

DUNN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2011

**DUNN COUNTY, WISCONSIN
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**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

We have audited the financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dunn County, Wisconsin (County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 15, 2012. These financial statements are the responsibility of County management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dunn County Housing Authority, a discretely presented component unit of the County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance have 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 15, 2012

**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Year Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
				Federal	Local	Grant Reimburse- ments	Local Share	
U.S. Department of Agriculture								
Passed through Wisconsin Department of Health Services:								
Special Supplemental Food Program for Woman, Infants and Children	10.557	\$ 20,133	\$ -	\$ 181,506	\$ 6,911	\$ 201,639	\$ 6,911	\$ -
State Matching Grant for Food Stamp Program	10.561	63,791	-	255,106	905	272,401	905	46,496
Total U.S. Department of Agriculture		83,924	-	436,612	7,816	474,040	7,816	46,496
U.S. Department of Justice								
Direct Grant:								
Bulletproof Vests Partnership Program								
Passed through Eau Claire County:	16.607	(4,174)	4,174	-	-	-	-	-
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.738 (D)	532	2,080	5,728	-	2,612	-	5,728
ARRA - ACCESS Grant	16.803 (D)	3,032	-	-	-	3,032	-	-
Passed through Wisconsin Department of Administration - Office of Justice Assistance:								
CEASE Grant	16. none	-	-	380	-	380	-	-
Crime Victim Assistance	16.575	12,895	-	51,999	16,787	58,511	16,787	6,383
State Criminal Alien Assistance Program	16.606	-	-	910	-	910	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738 (D)	(13,112)	-	22,261	-	-	-	9,149
Passed through Wisconsin Department of Transportation:								
Youth Alcohol Enforcement Comprehensive Risk Reduction	16.727	-	-	4,885	1,221	4,885	1,221	-
Passed through the City of Menomonee:								
ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	16.810 **	44,653	-	192,199	-	205,172	-	31,680
Total U.S. Department of Justice		43,826	6,254	278,362	18,008	275,502	18,008	52,940
U.S. Department of Transportation								
Passed through Wisconsin Department of Transportation:								
ARRA - Federal Transit Capital Grants	20.500	-	-	102,584	-	102,584	-	-
Federal Small Urban and Rural Public Transportation Program Grant	20.509	51,198	-	149,045	371,522	149,599	371,522	50,644
Highway Safety Grants	20.600	-	-	4,000	5,319	4,000	5,319	-
Passed through the City of Portage:								
Federal Transit Capital Grants	20.500 ^	-	-	48,951	-	48,951	-	-
Total U.S. Department of Transportation		51,198	-	304,580	376,841	305,134	376,841	50,644

** Major Federal Awards Program
^ Noncash assistance
(D) JAG Program Cluster

**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Year Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
				Federal	Local	Grant Reimburse- ments	Local Share	
Environmental Protection Agency								
Passed through Wisconsin Department of Health Services:								
Indoor Radon Program	66.032	6	-	9,164	-	9,170	-	-
Passed through Wisconsin Department of Natural Resources:								
Nonpoint Source Implementation Grants	66.460	761	-	10,323	-	11,084	-	-
Total Environmental Protection Agency		767	-	19,487	-	20,254	-	-
U.S. Department of Education								
Passed through Wisconsin Department of Health Services:								
Birth-to-Three Initiative	84.181 (A)	\$ -	\$ -	\$ 66,315	\$ -	\$ 66,315	\$ -	\$ -
ARRA - Birth-to-Three Initiative	84.393 (A)	2,740	-	14,996	375	17,736	375	-
Total U.S. Department of Education		2,740	-	81,311	375	84,051	375	-
U.S. Department of Health and Human Services								
Passed through Wisconsin Department of Health Services:								
Bioterrorism Focus A Planning	93.069	13,549	-	-	-	13,549	-	-
Immunization Grants	93.268 (B)	7	-	12,827	-	12,834	-	-
Block Grants for Temporary Assistance for Needy Families	93.558 **	-	-	66,849	-	66,849	-	-
Social Services Block Grant	93.667	-	-	134,949	695	134,949	695	-
ARRA - Immunization WIC Project	93.712 (B)	1,002	-	-	-	1,002	-	-
State Children's Insurance Program	93.767	5,637	-	29,882	-	29,397	-	6,122
Medical Assistance Cluster Program:								
Wisconsin Medical Assistance Cost Reporting	93.778 **	181,491	-	1,148,849	78,144	1,133,981	78,144	194,359
Block Grants for Community Mental Health Services	93.778 **	-	-	85,307	-	85,307	-	-
Block Grants for Prevention and Treatment of Substance Abuse	93.958	39,602	-	88,711	-	86,304	-	2,407
Preventive Health and Health Services Block Grant	93.959	-	-	111,714	-	150,075	-	1,241
Maternal and Child Health Services Block Grant	93.991	8	-	5,456	-	5,464	-	-
Passed through Area Agency on Aging:	93.994	3	-	57,255	1,787	57,258	1,787	-
Title III, Part B - Supportive Services (Part of Aging Cluster)	93.044 (C)	4,719	-	37,335	7,457	36,988	7,457	5,066
Title III, Part C-1 - Nutrition Services (Part of Aging Cluster)	93.045 (C)	(2,343)	-	33,718	95,825	31,375	95,825	-
Title III, Part C-2 - Home Delivered Meals (Part of Aging Cluster)	93.045 (C)	(3,654)	-	21,172	336,513	17,518	336,513	-
Title III, Part D - Preventive Health	93.043	484	-	2,710	922	3,194	922	-
Title III, Part E - National Family Caregiver Support	93.052	3,207	-	15,004	8,444	16,854	8,444	1,357

** Major Federal Awards Program

(A) Early Intervention Services (IDEA) Cluster

(B) Immunization Cluster

(C) Aging Cluster

**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Year Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
				Federal	Local	Grant Reimburse- ments	Local Share	
U.S. Department of Health and Human Services (Continued)								
Passed through Area Agency on Aging: (Continued)								
Nutrition Services Incentives Program								
MIPPA	93.053	(C) \$ 468	\$ -	\$ 22,070	\$ -	\$ 22,538	\$ -	\$ -
MIPPA	93.071	-	-	1,766	-	782	-	984
MIPPA	93.779	-	-	1,628	-	721	-	907
Passed through Wisconsin Department of Children and Families:								
Meth Grant Cooperative	93.087	-	-	19,000	-	19,000	-	-
Safe & Stable Families	93.556	4,446	-	47,178	(37)	40,863	(37)	10,761
Block Grants for Temporary Assistance for Needy Families	93.558	** 33,215	-	255,855	6,632	234,534	6,632	54,536
Child Support Enforcement	93.563	** -	-	472,950	179,053	355,814	179,053	117,136
Child Care Mandatory and Matching Funds	93.596	4,494	-	77,514	6,027	70,787	6,027	11,221
Youth Independent Living	93.599	-	-	1,205	-	1,205	-	-
Child Welfare Service Grants - State Grants	93.645	-	-	17,583	13,965	17,583	13,965	-
Foster Care - Title IV-E	93.658	40	-	240,300	190,705	240,318	190,705	22
Social Services Block Grant	93.667	-	-	26,801	21,287	26,801	21,287	-
Youth Independent Living II	93.674	792	-	13,859	(800)	11,451	(800)	3,200
Passed through Wisconsin Department of Administration:								
Low Income Home Energy Assistance Program	93.568	13,355	-	75,252	-	77,179	-	11,428
Passed through Wisconsin Department of Corrections:								
Child Welfare Service Grants - State Grants	93.645	-	-	2,351	6,728	2,265	6,728	86
Foster Care - Title IV-E	93.658	-	-	3,396	9,719	3,272	9,719	124
Total U.S. Department of Health and Human Services		300,522	-	3,128,446	963,066	3,008,011	963,066	420,957
U.S. Department of Homeland Security								
Passed through Wisconsin Department of Administration -								
Office of Justice Assistance:								
State Homeland Security Grant Program:								
2008-HS-05-8740	97.067	-	-	21,847	4,565	21,647	4,565	-
2009-HS-05-8673		-	-	75,000	-	75,000	-	-
Emergency through Wisconsin Department of Military Affairs:								
Management Performance Grant	97.042	44,835	(10,812)	45,864	-	65,526	-	14,461
Total U.S. Department of Homeland Security		44,835	(10,812)	142,611	4,565	162,173	4,565	14,461
TOTAL FEDERAL AWARDS PROGRAMS		\$ 527,812	\$ (4,558)	\$ 4,391,409	\$ 1,370,671	\$ 4,329,165	\$ 1,370,671	\$ 585,498

** Major Federal Awards Program
(C) Aging Cluster

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
					Grant Reimburse- ments	Local Share	
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Agricultural Clean Sweep	115.04	\$ 24,500	-	\$ 31,051	\$ 24,500	\$ 18,701	\$ 12,350
District Fairs	115.05	(4,025)	4,025	-	-	-	-
Soil and Water Resource Management	115.15	**	-	138,700	138,700	-	-
Land and Water Resource Management	115.40	**	-	29,915	27,662	-	10,587
Total Department of Agriculture, Trade and Consumer Protection		28,809	4,025	199,666	190,862	18,701	22,937
<u>Department of Commerce</u>							
Wisconsin Fund Private Sewage System	143.110	-	-	4,539	4,539	-	-
<u>Department of Natural Resources</u>							
Wildlife Damage Abatement and Claims	370.553	13,483	-	14,094	23,178	-	4,399
County Conservation Aids	370.563	13,092	-	3,524	13,092	1,762	1,762
Forest Crop/Managed Forest	370.566	-	-	22,711	22,711	-	-
Snowmobile Trails	370.574	72,675	-	99,186	169,930	-	1,931
Lakes Management	370.664	-	-	6,743	5,000	1,743	-
Recycling Grant	370.670	**	-	756,435	146,100	610,335	-
Total Department of Natural Resources		99,250	-	902,693	380,011	613,840	8,092
<u>Department of Transportation</u>							
Elderly and Handicapped County Transportation Aids	395.101	**	-	148,992	87,856	49,380	-
Transit Operating Aids	395.104	**	-	153,730	138,356	-	15,374
Total Department of Transportation		(11,756)	-	302,722	226,212	49,380	15,374
<u>Department of Corrections</u>							
Community Intervention	410.302	-	-	11,980	11,980	-	-
Youth Aids	410.313	-	-	986,611	246,140	731,131	9,340
Total Department of Corrections		-	-	998,591	258,120	731,131	9,340
<u>Department of Health Services</u>							
Funeral/Cemetery W-2 & Non W-2	435.105	2,197	-	53,599	72,977	-	(17,181)
Medicaid Transportation	435.131	3,680	-	29,385	34,044	-	(979)
Fluoride Supplement	435.151734	-	-	2,659	2,659	-	-
WIC Farmers Market Grant	435.154720	364	-	1,456	1,820	-	-
WWWP-GPR SS.255.06(2)	435.157000	3	-	17,001	17,004	-	-
Cons Contracts Lead Poisoning	435.157720	1	-	4,600	4,601	-	-
Cons Contracts Maternal and Child Health Services	435.159320	-	-	1,471	1,471	-	-
Reproductive Health	435.159321	-	-	30,954	30,954	-	-
Low Income Child Administration	435.231	5,629	-	26,979	28,796	790	3,022

** Major State Financial Assistance Program

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
					Grant Reimburse- ments	Local Share	
<u>Department of Health Services (Continued)</u>							
FSET Transportation	435.233	\$ (152)	\$ -	\$ 2,972	\$ 2,371	\$ -	\$ 449
FSET Retention	435.235	-	-	399	128	24	247
IMAA State Share	435.283	**	-	552,361	170,361	380,783	1,217
IMAA Federal Share	435.284	**	4,384	33,694	31,174	-	6,904
Medicaid Subrogation Collections	435.291	-	-	(1,958)	(444)	(294)	(1,220)
APS-Adult Protective Services	435.312	**	-	36,036	36,036	-	-
Community Options Program	435.367	**	876	83,013	57,285	-	26,604
CLTS GPR	435.450	**	1,327	59,467	64,430	-	(3,636)
CLTS MH Non Federal	435.451	**	(4,844)	12,830	6,896	-	1,090
CLTS DD Non Federal Other	435.460	**	-	102,986	74,017	9,628	19,341
CLTS MH Non Federal Other	435.461	**	-	38,586	20,954	6,675	10,957
CLTS PD Non Federal Other	435.462	**	2,644	6,926	7,070	188	2,312
Certified Mental Health Program	435.517	**	19,895	23,874	31,111	1,869	10,789
Integrated Services for Children with Severe Disabilities	435.530	-	-	9,144	9,144	-	-
Non-Resident Reimbursement	435.531	-	-	6,197	6,197	-	-
Birth to Three Initiative	435.550	-	-	63,409	63,409	-	-
Aging and Disability Resource Center	435.560100	**	-	305,486	261,065	44,421	-
Basic County Allocation	435.561	**	-	935,323	935,323	-	-
IDP Emergency Funds	435.567	-	26,158	22,486	26,158	-	22,486
IMD Obra Relocations	435.571	-	-	9,392	9,392	-	-
Family Support	435.577	-	3,230	29,279	29,219	-	3,290
Basic County Allocation - State/County Match	435.681	**	-	1,303,454	120,333	1,183,121	-
CMP Grant for Green House Implementation	435.621	-	51,326	8,674	60,000	-	-
Passed through Area Agency on Aging:							
Elderly Benefit Specialist Program	435.560320	-	-	32,434	29,958	4,219	(1,743)
Pharmaceutical Assistance Program	435.560328	-	-	3,565	3,565	-	-
State Senior Community Services	435.560330	-	-	13,679	6,404	7,275	-
Title III, Part C-1 Congregate Meals	435.560350	(3,966)	-	220,290	53,371	162,953	-
Title III, Part C-2 Home Delivered Meals	435.560360	(468)	-	46,068	2,259	43,341	-
Alzheimer's Family and Caregiver Support	435.560381	1,440	-	10,784	10,316	-	1,908
Elder Abuse	435.560490	6,751	-	14,981	19,730	175	1,827
Total Department of Health and Family Services		120,475	-	4,153,935	2,341,558	1,845,168	87,684

** Major State Financial Assistance Program

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Years Adjustments	Receipts		Accrued (Deferred) Reimbursements 12/31/11
				Grant Reimburse- ments	Local Share	
<u>Department of Children and Families</u>						
Child Support Enforcement	437.7502	\$ -	\$ -	\$ 54,924	\$ -	\$ 25
W-2 Administration and Services	437.215	** 25,977	-	133,830	(2,814)	27,027
JOBS Access	437.223	492	-	426	800	(32)
AW DOJ Fingerprint Background	437.3324	110	-	518	(58)	58
Basic County Allocation	437.3561	-	-	194,931	154,828	-
eWISACWIS	437.3604	-	-	(4,826)	-	-
State/County Match	437.3681	-	-	39,930	80,900	-
Total Department of Department of Children and Families		26,579	-	419,733	233,656	27,078
<u>Department of Justice</u>						
Victim Witness Assistance Program	455.503/532/539	29,210	-	55,873	-	20,782
Children's Justice Act	455.543	-	-	12,691	-	-
Total Department of Justice		29,210	-	68,564	-	20,782
<u>Department of Military Affairs</u>						
Hazmat Training	465.310	-	-	396	-	-
Computer & Hazmat Equipment Grant	465.337	7,937	-	7,937	537	8,823
Emergency Planning Grant	465.337	3,194	-	12,772	-	3,386
Total Department of Military Affairs		11,131	-	21,105	537	12,209
<u>Department of Administration</u>						
Land Information Board Grant	505.118	-	-	9,251	-	-
Public Benefits	505.371	21,029	-	40,519	-	20,080
Total Department of Administration		21,029	-	49,770	-	20,080
Subtotal State Financial Assistance		\$ 324,727	\$ 4,025	\$ 7,347,711	\$ 3,492,413	\$ 223,576
Deduct: Local Share of Expenditures				(3,504,169)		
TOTAL STATE FINANCIAL ASSISTANCE PROGRAMS						\$ 3,843,542

** Major State Financial Assistance Program

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2011**

NOTE 1 REPORTING ENTITY

Dunn County is governed by a board of supervisors consisting of twenty-nine elected members.

The financial reporting entity for the County is based upon criteria set forth in generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial reporting entity is defined by GASB to consist of (a) the primary government; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist of the primary government and the Dunn County Housing Authority, a discretely presented component unit. Federal and state awards received directly by the Housing Authority are not included in the schedules of expenditure of federal awards and state financial assistance since the Housing Authority has been audited by other auditors. The financial statements of the Dunn County Housing Authority can be obtained from the Housing Authority's office at 430 Crescent, Menomonie, Wisconsin.

NOTE 2 BASIS OF PRESENTATION

The schedules of expenditures of federal awards and state financial assistance have been presented on a basis to reflect the flow of available funds in the individual programs as follows:

Expenditures – Expenditures are presented on the accrual basis of accounting. Grant expenditures represent the amount of program funds expended during the year.

Receipts – Receipts represent actual program funds received by the County during the year. Receipts recorded under the Local Share category, if any, represent the amounts of local funds used to finance the County's share of program expenditures on selected programs.

Accrued Reimbursement – Amounts recorded as accrued reimbursements represent the excess of program funds expended over available program funds. Such amounts represent program funds receivable by the County.

Deferred Reimbursement – Amounts recorded as deferred reimbursements represent available (unexpended) program funds held by the County.

NOTE 3 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2011 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2011.

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
DECEMBER 31, 2011**

NOTE 4 FEDERAL PASSTHROUGHS TO SUBRECIPIENTS

During 2011, the County did not pass any federal funding to subrecipients.

NOTE 5 RECOVERY ACT - ASSISTANCE TO RURAL LAW ENFORCEMENT TO COMBAT CRIME AND DRUGS COMPETITIVE GRANT PROGRAM

The City of Menomonie is the recipient of an Assistance to Rural Law Enforcement to Combat Crime and Drugs grant through the Department of Justice (CFDA #16.810). The grant is funding a state of the art data center providing centralized information technology services to all County Departments and the Menomonie Police Department. Dunn County is responsible for the development and maintenance of this data center. While the County did not receive any of the grant proceeds directly, the City of Menomonie reimbursed the County for wages paid related to the project with grant funds. The City also purchased equipment with grant funds and contributed the equipment to the County who is considered a sub-grant awardee. Consistent with Office of Management and Budget (OMB) A-133.205(a), the County has determined the federal awards are expended upon receipt of contributed property. According to OMB A-133.205(g), federal non-cash assistance, such as the contributed equipment, shall be valued at fair market value at the time of receipt. Therefore, a portion of the amount presented in the scheduled of expenditures of federal awards represents the market value of equipment received by the City of Menomonie which was originally purchased with federal dollars through the Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program.



CliftonLarsonAllen LLP
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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***

Honorable Members
of the Board of Supervisors
Dunn County, 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 Dunn County, Wisconsin (County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 15, 2012. 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 Dunn County Housing Authority, a discretely presented component unit of the County, as described in our report on the County's financial statements. The financial statements of that component unit were audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of 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 such deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider item 2011-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

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 the attention by those charged with governance. We consider item 2011-02 in the accompanying schedule of findings and questioned costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The County's written responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the governing board and management of the County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 15, 2012



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND STATE SINGLE AUDIT GUIDELINES**

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

Compliance

We have audited the compliance of Dunn County, Wisconsin (County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2011. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (included federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's 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 state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

Dunn County's basic financial statements include the operations of the Dunn County Housing Authority, which expended \$431,398 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2011. Our audit, described below, did not include the operations of the Dunn County Housing Authority because it operates on a March 31 fiscal year-end and receives its own audit of expenditures of federal awards.

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*, issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and state 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 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with State Single Audit Guidelines and which is described in the accompanying schedule of findings and questioned costs as item 2011-03.

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 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 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.

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.

This report is intended solely for the information and use of the board and management of the County, the 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 specific parties.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 15, 2012

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011**

PART I: SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the County.
2. A material weakness in internal control over financial reporting was disclosed during the audit of the financial statements and is listed as Finding 2011-01. Finding 2011-02 is considered a significant deficiency.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. A significant deficiency in internal control over compliance relating to the audit of the major federal award programs and major state financial assistance programs was reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance with *OMB Circular A-133* and *State Single Audit Guidelines*." The significant deficiency is listed as finding 2011-03.
5. The audit disclosed no findings, which were required to be reported in accordance with Office on Management and Budget Circular A-133, Section .510(a)(1).
6. The independent auditors' report on compliance for the major federal award programs and the major state financial assistance programs for the County expresses an unqualified opinion.
7. The federal programs tested as major programs and the state programs tested as major programs, including the federal programs tested as state major programs, are presented in the "Summary of Federal and State Programs Tested as Major Programs" which follows this schedule.
8. The threshold for distinguishing Types A and B programs was \$300,000 for federal award programs and \$100,000 for state financial assistance programs.
9. The County did not qualify as a low-risk auditee as defined in OMB Circular A-133.
10. A summary schedule of prior year audit findings has not been included since there were no prior year findings related to major federal awards and major state financial assistance programs. Prior year findings related to internal control over financial reporting included "material audit adjustments" and "limited segregation of duties".

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2011-01 Material Audit Adjustments

Criteria: The County should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Condition: The audit firm proposed and the County posted to its general ledger accounts journal entries for correcting certain misstatements. These adjusting journal entries were considered to be material for the fair presentation of the County's financial statements.

Context: The County has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.

Cause: The County has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

Effect: The financial statements of the County may include inaccurate information not detected or prevented by County staff.

Recommendation: The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them.

Official Responsible for Ensuring CAP:

The Financial Manager is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Manager will be monitoring this corrective action plan.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED):

FINDING: 2011-02 Limited Segregation of Duties

- Criteria:** Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.
- Condition:** In some of the smaller County offices the available staff precludes a proper separation of duties to assure adequate internal control.
- Context:** The limited size of the County's limited staff in some departments responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The County has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.
- Cause:** The condition is due to limited staff available.
- Effect:** Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud, that would not be detected or prevented by County staff.
- Recommendation:** The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County continues to work to achieve segregation of duties whenever cost effective.

Official Responsible for Ensuring CAP:

The Financial Manager is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Manager will be monitoring this corrective action plan.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

PART IV: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS:

FINDING: 2011-03 Transit Operating Aids (State ID #395.104)

Criteria: The County should have in place a system to monitor compliance with the requirement to provide reduced fares for elderly and disabled persons during nonpeak hours.

Condition: During review of the County's transit system it was noted that the schedule of fares did not include reduced rates for elderly and disabled persons during nonpeak hours. Per Wisconsin Administrative Code, Chapter Trans 4.08(4)(b), 'State aid contracts shall require that recipients do the following: Provide reduced fare programs for elderly and disabled persons during nonpeak hours, except if the mass transit system is a shared-ride taxicab system. Reduced fares may not exceed one-half of the adult cash fare.'

Cause: The condition is due to the transit system program being relatively new to the County.

Effect: Non-compliance with Wisconsin Administrative Code requirements could result in the loss or reduction of such funding for the program.

Recommendation: The County should review the fare schedule and revise to comply with the related requirements.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County is currently working with WisDOT to update the fare schedule to comply with such requirements.

Official Responsible for Ensuring CAP:

The Transit Manager is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is in process as of the date of this report and is expected to be completed by December 31, 2012.

Plan to Monitor Completion of CAP:

The Transit Manager will be monitoring this corrective action plan.

**DUNN COUNTY, WISCONSIN
SUMMARY OF FEDERAL AND STATE PROGRAMS TESTED AS MAJOR PROGRAMS
DECEMBER 31, 2011**

FEDERAL PROGRAMS

The following federal programs were tested as major programs:

CFDA #	Program Title	Amount
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	\$ 192,199
93.563	Child Support Enforcement	472,950
93.778	Medical Assistance Program	1,232,156
93.558	Block Grant for Temporary Assistance for Needy Families	322,704
		<u>\$ 2,220,009</u>

STATE PROGRAMS

The following federal and state programs were tested as major state programs:

CFDA #/ State ID #	Program Title	Amount
State Programs on Schedule of State Financial Assistance:		
115.15	Soil and Water Resource Management - Basic Annual Staffing Grant	\$ 138,700
115.40	Land and Water Resource Management Projects	29,915
370.670	Recycling Program	146,100
395.101	Elderly and Handicapped County Transportation Aids	99,612
395.104	Transit Operating Aids	153,730
410.313	Youth Aids	255,480
435.283	IM Available Allocation - State Share	171,578
435.284	IM Available Allocation - Fed Share	33,694
435.367	Community Options Program	83,013
435.450	CLTS GPR	59,467
435.451	CLTS MH Non Federal	12,830
435.460	CLTS DD Non Federal Other	93,358
435.461	CLTS MH Non Federal Other	31,911
435.462	CLTS PD Non Federal Other	6,738
435.560100	Aging and Disability Resource Center	261,065
435.561	Basic County Allocation	935,323
435.681	Basic County Allocation - State/County Match	120,333
437.215	W-2 Administration	134,880
437.3561	Basic County Allocation	194,931
		<u>\$ 2,962,658</u>
Federal Programs on Schedule of Expenditures of Federal Awards:		
93.778	Medical Assistance Program - Human Services Contract	1,146,849
93.778	Medical Assistance Program - WI Medicare Cost Reporting	85,307
93.596	Child Care	77,514
		<u>1,309,670</u>
		<u>\$ 4,272,328</u>