County of Dodge

Report on Federal and State Awards

December 31, 2020

County of Dodge

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December 31, 2020

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 of
County of Dodge

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the the County of Dodge, Wisconsin (County) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the County of Dodge's basic financial statements and have issued our report thereon dated August 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of 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 US, LLP

Madison, Wisconsin
August 2, 2021

Independent Auditors' Report on Compliance for Each Major Federal and Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *State Single Audit Guidelines*

To the County Board of Supervisors of
County of Dodge

Report on Compliance for Each Major Federal and Major State Program

We have audited the County of Dodge's (County) 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 the County's major federal and major state programs for the year ended December 31, 2020. The County's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 the 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 a major state program occurred. An audit includes examining, on a test basis, evidence about the 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 the County's compliance.

Opinion on Each Major Federal and Major State Program

In our opinion, the 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2020-005. Our opinion on each major federal and major state program is not modified with respect to this matter.

County's Response to Finding

The County’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the 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 the 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 the 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-003, 2020-004, and 2020-005, that we consider to be significant deficiencies.

County's Response to Findings

The County’s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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 the County of Dodge, Wisconsin as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Dodge's basic financial statements. We issued our report thereon dated August 2, 2021, 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 US, LLP

Madison, Wisconsin
January 13, 2022

Federal Grantor/ Program Title	CFDA Number	Pass-through Agency	Federal Expenditures	Payments Made to Subrecipients
Federal Programs				
U. S. Department of Agriculture				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DHS	$ 260,064	$ -
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	231,361	-
Total SNAP Cluster			231,361	-
WIC Grants To States (WGS)	10.578	DHS	2,111	-
Total U.S. Department of Agriculture			493,536	-
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	DOJ	4,259	-
Edward Byrne Memorial Justice Assistance Grant - SEADOG - Federal	16.738	DOJ	15,647	-
Edward Byrne Memorial Justice Assistance Grant - SEADOG - State	16.738	DOJ	10,505	-
Subtotal			26,152	-
Total U.S. Department of Justice			30,411	-
U.S. Department of Transportation				
Highway Safety Cluster				
State and Community Highway Safety - Seatbelt Enforcement - Click-IT 2019/2020	20.600	DOT	29,312	9,143
State and Community Highway Safety - Speed Enforcement	20.600	DOT	7,371	3,397
Subtotal State and Community Highway Safety			36,683	12,540
National Priority Safety Programs - Carseat Enforcement	20.616	DOT	2,732	-
Total Highway Safety Cluster			39,415	12,540
Total U.S. Department of Transportation			39,415	12,540

See notes to schedule of expenditures of federal and state awards

Federal Grantor/ Program Title	CFDA Number	Pass-through Agency	Federal Expenditures	Payments Made to Subrecipients
U.S. Department of Treasury				
COVID-19 Coronavirus Relief Fund	21.019	DHS	$ 742,222	$ -
COVID-19 Coronavirus Relief Fund - Routes to Recovery - General Fund	21.019	DOA	983,208	-
COVID-19 Coronavirus Relief Fund - Routes to Recovery - Health and Human Services	21.019	DOA	52,895	-
COVID-19 Coronavirus Relief Fund - Routes to Recovery - Clearview Nursing Home	21.019	DOA	199,340	-
COVID-19 Coronavirus Relief Fund - Routes to Recovery - Highway	21.019	DOA	210,556	-
COVID-19 Coronavirus Relief Fund - CARES ACT - Broadband Grant	21.019	DHS	1,223,042	-
Subtotal			3,411,262	-
Total U.S. Department of Treasury			3,411,262	-
U.S. Department of Education				
Special Education-Grants for Infants and Families	84.181	DHS	77,770	77,770
Total U.S. Department of Education			77,770	77,770
U. S. Department of Health and Human Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	DHS	5,673	-
COVID-19 Special Program for the Aging, Title IV, and Title II, Discretionary Projects	93.048	DHS	8,128	-
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	DHS	80,651	-
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	DHS	47,375	-
Subtotal			128,026	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	DHS	91,315	-
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	DHS	166,225	-
Subtotal			257,540	-
Nutrition Services Incentive Program	93.053	DHS	29,006	-
Total Aging Cluster			414,572	-

See notes to schedule of expenditures of federal and state awards

Federal Grantor/ Program Title	CFDA Number	Pass-through Agency	Federal Expenditures	Payments Made to Subrecipients
National Family Caregiver Support, Title III, Part E	93.052	DHS	$ 38,359	$ -
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	DHS	24,080	-
Subtotal			62,439	-
Public Health Emergency Preparedness	93.069	DHS	45,060	-
Medicare Enrollment Assistance Program	93.071	DHS	6,653	-
MHSA Services Project of Regional and National Significance	93.243	DHS	44,003	-
Immunization Cooperative Agreements	93.268	DHS	15,137	-
State Health Insurance Assistance Program	93.324	DHS	46	-
Promoting Safe and Stable Families	93.556	DCF	44,958	-
Temporary Assistance for Needy Families	93.558	DHS	144,981	-
Child Support Enforcement	93.563	DCF	786,500	-
Low-Income Home Energy Assistance	93.568	DOA	74,503	74,503
CCDF Cluster				
Child Care and Development Block Grant	93.575	DCF	108,547	-
Total CCDF Cluster			108,547	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	58,635	-
Foster Care - Title IV-E	93.658	DCF	715,709	-
COVID-19 Foster Care - Title IV-E	93.658	DCF	80,070	-
Subtotal			795,779	-
Social Services Block Grant	93.667	DHS	264,835	-
Chronic Disease Self-Management Education Program	93.734	DHS	1,272	-
Children's Health Insurance Program	93.767	DHS	36,030	-

See notes to schedule of expenditures of federal and state awards

Federal Grantor/ Program Title	CFDA Number	Pass-through Agency	Federal Expenditures	Payments Made to Subrecipients
Medicaid Cluster				
Medical Assistance Program	93.778	DHS	$ 782,561	$ -
Medical Assistance Program	93.778	Columbia County	2,113	-
Medical Assistance Program - WIMCR	93.778	N/A	34,683	-
Total Medicaid Cluster			819,357	-
Opioid STR	93.788	DHS	438,126	-
SOR	93.788	ASAP Coalition	6,000	-
Subtotal			444,126	-
Block Grants for Community Mental Health Services	93.958	DHS	68,715	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	175,141	-
Alliance for Wisconsin Youth	93.959	DHS	1,345	-
Subtotal			176,486	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.991	DHS	11,724	-
Maternal and Child Health Services Block Grant to the States	93.994	DHS	17,282	-
Total U.S. Department of Health and Human Services			4,455,441	74,503
Election Assistance Commission				
COVID-19 2018 HAVA Election Security Grant	90.404	WEC	61,291	-
Total Election Assistance Commission			61,291	-
U.S. Department of Homeland Security				
Emergency Management Performance Grant (EMPG) 2019/2020	97.042	DMA	47,629	-
2020 EMPG-S Supplemental Grant - 2020 EMPG-S-01-12248	97.042	DMA	9,778	-
Emergency Management Performance Grant (EMPG) 2020/2021	97.042	DMA	17,881	-
Subtotal			75,288	-
Total U.S. Department of Education			75,288	-
Total Federal Programs			$ 8,644,414	$ 164,813

See notes to schedule of expenditures of federal and state awards

State Grantor/ Program Title	State ID Number	State Expenditures	Payments Made to Subrecipients
State Programs			
Wisconsin Department of Agriculture, Trade and Consumer Protection			
County Staff and Support	115.150	$ 158,254	$ -
Land and Water Resource Management	115.400	9,383	-
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		167,637	-
Wisconsin Department of Safety & Professional Services			
Wisconsin Fund Private Sewage System	143.110	2,733	-
Total Wisconsin Department of Safety & Professional Services		2,733	-
Wisconsin Department of Natural Resources			
Recreational Aids - Snowmobile Trail and Area 2019/2020	370.485	84,006	-
Recreational Aids - Snowmobile Trail and Area 2020/2021	370.485	19,601	-
Recreational Aids - ATV Trail 2019/2020	370.485	695	-
Recreational Aids - ATV Trail 2020/2021	370.485	1,000	-
Subtotal		105,302	-
Enforcement Aids - All Terrain Vehicles Enforcement	370.551	3,222	-
Enforcement Aids - Snowmobile	370.552	1,925	-
Wildlife Damage Abatement and Claims	370.553	36,079	-
Petroleum Environmental Cleanup Fund Award (PECFA)	370.667	18,668	-
Total Wisconsin Department of Natural Resources		270,499	-
Wisconsin Department of Transportation			
Elderly and Handicapped County Aids	395.101	236,118	-
Total Wisconsin Department of Transportation		236,118	-

See notes to schedule of expenditures of federal and state awards

State Grantor/ Program Title	State ID Number	State Expenditures	Payments Made to Subrecipients
Wisconsin Department of Health Services			
WIC Farmers Market	435.154720	$ 361	$ -
Comm Disease Ctrl & Prev	435.155800	6,000	-
Cons Contracts CHHD LD	435.157720	4,376	-
IMAA State Share	435.283	224,481	-
IMAA Federal Share	435.284	3,491	-
APS-Adult Protective Services	435.312	62,020	-
Children's COP	435.377	81,509	-
Alzheimers Family Support	435.381	37,942	-
Coordinated Services Team Initiative	435.515	50,586	-
Community Mental Health	435.516	127,391	-
Birth to Three Initiative	435.550	96,954	96,954
ADRC MFP-NH Relocation	435.560065	5,323	-
Aging & Dis Resource Ctr	435.560100	573,622	-
ADRC Dementia Care Proj	435.560158	79,160	-
Benefit Specialist County	435.560320	28,215	-
ADRC SPAP EBS	435.560328	6,157	-
Senior Community Svs Prog	435.560330	9,102	-
Title 3C-1 Cong Meal Prog	435.560350	24,772	-
Title 3C-2 Home Meals	435.560360	3,662	-
Elder Abuse Service	435.560490	32,199	-
Basic County Allocation	435.561	1,518,180	-
Treatment Alternative PRG	435.576	14,923	-
FPI Non-Fed	435.600	17,294	-
Basic County Allocation (State/county match)	435.681	211,541	-
Medical Assistance Crisis Training - Non-Federal	435.810790	2,113	-
Total Wisconsin Department of Health Services		3,221,374	96,954

See notes to schedule of expenditures of federal and state awards

County of Dodge

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2020

State Grantor/ Program Title	State ID Number	State Expenditures	Payments Made to Subrecipients
Wisconsin Department of Children and Families			
Food Stamp Agency Incentives	437.0965	$ 9,810	$ -
Medicaid Agency Incentives	437.0980	18,558	-
CW Kinship Care Program - Benefits	437.3377	112,361	-
CW Kinship Care Program - Assessment	437.3380	8,978	-
JJ Youth Justice Innovation Grants	437.3409	91,287	-
JJ Community Intervention Program	437.3410	28,372	-
JJ AODA	437.3411	12,242	-
JJ Youth Aids	437.3413	571,052	-
Basic County Allocation (CW Children and Families Allocation)	437.3561	690,459	-
CW Children & Families Allocations	437.3681	55,572	-
CW WiSACWIS Annual Operation Maintenance Fee	437.3935	(11,027)	-
PDS Partnership Fees	437.3940	(3,986)	-
CS Additional Funding	437.7335	13,190	-
CS State GPR/PR Funding Allocation	437.7502	104,500	-
CS Medical Support GPR Earned	437.7606	4,430	-
Total Wisconsin Department of Children and Families		1,705,798	-
Wisconsin Department of Justice			
Law Enforcement Training	455.231	21,885	-
Treatment Alternative & Diversion (TAD)	455.271	206,555	-
Victim and Witness Assistance Program	455.532	57,197	-
Total Wisconsin Department of Justice		285,637	-
Wisconsin Department of Military Affairs			
Next Generation 911	465.368	525	-
Emergency Government Response Equipment	465.308	7,144	-
Emergency Planning Grant 2019/2020 2020-EPCRA-LEPC-02-11730	465.337	22,311	-
Emergency Planning Grant 2020/2021 - 2021-EPCRA-LEPC-02-12208	465.337	7,226	-
Total Wisconsin Department of Military Affairs		37,205	-
Wisconsin Department of Veterans Affairs			
County Veterans Service Officer	485.001	13,000	-
Total Wisconsin Department of Public Instruction		13,000	-

See notes to schedule of expenditures of federal and state awards

State Grantor/ Program Title	State ID Number	State Expenditures	Payments Made to Subrecipients
Wisconsin Department of Administration			
WLIP Grant EDUC-20-14	505.166	$ 1,000	$ -
Land Information Board Grants	505.173	68,048	-
Low-Income Home Energy Assistance Program	505.371	64,198	64,198
Total Wisconsin Department of Administration		133,246	64,198
Total State Programs		$ 6,073,247	$ 161,152

See notes to schedule of expenditures of federal and state awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of the County of Dodge under programs of the federal and state government for the year ended December 31, 2020. 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 the County of Dodge, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Dodge.

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

3. CARS/SPARC Report Dates

The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) reports dated March 1, 2021 and System for Payments and Reports of Contracts (SPARC) reports for December 2020.

4. Indirect Cost Rate

The County of Dodge has not elected to use the 10 percent de minimis indirect cost rate.

5. Pass-Through Agencies

The County of Dodge received federal awards from the following pass-through agencies:

DHS	Wisconsin Department of Health Services
DCF	Wisconsin Department of Children and Families
DOJ	Wisconsin Department of Justice
DOT	Wisconsin Department of Transportation
DMA	Wisconsin Department of Military Affairs
DOA	Wisconsin Department of Administration
WEC	Wisconsin Elections Commission
Columbia County	Columbia County, Wisconsin
ASAP Coalition	Allies for Substance Abuse Prevention Coalition

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness (es) identified?	X yes	___ no
Significant deficiency (ies) identified?	___ yes	X none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal and State Awards

Internal control over major programs:

	Federal Programs	State Programs
Material weakness(es) identified?	___ yes X no	___ yes X no
Significant deficiencies identified that are not considered to be material weakness(es)?	X yes ___ none reported	X yes ___ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*?	X yes ___ no	X yes ___ no
Auditee qualified as low-risk auditee?	___ yes X no	___ yes X no
Dollar threshold used to distinguish between type A and type B programs:	$750,000	$250,000

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund
93.658	Foster Care – Title IV-E

Identification of major state programs:

State Numbers	Name of State Program
435.561, 435.681	Basic County Allocation
437.3561	CW Children and Families

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

Finding 2020-001: Financial Statement Close Process

Criteria: Auditing Standards AU-C 265 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the County's structure of internal control.

Condition: Material journal entries were identified during the course of the audit and material adjustments were made to the financial statements prepared by the County. In addition, there were several restatements identified due to material corrections of errors from the prior year.

***Cause*:** The County does not currently have processes and controls in place to identify and correct all misstatements in the financial records or the annual financial statements.

Effect: The County's interim financial records and annual financial statements may contain material misstatements prior to the audit.

Recommendation: The County should consider implementing additional internal control procedures to ensure the accuracy of its financial records and the annual financial statements.

Management's Response: The material weaknesses found as a result of the audit by Baker Tilly all related to corrected misstatements. Each of the five (5) items is discussed below:

1. Adjustment to infrastructure classification - $7,262,678

The County agrees that at the time of audit fieldwork only one half of the required entries were made. Calendar year 2020 was the first year that the County utilized Tyler Munis for recording accounting activity and as such all financial statements, including related account mapping, had to be created from scratch. At the time of the audit field work, the full accrual statements (*Statement of Net Position* and *Statement of Activities)* had not been created but the lack of the second entry would have stood out once the draft statements were created.

Since that time, the County has also implemented the usage of a Capital Projects Fund for the recording of infrastructure assets built by a proprietary fund (i.e. Highway) on behalf of the governmental funds. The County is confident that with the financial statement templates already created as well as the usage of a Capital Projects Fund this type of error will not occur in 2021 and subsequent years.

2. Accruals related to CARES broadband project - $1,223,042

Based upon the documentation provided by the vendor for the payment issued in February 2021 for 50% of the project costs, the County considered the project to be a 2021 project. However, as Baker Tilly correctly pointed out, the documentation for the payment of the remaining 50% of the project in April 2021 contained a single sentence indicating that the project was essentially completed in December 2020.

Given that the project had a very tight timeline for completion and was not approved by the Dodge County Board of Supervisors until December 2020, the Finance Department did not closely look at all subsequent documentation but agrees that they should have. The Finance Department has recently added both a Senior Accountant and Purchasing Agent to its staff which will aid in review of year-end and subsequent year documentation. The County is confident this type of error will not occur in the future.

As a point of information, all expenditures were 100% offset by related grant funding so fund balances were unaffected.

3. Adjustment to depreciation expense (Highway) - $219,630

With the deletion of buildings in the Highway fund, it was anticipated seeing a corresponding reduction in depreciation expenses. As a result of reviewing activity in Tyler Munis and CHEMS (the subsidiary ledger used by Highway for job costing purposes), the auditors and Highway Department agreed that depreciation expense for buildings was overstated by $219,630 and a corresponding audit adjusting entry was made.

Unfortunately, the State of Wisconsin Department of Transportation's Uniform Cost Accounting System Manual and Office Manager's Guide does not always follow Generally Accepted Accounting Principles, and the prescribed accounting for a loss on disposal is one example.

The Finance Department plans on working with the Highway Department to ensure that accounting for capital assets, including depreciation, is accounted for correctly.

4. Adjustment to allowance for bad debts (Clearview) - $266,345

Clearview has historically used a percentage allocation methodology to compute a bad debts reserve entry. This entry is done for each division with separate calculations for Medicare, Medicaid, and all other revenue sources. This process has led to large swings in bad debts expense with large credit balances in expenses for calendar years 2019 and 2020 before the audit adjustment. Management agrees that the expenses for 2020 were understated before the audit adjustment.

The Finance Department plans on working with Clearview to ensure that the reserve for bad debts allowance is reasonable each year.

5. Reclassification of construction in progress (Highway) - $620,670

In working with the Highway Department, the auditors discovered that the accounting for the construction of the new Reeseville Highway shop incorrectly classified various items that should have been expensed rather than capitalized. In addition, there were irregularities found in various buildings, land improvements, and machinery and equipment assets where depreciation was not calculated according to the County's fixed asset policy. Further, the work papers provided by the Highway Department from CHEMS did not tie out to the Munis general ledger values.

The Finance Department plans on working with the Highway Department to ensure that accounting for capital assets, including depreciation, is accounted for correctly.

Section III - Federal and State Awards Findings and Questioned Costs

Finding 2020-002

Program CFDA Number: **21.019**
Program Title: **COVID-19 Coronavirus Relief Fund**
Pass-through Agency: **Wisconsin Department of Health Services (DHS)**
Award Year: **2020**

Criteria: According to the program grant agreement, the County is required to submit monthly expenditure reports for reimbursement through CARS. In addition, 2 CFR 200.303 Internal Controls requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition/Context: A sample of 1 of the 6 monthly (July through December) CARS reports was selected. There was no evidence retained to support the review of the reports before they were submitted. Our sample was not statistically valid.

Cause: The County's current processes do not require the retention of documentation of the review and approval of the CARS report by someone other than the preparer.

Effect: CARS reports submitted could be inaccurate.

Questioned Costs: None noted.

Recommendation: The County should consider enhancing its internal control documentation related to the review of CARS reporting.

Management's Response: Each CARS report is created by the division manager and reviewed by the accounting technician before it is submitted to the State. We have created a verification of review spreadsheet that includes the date and name of who reviewed, submitted, and reconciled.

Finding 2020-003

Program CFDA Number: **93.658**
Program Title: **Foster Care – Title IV-E**
Pass-Through Agency: **Wisconsin Department of Children and Families (DCF)**
Award Year: **2020**

Criteria: According to the program grant agreement, the County is required to submit monthly expenditure reports for reimbursement through SPARC. In addition, 2 CFR 200.303 Internal Controls requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition/Context: A sample of 3 of the 12 monthly SPARC reports was selected. There was no evidence retained to support the review of the reports before they were submitted. Our sample was not statistically valid.

Cause: The County's current processes do not require the retention of documentation of the review and approval of the SPARC report by someone other than the preparer.

Effect: SPARC reports could be inaccurate.

Questioned Costs: None noted.

Recommendation: The County should consider enhancing its internal control documentation related to the review of SPARC reporting.

Management's Response: Each SPARC report is created by the division manager and reviewed by the accounting technician before it is submitted to the State. We have created a verification of review spreadsheet that includes the date and name of who reviewed, submitted, and reconciled.

Finding 2020-004

Program State ID Numbers: **435.561, 435.681, 437.3561**
Program Titles: **Basic County Allocation**
CW Children and Families
State Grantors: **Wisconsin Department of Health Services (DHS)**
Wisconsin Department of Children and Families (DCF)
Award Year: **2020**

Criteria: According to the program grant agreement, the County is required to submit monthly expenditure reports for reimbursement through CARS and SPARC. In addition, 2 CFR 200.303 Internal Controls requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition/Context: A sample of 3 of the 12 monthly SPARC reports and 3 of the 13 (12 monthly plus 1 final) CARS reports was selected. There was no evidence retained to support the review of the reports before they were submitted. Our sample was not statistically valid.

Cause: The County did not have documentation of the review and approval of the CARS and SPARC reports by someone other than the preparer.

Effect: CARS and SPARC reports could be inaccurate.

Questioned Costs: None noted.

Recommendation: The County should consider enhancing its internal control documentation related to the review of CARS and SPARC reporting.

Management's Response: Each CARS and SPARC report is created by the division manager and reviewed by the accounting technician before it is submitted to the State. We have created a verification of review spreadsheet that includes the date and name of who reviewed, submitted, and reconciled.

Finding 2020-005

Program State ID Numbers: **N/A**
Program Titles: **Wisconsin State Single Audit Guidelines – General Requirements**
State Grantors: **Wisconsin Department of Health Services (DHS)**
Wisconsin Department of Children and Families (DCF)
Award Year: **2020**

Criteria: According to the *State Single Audit Guidelines* the County is required to have a system to monitor the receipt of audit reports and to review and resolve audit findings from provider agencies.

Condition/Context: A sample of 14 of the 134 provider agencies was selected. There was no evidence retained to support the receipt and monitoring of audit reports or review and resolution of audit findings from provider agencies for 8 of the 14 providers selected. The remaining 6 audits were not yet due at the time of our testing. Our sample was not statistically valid.

Cause: The County did not have documentation to support the required monitoring procedures for the provider agencies.

Effect: The County could continue to use providers that do not comply with applicable reporting standards.

Questioned Costs: None noted.

Recommendation: The County should consider utilizing a standard review checklist for audit reports of provider agencies. In addition, this documentation should be retained in order to further support the monitoring procedures in place.

Management's Response: We created a spreadsheet to track the receipt and review of each audit report provided by provider agencies.

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	____	yes	X	no
Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, 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	X	yes	____	no
Department of Children and Families	X	yes	____	no
Department of Justice	____	yes	X	no
Department of Transportation	____	yes	X	no
Department of Military Affairs	____	yes	X	no
Department of Administration	____	yes	X	no
Department of Agriculture, Trade, and Consumer Protection	____	yes	X	no
Department of Safety and Professional Services	____	yes	X	no
Department of Natural Resources	____	yes	X	no
Department of Veterans Affairs	____	yes	X	no
Was a Management Letter or other document conveying audit comments issued as a result of this audit?	X	yes	____	no

Name and signature of partner

Andrea Jansen, CPA, CFE, Partner

Date of report: January 13, 2022