

DUNN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2012

**DUNN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2012**

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**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/12
		Reimbursements 1/1/12	Prior Year Adjustments	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	\$ -	\$ -	\$ 181,620	\$ -	\$ 178,251	\$ -	\$ 3,369
State Matching Grant for Food Stamp Program	10.561 (B)	46,496	-	40,503	-	87,342	-	(343)
Woman, Infants, and Children Farmers' Market Nutrition Program	10.572	-	-	230	-	230	-	-
Passed through Great Rivers Income Maintenance Consortium:								
State Matching Grant for Food Stamp Program	10.561 (B)	-	-	189,918	151,697	127,902	151,697	62,016
Total U.S. Department of Agriculture		46,496	-	412,271	151,697	393,725	151,697	65,042
U.S. Department of Justice								
Passed through Eau Claire County:								
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.738 (D)	5,728	-	-	-	5,728	-	-
Passed through Wisconsin Department of Administration - Office of Justice Assistance:								
Crime Victim Assistance	16.575	6,383	-	19,425	5,346	20,019	5,346	5,789
State Criminal Alien Assistance Program	16.606	-	-	1,210	-	1,210	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738 (D)	9,149	-	38,858	-	32,492	-	15,515
Passed through the City of Menomonie:								
ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	16.810	31,680	-	25,366	3,273	57,046	3,273	-
Total U.S. Department of Justice		52,940	-	84,859	8,619	116,495	8,619	21,304
U.S. Department of Transportation								
Passed through Wisconsin Department of Transportation:								
ARRA - Federal Transit Capital Grants	20.500	-	-	44,800	-	44,800	-	-
Formula Grants for Other Than Urbanized Areas	20.509 **	50,644	-	277,760	413,722	215,541	413,722	112,863
Highway Safety Grants	20.600 (E)	-	-	11,457	2,257	7,937	2,257	3,520
Child Safety and Child Booster Seats Incentive Grants	20.613 (E)	-	-	4,000	2,871	4,000	2,871	-
Total U.S. Department of Transportation		50,644	-	338,017	418,850	272,278	418,850	116,383

** Major Federal Awards Program
(B) SNAP Cluster
(D) JAG Program Cluster
(E) Highway Safety Cluster

See the accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/12
		Reimbursements 1/1/12	Prior Year Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<u>Environmental Protection Agency</u>								
Passed through Wisconsin Department of Health Services:								
Indoor Radon Program	66.032	\$ -	\$ -	\$ 9,164	\$ -	\$ 9,164	\$ -	\$ -
<u>U.S. Department of Education</u>								
Passed through Wisconsin Department of Health Services:								
Birth-to-Three Initiative	84.181	-	-	65,178	-	65,178	-	-
<u>U.S. Department of Health and Human Services</u>								
Passed through Wisconsin Department of Health Services:								
ARRA - Title IV and Title II Discretionary Projects	93.048	-	-	3,264	-	3,264	-	-
Immunization Grants	93.268	-	-	12,228	-	12,228	-	-
Block Grants for Temporary Assistance for Needy Families	93.558 (F)	-	-	63,924	-	63,924	-	-
Social Services Block Grant	93.667	-	-	126,948	111	126,948	111	-
State Children's Insurance Program	93.767	6,122	-	-	-	6,122	-	-
Medical Assistance Cluster Program:								
Medical Assistance Program	93.778 (A)**	194,359	-	517,505	563,725	599,668	563,725	112,196
Wisconsin Medical Assistance Cost Reporting	93.778 (A)**	-	-	115,858	-	115,858	-	-
Block Grants for Community Mental Health Services	93.958	2,407	-	81,008	-	78,784	-	4,631
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,241	-	86,969	-	88,417	-	(207)
Maternal and Child Health Services Block Grant	93.994	-	-	60,220	-	60,220	-	-
Passed through Great Rivers Income Maintenance Consortium:								
Temporary Assistance for Needy Families	93.558 (F)	-	-	6,138	4,902	4,133	4,902	2,005
Children's Health Insurance Program	93.767	-	-	35,538	28,386	23,934	28,386	11,604
Medical Assistance Program	93.778 (A)**	-	-	263,370	210,367	177,369	210,367	86,001
Passed through Area Agency on Aging:								
Title III, Part D - Preventive Health	93.043	-	-	2,715	4,116	2,715	4,116	-
Title III, Part B - Supportive Services	93.044 (C)	5,066	-	-	-	5,066	-	-
Title III, Part B - Supportive Services	93.045 (C)	-	-	38,358	4,279	20,615	4,279	17,743
Title III, Part C-1 - Nutrition Services	93.045 (C)	-	-	25,452	63,757	24,774	63,757	678
Title III, Part C-2 -Home Delivered Meals	93.045 (C)	-	-	22,047	297,659	22,047	297,659	-
Title III, Part E - National Family Caregiver Support	93.052	1,357	-	15,830	14,423	16,187	14,423	1,000
Nutrition Services Incentives Program	93.053 (C)	-	-	21,961	-	19,863	-	2,098
MIPPA	93.071	984	-	-	-	984	-	-
** Major Federal Awards Program								
(A) Medicaid Cluster								
(C) Aging Cluster								
(F) TANF Cluster								

See the accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
(2)

**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred)		
		Reimbursements	Prior Year Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	Reimbursements		
		1/1/12						12/31/12		
<u>U.S. Department of Health and Human Services (Continued)</u>										
Passed through Area Agency on Aging: (Continued)										
MIPPA	93.518	\$ -	\$ -	\$ 2,080	\$ -	\$ 2,080	\$ -	\$ -		
Title III, Part C-1 - Nutrition Services	93.667	-	-	1,465	3,670	1,426	3,670	39		
State Elderly Benefit Services (Medical Assistance)	93.778	(A) **	-	15,236	-	15,236	-	-		
State Pharmaceutical Assistance Program (Medical Assistance)	93.778	(A) **	-	6,550	-	6,550	-	-		
Title III, Part C-1 - Nutrition Services	93.779	-	-	21,712	54,388	21,134	54,388	578		
MIPPA	93.779	-	907	1,292	-	2,199	-	-		
State Health Insurance Assistance Program	93.779	-	-	4,000	-	4,000	-	-		
Passed through Wisconsin Department of Children and Families:										
Meth Grant Cooperative	93.087	-	-	14,250	-	14,250	-	-		
Safe & Stable Families	93.556	-	10,761	46,350	-	44,241	-	12,870		
Block Grants for Temporary Assistance for Needy Families	93.558	(F)	54,536	204,827	37,068	229,062	37,068	30,301		
Child Support Enforcement	93.563	**	117,136	524,240	142,873	517,522	142,873	123,854		
Child Care Mandatory and Matching Funds	93.596	-	11,221	77,064	4,766	75,577	4,766	12,708		
Youth Independent Living	93.599	-	-	960	-	860	-	100		
Child Welfare Service Grants - State Grants	93.645	-	-	141,396	128,647	141,396	128,647	-		
Foster Care - Title IV-E	93.658	-	22	23,025	20,764	23,000	20,764	47		
Social Services Block Grant	93.667	-	-	62,512	56,876	62,512	56,876	-		
Youth Independent Living II	93.674	-	3,200	16,112	-	3,250	-	16,062		
Passed through Wisconsin Department of Administration:										
Low Income Home Energy Assistance Program	93.568	-	11,428	49,766	-	53,885	-	7,309		
Passed through Wisconsin Department of Corrections:										
Child Welfare Service Grants - State Grants	93.645	-	86	2,408	6,423	2,150	6,423	344		
Foster Care - Title IV-E	93.658	-	124	3,852	10,277	3,426	10,277	550		
Total U.S. Department of Health and Human Services			420,957	2,718,430	1,657,477	2,696,876	1,657,477	442,511		
<u>U.S. Department of Homeland Security</u>										
Passed through Wisconsin Department of Administration - Office of Justice Assistance:										
State Homeland Security Grant Program:										
2009-HS-05-9362	1/1/12-4/30/12	97.067	**	-	-	351,351	1,059	351,351	1,059	-
Passed through Wisconsin Department of Military Affairs:										
Emergency Management Performance Grant		97.042	-	14,461	-	45,693	-	45,276	-	14,878
Total U.S. Department of Homeland Security				14,461	-	397,044	1,059	396,627	1,059	14,878
TOTAL FEDERAL AWARDS				\$ 585,498	\$ -	\$ 4,024,963	\$ 2,237,702	\$ 3,950,343	\$ 2,237,702	\$ 660,118
<u>Claims Paid to Providers via Third Party Administrator</u>										
Medical Assistance (Medicaid Cluster)		93.778	(A) **, ^^			182,329				
TOTAL FEDERAL AWARD EXPENDITURES						<u>\$ 4,207,292</u>				

** Major Federal Awards Program

^^ See Note 5

(A) Medicaid Cluster

(F) TANF Cluster

See the accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/12	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/12
					Grant Reimburse- ments	Local Share	
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Agricultural Clean Sweep	115.04	\$ 12,350	\$ -	\$ 25,736	\$ 12,350	\$ 6,434	\$ 19,302
Soil and Water Resource Management	115.15	-	-	120,431	120,431	-	-
Land and Water Resource Management	115.40	10,587	-	9,183	18,394	-	1,376
Total Department of Agriculture, Trade and Consumer Protection		22,937	-	155,350	151,175	6,434	20,678
<u>Department of Commerce</u>							
Wisconsin Fund Private Sewage System	143.110	-	-	25,024	25,024	-	-
<u>Department of Natural Resources</u>							
Wildlife Damage Abatement and Claims	370.553	4,399	-	16,373	14,028	-	6,744
County Conservation Aids	370.563	1,762	-	6,942	5,233	3,471	-
Forest Crop/Managed Forest	370.566	-	-	22,779	22,779	-	-
Snowmobile Trails	370.574	1,931	-	87,821	60,852	-	28,900
Recycling Grant	370.670	-	-	691,066	157,210	533,856	-
Total Department of Natural Resources		8,092	-	824,981	260,102	537,327	35,644
<u>Department of Transportation</u>							
Elderly and Handicapped County Transportation Aids	395.101	-	-	145,374	88,365	57,009	-
Transit Operating Aids	395.104	** 15,374	-	133,631	120,269	-	28,736
Total Department of Transportation		15,374	-	279,005	208,634	57,009	28,736
<u>Department of Corrections</u>							
Community Intervention	410.302	-	-	7,920	7,920	-	-
Youth Aids	410.313	9,340	-	860,096	210,335	625,602	33,499
Total Department of Corrections		9,340	-	868,016	218,255	625,602	33,499
<u>Department of Health Services</u>							
Funeral/Cemetery W-2 & Non W-2	435.105	(17,181)	17,181	-	-	-	-
Medicaid Transportation	435.131	(979)	979	-	-	-	-
Fluoride Supplement	435.151734	-	-	2,659	2,659	-	-
WIC Farmers Market Grant	435.154720	-	-	1,226	1,226	-	-
WWWP-GPR SS.255.06(2)	435.157000	-	-	17,002	17,002	-	-
Cons Contracts Lead Poisoning	435.157720	-	-	4,648	4,648	-	-
Cons Contracts Maternal and Child Health Services	435.159320	-	-	1,439	1,439	-	-
Reproductive Health	435.159321	-	-	28,307	28,307	-	-
Low Income Child Administration	435.231	3,022	-	25,773	28,795	-	-

** Major State Financial Assistance Program

See the accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/12	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/12
					Grant Reimburse- ments	Local Share	
Department of Health Services (Continued)							
FSET Transportation	435.233	\$ 449	\$ -	\$ 1,880	\$ 2,672	\$ -	\$ (343)
FSET Retention	435.235	247	-	95	342	-	-
IMAA State Share	435.283	1,217	-	-	1,217	-	-
IMAA Federal Share	435.284	6,904	-	-	6,904	-	-
Medicaid Subrogation Collections	435.291	(1,220)	1,220	-	-	-	-
APS-Adult Protective Services	435.312	-	-	36,036	36,036	-	-
Community Options Program	435.367	26,604	-	91,616	115,246	-	2,974
CLTS GPR	435.450	(3,636)	3,636	-	-	-	-
CLTS MH Non Federal	435.451	** 1,090	-	-	1,090	-	-
CLTS DD Non Federal Other	435.460	** 19,341	-	-	19,341	-	-
CLTS MH Non Federal Other	435.461	** 10,957	-	-	10,957	-	-
CLTS PD Non Federal Other	435.462	** 2,312	-	-	2,312	-	-
Certified Mental Health Program	435.517	10,789	-	22,427	33,216	-	-
Integrated Services for Children with Severe Disabilities	435.530	-	-	9,376	9,376	-	-
Birth to Three Initiative	435.550	-	-	63,810	63,810	-	-
ADRC MFP-NH RELOCATE GPR	435.560062	** -	-	1,200	-	-	1,200
ADRC NH RELOC NON MA	435.560063	** -	-	553	-	-	553
ADRC MFP-NH RELOCATION	435.560065	** -	-	845	-	-	845
Aging and Disability Resource Center	435.560100	** -	-	280,698	263,451	17,247	-
Basic County Allocation	435.561	** -	-	940,232	940,232	-	-
IDP Emergency Funds	435.567	22,486	-	-	22,486	-	-
IMD Obra Relocations	435.571	-	-	9,139	4,263	-	4,876
Family Support	435.577	3,290	-	33,635	36,826	-	99
Basic County Allocation - State/County Match	435.681	** -	-	804,005	123,958	680,047	-
CLTS DD AUT CWA ADMIN GPR	435.832	** -	-	27,081	9,202	15,953	1,926
CLTS DD OTH CWA ADMIN GPR	435.835	** -	-	239,672	7,398	230,570	1,704
CLTS MH AUT CWA ADMIN GPR	435.838	** -	-	77,850	54,617	13,390	9,843
CLTS MH OTH CWA ADMIN GPR	435.841	** -	-	164,799	64,049	89,301	11,449
CLTS PD OTH CWA ADMIN GPR	435.847	** -	-	28,007	9,359	16,968	1,680
Passed through Area Agency on Aging:							
Elderly Benefit Specialist Program	435.560320	(1,743)	-	27,951	18,854	7,354	-
State Senior Community Services	435.560330	-	-	13,093	6,404	6,689	-
Title III, Part C-1 Congregate Meals	435.560350	-	-	148,501	41,240	106,132	1,129
Title III, Part C-2 Home Delivered Meals	435.560360	-	-	34,186	2,357	31,829	-
Alzheimer's Family and Caregiver Support	435.560381	1,908	-	11,305	10,786	-	2,427
Elder Abuse	435.560490	1,827	-	19,036	15,836	4,230	797
Passed through Great Rivers Income Maintenance Consortium							
IMAA State Share	435.283	** -	-	139,568	139,568	-	-
Total Department of Health and Family Services		87,684	23,016	3,307,650	2,157,481	1,219,710	41,159

** Major State Financial Assistance Program

See the accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/12	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/12
					Grant Reimburse- ments	Local Share	
<u>Department of Children and Families</u>							
Child Support Enforcement	437.7502	\$ 25	\$ -	\$ 34,457	\$ 34,482	\$ -	\$ -
W-2 Administration and Services	437.215	27,027	-	66,587	88,377	(3,712)	8,949
JOBS Access	437.223	(32)	-	917	(171)	1,056	-
AW DOJ Fingerprint Background	437.3324	58	-	549	481	-	126
Basic County Allocation	437.3561	**	-	431,121	225,737	205,384	-
eWISACWIS	437.3604	-	-	(4,826)	(4,826)	-	-
State/County Match	437.3681	**	-	92,947	39,941	53,006	-
Total Department of Children and Families		27,078	-	621,752	384,021	255,734	9,075
<u>Department of Justice</u>							
Victim Witness Assistance Program	455.532	20,782	-	38,321	38,268	-	20,835
<u>Department of Military Affairs</u>							
Computer & Hazmat Equipment Grant	465.308	8,823	-	5,421	10,808	687	2,749
Emergency Planning Grant	465.337	3,386	-	13,492	6,770	-	10,108
State Disaster Fund	465.365	-	150,571	-	150,571	-	-
Total Department of Military Affairs		12,209	150,571	18,913	168,149	687	12,857
<u>Department of Administration</u>							
Land Information Grant	505.116	-	-	1,964	1,964	-	-
Public Benefits	505.371	**	-	32,066	41,479	-	10,667
Total Department of Administration		20,080	-	34,030	43,443	-	10,667
Subtotal State Financial Assistance		\$ 223,576	\$ 173,587	\$ 6,173,042	\$ 3,654,552	\$ 2,702,503	\$ 213,150
<u>Claims Paid to Providers via Third Party Administrator</u>							
Children's Long Term Support	^^	**		150,416			
Deduct: Local Share of Expenditures				(2,702,503)			
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				\$ 3,620,955			

** Major State Financial Assistance Program

^^ See Note 5

See the accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2012**

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, 2012 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2012.

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
DECEMBER 31, 2012**

NOTE 4 FEDERAL PASSTHROUGHS TO SUBRECIPIENTS

During 2012, the County did not pass any federal funding to subrecipients.

NOTE 5 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR

Amounts shown as paid via Third Party Administrator (TPA) are payments made by a TPA for County authorized services. The TPA makes payments directly to service providers, and receives reimbursement for these services directly from the Wisconsin Department of Health Services (DHS). The activity between the TPA and service providers is not recorded in the County's financial accounting system; however, DHS guidance dictates that these transactions are to be included in the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 6 PASS-THROUGH GRANT NUMBERS

Pass-through grant numbers were not assigned by the pass-through agencies.

**DUNN COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012**

A. MAJOR FEDERAL PROGRAM AWARDS

None

B. MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

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

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 as identified per Wisconsin Administrative Code, Chapter Trans 4.08(4)(b).

RESOLUTION:

During our testing of state programs during 2012, we noted the County has updated the transit schedule of fares to adhere to Wisconsin Administrative Code, Chapter Trans 4.08(4)(b).

C. STATE GENERAL REQUIREMENTS

None



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

**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**

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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, 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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 11, 2013. Our report includes a reference to other auditors who audited the financial statements of the Dunn County Housing Authority, as described in our report on Dunn County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider item 2012-01 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

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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 2012-02 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 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Dunn County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 11, 2013



CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE SINGLE AUDIT GUIDELINES

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Dunn County, Wisconsin's (County) compliance 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, 2012. 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 (including 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.

Component Unit

Dunn County's basic financial statements include the operations of the Dunn County Housing Authority, which expended \$422,140 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and 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; 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.

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal and State Programs

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 to each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

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, 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. *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 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.

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 result of that testing based on the requirements of OMB Circular A-133 and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Honorable Members
of the Board of Supervisors
Dunn County, Wisconsin

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and
Schedule of State Financial Assistance Required by State Single Audit Guidelines**

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 as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Dunn County's basic financial statements. We issued our report thereon dated July 11, 2013, 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 awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and State Single Audit Guidelines, respectively, and are 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 expenditure of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 11, 2013

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

PART I: SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unmodified 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 basic financial statements and reported in the "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*", and is listed as Finding 2012-01. Finding 2012-02 is considered a significant deficiency.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. No matters involving internal control over compliance relating to the audit of the major federal award programs and major state financial assistance programs were reported in the "Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, on Internal Control Over Compliance, and on the Schedules of Expenditures of Federal Awards and State Financial Assistance in Accordance with *OMB Circular A-133* and *State Single Audit Guidelines*".
5. The independent auditors' report on compliance for the major federal award programs and the major state financial assistance programs for the County expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the County were disclosed during the audit that are required to be reported in accordance with Section 510(a) of *OMB Circular A-133*.
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*.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2012-01 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.

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. 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, 2012**

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

FINDING: 2012-02 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 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: The potential exists that the design of the internal controls over financial reporting could affect the ability of the County to record, process, summarize and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the county's inability to prevent/detect misappropriation of County assets.

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. 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.

Compensating Controls and Mitigating Factors:

The cash disbursements process includes approval of the disbursement by the department head and approval of each voucher and coding by the finance department. The payroll disbursements process includes board approval of all contracts and hourly wage rates, supervisor approval of timesheets, and review of coding by payroll personnel. The receipts process includes pre-numbering and a reconciliation of departmental deposits performed by the Treasurer. In addition to the above, each department head and members of administration monitor budget to actual reports on a regular basis in order to identify unusual variances or activities.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.

PART V: FINDINGS RELATED TO STATE GENERAL REQUIREMENTS:

None.

**DUNN COUNTY, WISCONSIN
SUMMARY OF FEDERAL AND STATE PROGRAMS TESTED AS MAJOR PROGRAMS
DECEMBER 31, 2012**

FEDERAL PROGRAMS

The following federal programs were tested as major programs:

CFDA #	Program Title	Amount
20.509	Formula Grants for Other Than Urbanized Areas (Transit)	\$ 277,760
93.563	Child Support Enforcement	524,240
93.778	Medical Assistance Program	1,100,848
97.067	Homeland Security Grant Program	351,351
		<u>\$ 2,254,199</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:		
395.104	Transit Operating Aids	133,631
435.283	IM Available Allocation - State Share	139,568
435.832	CLTS DD AUT CWA ADMIN GPR	11,128
435.835	CLTS DD OTH CWA ADMIN GPR	9,102
435.838	CLTS MH AUT CWA ADMIN GPR	64,460
435.841	CLTS MH OTH CWA ADMIN GPR	75,498
435.847	CLTS PD OTH CWA ADMIN GPR	11,039
^^	CLTS Paid via Third Party Administrator	150,416
435.560062	Aging and Disability Resource Center	1,200
435.560063	Aging and Disability Resource Center	553
435.560065	Aging and Disability Resource Center	845
435.560100	Aging and Disability Resource Center	263,451
435.561	Basic County Allocation	940,232
435.681	Basic County Allocation - State/County Match	123,958
437.3561	Basic County Allocation	225,737
437.3681	Basic County Allocation	39,941
505.371	Public Benefits	32,066
		<u>\$ 2,222,825</u>
Federal Programs on Schedule of Expenditures of Federal Awards:		
93.778	Medical Assistance Program - Human Services Contract	517,505
93.778	Medical Assistance Program - WI Medicare Cost Reporting	115,858
93.778	Medical Assistance Program - Income Maintenance	263,370
93.778	Medical Assistance Program - ADRC	21,786
93.778	Medical Assistance Program - CLTS Claims Paid via Third Party Administrator	182,329
		<u>1,100,848</u>
		<u>\$ 3,323,673</u>