
June 27, 2016

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 THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

Independent Auditors' Report

To the County Board of Supervisors
Sauk County
Baraboo, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

We have audited Sauk County, Wisconsin's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Sauk County's major federal and major state programs for the year ended December 31, 2015. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Sauk County's major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or 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, 2015.

Report on Internal Control Over Compliance

Management of Sauk County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sauk County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sauk County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

To the County Board of Supervisors
Sauk County

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *State Single Audit Guidelines*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Sauk County's basic financial statements. We issued our report thereon dated June 27, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Vichas Krause LLP

Madison, Wisconsin
September 23, 2016

SAUK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures
FEDERAL PROGRAMS				
U. S. Department of Agriculture				
Special Supplemental Food Program for Women, Infants, and Children	10.557	DHS	056-530	\$ 305,936
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	056-530	130,714
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DCF	CORE 12	4,105
Total 10.561				134,819
Total U.S. Department of Agriculture				440,755
U.S. Department of Housing and Urban Development				
Community Development Block Grant/State's Program	14.228	DOA	10-13	26,313
Total U.S. Department of Housing and Urban Development				26,313
U.S. Department of Justice				
Bullet Proof Vest Partnership	16.607	DOJ	Application ID 1579767	3,028
Total U.S. Department of Justice				3,028
U.S. Department of Transportation				
Highway Planning and Construction	20.205	DOT	S-4103.1	246,000
Formula Grants for Rural Areas	20.509	DOT	N/A	93,825
State and Community Highway Safety	20.600	DOT	0955-00-13	31,393
State and Community Highway Safety	20.600	DOT	0955-31-22	7,171
State and Community Highway Safety	20.600	DOT	0955-31-62	19,996
State and Community Highway Safety	20.600	DOT	0955-40-65	7,465
Total 20.600				66,025
Total U.S. Department of Transportation				405,850
U.S. Department of Treasury				
Federal Drug Forfeitures	21.XXX	N/A	WI0570000	33,410
Total U.S. Department of Treasury				33,410

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, 2015

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures
FEDERAL PROGRAMS (cont.)				
U.S. Environmental Protection Agency				
Indoor Radon Contract Service	66.032	DHS	056-510	\$ 7,676
Total U.S. Environmental Protection Agency				<u>7,676</u>
U.S. Department of Education				
Safe and Drug-Free Schools and Communities-National Program	84.181	DHS	056-510	<u>62,220</u>
Total U.S. Department of Education				<u>62,220</u>
U. S. Department of Health and Human Services				
Title III, Part F - Preventive Health	93.043	GWAAR	N/A	4,193
Aging Cluster				
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	N/A	59,414
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	100,066
Nutrition Services Incentive Program	93.053	GWAAR	N/A	<u>29,434</u>
Total Aging Cluster				<u>188,914</u>
Title III, Part E - National Family Caregiver Support	93.052	GWAAR	N/A	24,220
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	DHS	056-510	54,819
Substance Abuse and Mental Health Service - Projects of Regional and National Significance	93.243	DHS	056-610	9,074
Immunization Grants	93.268	DHS	056-530	15,515
State Health Insurance Assistance Program	93.324	GWAAR	N/A	6,000
PPHF 2012 National Public Health Improvement Initiative	93.507	DHS	056-530	8,950
Promoting Safe and Stable Families	93.556	DCF	CORE 12	42,827
Block Grants for Temporary Assistance for Needy Families	93.558	DHS	056-510	106,016
Block Grants for Temporary Assistance for Needy Families	93.558	DCF	CORE 12	<u>156,486</u>
Total 93.558				<u>262,502</u>
Family Support Payments to States - Assistance Payments	93.560	DCF	CORE 12	25
Child Support Enforcement	93.563	DCF	CORE 12	662,552
Low Income Home Energy Assistance Block Grant	93.568	DOA	N/A	84,336

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, 2015

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures
FEDERAL PROGRAMS (cont.)				
U. S. Department of Health and Human Services (cont.)				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	CORE 12	\$ 124,931
Child Welfare Service Grants - State Grants	93.645	DCF	CORE 12	30,242
Child Welfare Service Grants - State Grants	93.645	DCF	CORE 12	3,341
Total 93.645				33,583
Foster Care - Title IV-E	93.658	DCF	CORE 12	5,569
Foster Care - Title IV-E	93.658	DCF	CORE 12	233,886
Total 93.658				239,455
Social Services Block Grant	93.667	DHS	056-510	195,277
Social Services Block Grant	93.667	DCF	CORE 12	82,770
Total 93.667				278,047
Chafee Foster Care Independence Program	93.674	DCF	CORE 12	16,361
Preventive Health and Health Services Block Grant	93.758	DHS	056-530	15,492
Children's Health Insurance Program	93.767	DHS	056-510	13,948
Medical Assistance Program	93.778	DHS	056-510	183,439
Medical Assistance Program	93.778	DCF	CORE 12	725
Medical Assistance Program-State Pharmaceutical Assistance Program (Fed Match)	93.778	GWAAR	N/A	6,779
Medical Assistance Program - Match EBS	93.778	GWAAR	N/A	28,215
Medical Assistance Program - WIMCR	93.778	DHS	056-510	583,758
Medical Assistance Program	93.778	DHS	056-510	278,902
Total 93.778				1,081,818
Block Grants for Community Mental Health Services	93.958	DHS	056-510	23,927
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	056-510	83,063
Maternal and Child Health Services Block Grant	93.994	DHS	056-530	23,250
Total U.S. Department of Health and Human Services				3,297,802
U. S. Department of Homeland Security				
Disaster Assistance - Public Assistance	97.036	DOMA	N/A	51,168
Total U.S. Department of Homeland Security				51,168
TOTAL FEDERAL PROGRAMS				\$ 4,328,222

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, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS		
Wisconsin Department of Agriculture, Trade and Consumer Protection		
Nutrient Management Farmer Education Program	None	\$ 9,000
Wisconsin Clean Sweep	115.040	16,765
County Staff and Support	115.150	125,793
Land and Water Resource Management	115.400	123,340
Total Wisconsin Department of Agriculture, Trade and Consumer Protection		<u>274,898</u>
Wisconsin Department of Natural Resources		
Targeted Runoff Management Program	370.TF1	294
Boating Enforcement Aids	370.550	12,389
Wildlife Damage Claims	370.553	8,373
Forest Crop/Managed Forest	370.566	20,044
Recreational Aids - Snowmobile Trail and Area	370.485	58,936
Total Wisconsin Department of Natural Resources		<u>100,036</u>
Wisconsin Department of Transportation		
Elderly and Handicapped County Aids	395.101	<u>157,977</u>
Wisconsin Department of Corrections		
Community Intervention	410.302	23,700
Youth Aids	410.313	362,342
Total Wisconsin Department of Corrections		<u>386,042</u>
Wisconsin Department of Health Services		
Limited Agent Program	435.124	94,540
Birth Defects/CYSHCN Proj	435.154790	1,650
Cons Contracts CHHD LD	435.157720	13,642
WIC Farmers Market Grant	435.15472	1,805
Cons Contracts MCH	435.15932	1,295
FSET Admin GPR/Fed Base	435.231	877
FSET Admin GPR/Fed Base	435.233	220

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, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS (cont.)		
Wisconsin Department of Health Services (cont.)		
IMAA State Share	435.283	\$ 257,462
IMAA Federal Share	435.284	1,416
Medicaid Subrogation Collection	435.291	(4,687)
IMAA State Share Supp	435.292	2,705
IMAA Federal Share Supp	435.293	17
IMAA State Share ACA	435.297	606
IMAA Federal Share ACA	435.298	4
Adult Protective Services	435.312	46,441
Community Options Program	435.367	170,767
Alzheimer's Family Support	435.381	13,677
Coordinated Services County	435.515	47,038
Certified Mental Health Program	435.517	30,603
Non-Resident Reimbursement	435.531	20,741
Birth to Three Initiative	435.550	59,756
Basic County Allocation	435.561	1,143,063
Family Support	435.577	46,635
Base County Allocation - State Match	435.681	158,525
CLTS OTHER GPR	435.871	115,499
CLTS AUTISM GPR	435.874	84,465
CLTS Other CWA Admin GPR	435.877	25,033
IM REG PILOT Second 6MTHS	435.880	13,149
Passed Through Greater Wisconsin Agency on Aging Resources		
Benefit Specialist County	435.560320	28,215
EBS OCI Replacement	435.560327	6,779
Senior Community Svs Prog	435.560330	7,587
Title 3C-1 Cong Meal Prog	435.560350	78,167
Title 3C-2 Home Meals	435.560360	6,549
Elder Abuse Service	435.560490	7,274
Total Wisconsin Department of Health Services		<u>2,481,515</u>

See accompanying notes to schedule of expenditures of federal and state awards.

SAUK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Expenditures
STATE PROGRAMS (cont.)		
Wisconsin Department of Children and Families		
AFDC Agency Incentive	437.238	\$ 19
Food Stamp Agency Collections Incentive	437.267	4,105
MA Agency Incentive	437.267	725
Total 437.267		<u>4,830</u>
Adam Walsh Foster/Adoptive Parent Fingerprinting	437.3324	364
CW PS Program Payments YR 1	437.3341	1,283
CW PS Program Payments YR 2	437.3342	19,800
Basic County Allocation	437.3561	299,195
Basic County Allocation Overmatch	437.3681	52,505
CW WSACWIS Annual Op Maint Fee	437.3935	(7,453)
CS State GPR Funding/PR Funding Allocation	437.7502	85,961
Total Wisconsin Department of Children and Families		<u>456,504</u>
Wisconsin Department of Justice		
Tribal Law Enforcement	455.277	26,188
Victim Witness Program	455.532	52,436
Total Wisconsin Department of Justice		<u>78,624</u>
Wisconsin Department of Military Affairs		
Public Safety - Emergency Government Disaster Assistance	465.305	1,632
Emergency Planning Grant	465.337	19,194
Total Wisconsin Department of Military Affairs		<u>20,826</u>
Wisconsin Department of Administration		
Land Information Board Grants	505.438	1,000
Utility Public Benefits - Low Income Assistance	505.646	56,381
Total Wisconsin Department of Administration		<u>57,381</u>
Wisconsin Department of Veteran Affairs		
County Veterans Service Officer	485.001	11,500
Total Wisconsin Department of Veteran Affairs		<u>11,500</u>
TOTAL STATE PROGRAMS		<u><u>\$ 4,025,303</u></u>

See accompanying notes to schedule of expenditures of federal and state awards.

SAUK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

NOTE 1 – BASIS OF PRESENTATION

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, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Sauk County, it is not intended to and does not present the financial position, changes in net position or cash flows of Sauk County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, 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.

NOTE 3 – 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>
56-510	May 1, 2016
56-530	May 1, 2016

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2015 CORE report.

SAUK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

NOTE 4 – PASS-THROUGH GRANTORS

Federal funds have been passed through the following grantors:

- DOT – Wisconsin Department 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 – Wisconsin Department of Military Affairs
- DOJ – Wisconsin Department of Justice

NOTE 5 – INDIRECT COST RATE

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

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2015

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified? yes X 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:

- | | <u>Federal Programs</u> | | | <u>State Programs</u> | | |
|---|-------------------------|-----|----------------------------|-----------------------|-----|----------------------------|
| > Material weakness(es) identified? | <u> </u> | yes | <u> X </u> no | <u> </u> | yes | <u> X </u> no |
| > Significant deficiency(ies) identified? | <u> </u> | yes | <u> X </u> none reported | <u> </u> | yes | <u> X </u> 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 516(a) of the Uniform Guidance?

 yes X no

- | | <u>Federal Programs</u> | | | <u>State Programs</u> | | |
|--|-------------------------|-----|-----------------|-----------------------|-----|-----------------|
| Auditee qualified as low-risk auditee? | <u> </u> | yes | <u> X </u> no | <u> </u> | yes | <u> X </u> no |

	<u>Federal</u>	<u>State</u>
Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>	<u>\$250,000</u>

Identification of major federal programs:

CFDA Numbers

93.563
93.667
93.778

Name of Federal Program

Child Support Enforcement
Social Services Block Grant
Medical Assistance Program

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2015

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

FEDERAL OR STATE AWARDS (cont.)

Identification of major state programs:

State Number	Name of State Program
435.561/681 and 437.3561/3681 435.283	Basic County Allocation Income Maintenance Available Allocation – State Share
435.871/874/877 437.7502	Children's Long-Term Support Waivers 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

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

FINDING 2015-001: INTERNAL CONTROL ENVIRONMENT **REPEAT OF FINDING 2014-001**

Criteria: According to Statement on Auditing Standards (SAS) AU-C Section 315, auditors are required 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.

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.

SAUK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2015

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

None noted.

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	_____ yes	<u> X </u> no
Department of Corrections	_____ yes	<u> X </u> no
Department of Children and Families	_____ yes	<u> X </u> no
Department of Transportation	_____ yes	<u> X </u> no
Department of Administration	_____ yes	<u> X </u> no
Department of Military Affairs	_____ yes	<u> X </u> no
Department of Agriculture, Trade, and Consumer Protection	_____ yes	<u> X </u> no
Department of Natural Resources	_____ yes	<u> X </u> no
Department of Justice	_____ yes	<u> X </u> no
Department of Veteran Affairs	_____ 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, 2016