

DUNN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2013

**DUNN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2013**

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**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Year Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/13
				Federal	Local	Grant Reimburse- ments	Local Share	
<u>U.S. Department of Agriculture</u>								
Passed through Wisconsin Department of Health Services:								
Special Supplemental Food Program for Woman, Infants and Children	10.557	\$ 3,369	\$ -	\$ 176,199	\$ -	\$ 179,568	\$ -	\$ -
State Matching Grant for Food Stamp Program	10.561 (B)	(343)	-	23,914	-	27,592	-	(4,021)
Passed through Wisconsin Department of Children and Families:								
State Matching Grant for Food Stamp Program	10.561 (B)	-	-	1,412	-	1,247	-	165
Passed through Great Rivers Income Maintenance Consortium:								
State Matching Grant for Food Stamp Program	10.561 (B)	62,016	-	254,698	158,974	201,684	158,974	115,030
Total U.S. Department of Agriculture		65,042	-	456,223	158,974	410,091	158,974	111,174
<u>U.S. Department of Justice</u>								
Passed through Eau Claire County:								
Edward Byrne Memorial Justice Assistance Grant Program	16.738 (D)	-	-	6,027	-	-	-	6,027
Passed through Wisconsin Department of Administration - Office of Justice Assistance:								
Crime Victim Assistance	16.575	5,789	-	29,125	6,881	29,060	6,881	5,854
State Criminal Alien Assistance Program	16.606	-	-	3,343	-	3,343	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738 (D)	15,515	-	36,599	-	26,200	-	25,914
Total U.S. Department of Justice		21,304	-	75,094	6,881	58,603	6,881	37,795
<u>U.S. Department of Transportation</u>								
Passed through Wisconsin Department of Transportation:								
ARRA - Federal Transit Capital Grants	20.500	-	-	5,624	-	5,624	-	-
Formula Grants for Other Than Urbanized Areas	20.509 **	112,863	-	264,646	345,643	248,815	345,643	128,694
Highway Safety Grants	20.600 (E)	3,520	-	5,720	-	9,240	-	-
Child Safety and Child Booster Seats Incentive Grants	20.613 (E)	-	-	4,000	-	4,000	-	-
Total U.S. Department of Transportation		116,383	-	279,990	345,643	267,679	345,643	128,694

** Major Federal Awards Program

(B) SNAP Cluster

(D) JAG Program Cluster

(E) Highway Safety Cluster

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

DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/13	
		Reimbursements 1/1/13	Prior Year Adjustments	Expenditures		Grant Reimburse- ments	Local Share		
				Federal	Local				
<u>Environmental Protection Agency</u>									
Passed through Wisconsin Department of Health Services: Indoor Radon Program	66.032	\$ -	\$ -	\$ 9,164	\$ -	\$ 5,058	\$ -	\$ 4,106	
<u>U.S. Department of Education</u>									
Passed through Wisconsin Department of Health Services: Birth-to-Three Initiative	84.181	-	-	65,100	-	65,100	-	-	
<u>U.S. Department of Health and Human Services</u>									
Passed through Wisconsin Department of Health Services:									
Immunization Grants	93.268	-	-	12,228	-	12,228	-	-	
Block Grants for Temporary Assistance for Needy Families	93.558 (F)	-	-	86,486	-	86,486	-	-	
Social Services Block Grant	93.667	-	-	152,460	552	152,460	552	-	
Medical Assistance Cluster Program:									
Medical Assistance Program	93.778 (A)**	112,196	-	456,576	677,226	430,420	677,226	138,352	
Wisconsin Medical Assistance Cost Reporting	93.778 (A)**	-	-	203,690	-	203,690	-	-	
Block Grants for Community Mental Health Services	93.958	4,631	-	85,903	-	90,534	-	-	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(207)	-	103,052	-	104,519	-	(1,674)	
Preventive Health and Health Services Block Grant	93.991	-	-	3,779	-	3,779	-	-	
Maternal and Child Health Services Block Grant	93.994	-	-	60,110	76	60,110	76	-	
Passed through Great Rivers Income Maintenance Consortium:									
Temporary Assistance for Needy Families	93.558 (F)	2,005	-	8,231	5,138	6,518	5,138	3,718	
Children's Health Insurance Program	93.767	11,604	-	47,660	29,748	37,740	29,748	21,524	
Medical Assistance Program	93.778 (A)**	86,001	-	353,145	220,399	279,687	220,399	159,459	
Passed through Area Agency on Aging:									
Title III, Part D - Preventive Health	93.043	-	-	2,716	479	2,464	479	252	
Title III, Part B - Supportive Services	93.044 (C)	-	-	38,359	2,284	23,465	2,284	14,894	
Title III, Part B - Supportive Services	93.045 (C)	17,743	-	-	-	17,743	-	-	
Title III, Part C-1 - Nutrition Services	93.045 (C)	678	-	43,898	117,754	43,094	117,754	1,482	
Title III, Part C-2 -Home Delivered Meals	93.045 (C)	-	-	20,385	309,545	20,385	309,545	-	
Title III, Part E - National Family Caregiver Support	93.052	1,000	-	15,830	8,168	15,927	8,168	903	
Nutrition Services Incentives Program	93.053 (C)	2,098	-	19,526	75,311	21,624	75,311	-	

** Major Federal Awards Program

(A) Medicaid Cluster

(C) Aging Cluster

(F) TANF Cluster

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

**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Year Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/13
				Federal	Local	Grant Reimburse- ments	Local Share	
U.S. Department of Health and Human Services (Continued)								
Passed through Area Agency on Aging: (Continued)								
MIPPA	93.518	\$ -	\$ -	\$ 370	\$ -	\$ -	\$ -	\$ 370
Social Services Block Grant	93.667	39	-	5,194	52,405	5,196	52,405	37
State Elderly Benefit Services (Medical Assistance)	93.778 (A) **	-	-	19,909	-	19,909	-	-
State Pharmaceutical Assistance Program (Medical Assistance)	93.778 (A) **	-	-	3,275	-	3,275	-	-
Title III, Part C-1 - Nutrition Services	93.779	578	-	-	-	578	-	-
MIPPA	93.779	-	-	230	-	-	-	230
State Health Insurance Assistance Program	93.779	-	-	1,000	-	1,000	-	-
Passed through Wisconsin Department of Children and Families:								
Safe & Stable Families	93.556	12,870	-	42,827	4,607	50,519	4,607	5,178
Block Grants for Temporary Assistance for Needy Families	93.558 (F)	30,301	-	146,167	(219)	153,327	(219)	23,141
Family Support Payments to States - Assistance Payments	93.560	-	-	11	-	11	-	-
Child Support Enforcement	93.563 **	123,854	-	492,190	170,098	489,734	170,098	126,310
Child Care Mandatory and Matching Funds	93.596	12,708	-	51,084	38,742	63,562	38,742	230
Youth Independent Living	93.599	100	-	1,579	15	1,203	15	476
Child Welfare Service Grants - State Grants	93.645	-	-	141,434	-	141,434	-	-
Foster Care - Title IV-E	93.658	47	-	22,973	-	23,020	-	-
Social Services Block Grant	93.667	-	-	62,529	-	62,529	-	-
Youth Independent Living II	93.674	16,062	-	17,204	1,843	30,932	1,843	2,334
Medical Assistance Program	93.778 (A) **	-	-	1,086	-	1,140	-	(54)
Passed through Wisconsin Department of Administration:								
Low Income Home Energy Assistance Program	93.568	7,309	-	47,093	-	46,143	-	8,259
Passed through Wisconsin Department of Corrections:								
Child Welfare Service Grants - State Grants	93.645	344	-	2,368	11,791	2,420	11,791	292
Foster Care - Title IV-E	93.658	550	-	3,552	17,686	3,664	17,686	438
Total U.S. Department of Health and Human Services		442,511	-	2,776,109	1,743,648	2,712,469	1,743,648	506,151
U.S. Department of Homeland Security								
Passed through Wisconsin Department of Military Affairs:								
Emergency Management Performance Grant	97.042	14,878	-	52,558	-	46,525	-	20,911
Total U.S. Department of Homeland Security		14,878	-	52,558	-	46,525	-	20,911
TOTAL FEDERAL AWARDS		\$ 660,118	\$ -	\$ 3,714,238	\$ 2,255,146	\$ 3,565,525	\$ 2,255,146	\$ 808,831
Claims Paid to Providers via Third Party Administrator								
Medical Assistance (Medicaid Cluster)	93.778 (A) **, ^^			263,302				
TOTAL FEDERAL AWARD EXPENDITURES				\$ 3,977,540				

** Major Federal Awards Program

^^ See Note 5

(A) Medicaid Cluster

(F) TANF Cluster

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

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					Grant Reimburse- ments	Local Share	
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Agricultural Clean Sweep	115.04	\$ 19,302	\$ -	\$ 27,143	\$ 19,302	\$ 8,143	\$ 19,000
Soil and Water Resource Management	115.15	-	-	137,517	137,517	-	-
Land and Water Resource Management	115.40	1,376	-	70,773	54,999	-	17,150
Total Department of Agriculture, Trade and Consumer Protection		20,678	-	235,433	211,818	8,143	36,150
<u>Department of Commerce</u>							
Wisconsin Fund Private Sewage System	143.110	-	-	13,128	9,064	-	4,064
<u>Department of Natural Resources</u>							
Wildlife Damage Abatement and Claims	370.553	6,744	-	14,431	11,873	-	9,302
County Conservation Aids	370.563	-	-	20,000	20,000	-	-
Forest Crop/Managed Forest	370.566	-	-	22,603	22,603	-	-
Snowmobile Trails	370.574	28,900	-	88,394	111,525	-	5,769
Recycling Grant	370.670	-	-	705,890	157,271	548,619	-
Total Department of Natural Resources		35,644	-	851,318	323,272	548,619	15,071
<u>Department of Transportation</u>							
Elderly and Handicapped County Transportation Aids	395.101	-	-	116,431	93,237	23,194	-
Transit Operating Aids	395.104	28,736	-	105,797	79,347	-	55,186
Total Department of Transportation		28,736	-	222,228	172,584	23,194	55,186
<u>Department of Corrections</u>							
Youth Aids	410.313	33,499	-	1,380,441	235,906	1,149,576	28,458
<u>Department of Health Services</u>							
Fluoride Supplement	435.151734	-	-	2,659	2,512	-	147
WIC Farmers Market Grant	435.154720	-	-	1,456	1,456	-	-
WWWP-GPR SS.255.06(2)	435.157000	-	-	17,001	17,001	-	-
Cons Contracts Lead Poisoning	435.157720	-	-	4,617	4,617	-	-
Cons Contracts Maternal and Child Health Services	435.159320	-	-	1,288	1,288	-	-
Reproductive Health	435.159321	-	-	30,010	30,010	-	-
Low Income Child Administration	435.231	-	-	22,150	23,644	-	(1,494)

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

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					Grant Reimburse- ments	Local Share	
<u>Department of Health Services (Continued)</u>							
FSET Transportation	435.233	\$ (343)	\$ -	\$ 1,181	\$ 1,184	\$ -	\$ (346)
FSET Retention	435.235	-	-	505	714	-	(209)
APS-Adult Protective Services	435.312	-	-	36,036	36,036	-	-
Community Options Program	435.367	2,974	-	99,367	74,259	-	28,082
Certified Mental Health Program	435.517	-	-	7,182	-	-	7,182
Integrated Services for Children with Severe Disabilities	435.530	-	-	10,095	10,095	-	-
Birth to Three Initiative	435.550	-	-	63,888	63,888	-	-
ADRC MFP-NH RELOCATE GPR	435.560062	** 1,200	-	1,500	2,700	-	-
ADRC NH RELOC NON MA	435.560063	** 553	-	1,500	2,053	-	-
ADRC MFP-NH RELOCATION	435.560065	** 845	-	4,793	5,623	-	15
Aging and Disability Resource Center	435.560100	** -	-	353,470	263,531	89,939	-
Basic County Allocation	435.561	** -	-	891,736	891,736	-	-
IMD Obra Relocations	435.571	4,876	-	9,139	7,161	-	6,854
Family Support	435.577	99	-	4,502	12,081	-	(7,480)
Basic County Allocation - State/County Match	435.681	** -	-	1,042,239	123,920	918,319	-
CLTS DD AUT CWA ADMIN GPR	435.832	** 1,926	-	19,922	6,388	12,764	2,696
CLTS DD OTH CWA ADMIN GPR	435.835	** 1,704	-	108,161	13,286	92,521	4,058
CLTS MH AUT CWA ADMIN GPR	435.838	** 9,843	-	92,739	34,793	48,796	18,993
CLTS MH OTH CWA ADMIN GPR	435.841	** 11,449	-	106,752	28,455	77,555	12,191
CLTS PD OTH CWA ADMIN GPR	435.847	** 1,680	-	44,853	7,072	35,438	4,023
Passed through Area Agency on Aging:							
Elderly Benefit Specialist Program	435.560320	-	-	28,006	18,260	9,746	-
Pharmaceutical Assistance Program	435.560327	-	-	3,274	3,274	-	-
State Senior Community Services	435.560330	-	-	14,480	5,947	8,076	457
Title III, Part C-1 Congregate Meals	435.560350	1,129	-	169,460	45,594	123,442	1,553
Title III, Part C-2 Home Delivered Meals	435.560360	-	-	16,984	1,049	15,935	-
Alzheimer's Family and Caregiver Support	435.560381	2,427	-	11,318	12,390	-	1,355
Elder Abuse	435.560490	797	-	14,806	11,645	-	3,958
Passed through Great Rivers Income Maintenance Consortium							
IMAA State Share	435.283	** -	-	137,920	137,920	-	-
Total Department of Health and Family Services		41,159	-	3,374,989	1,901,582	1,432,531	82,035

** Major State Financial Assistance Program

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

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					Grant Reimburse- ments	Local Share	
<u>Department of Children and Families</u>							
Child Support Enforcement	437.7502	\$ -	\$ -	\$ 34,191	\$ 34,191	\$ -	\$ -
W-2 Administration and Services	437.215	8,949	-	-	8,949	-	-
AFDC Agency Incentives	437.238	-	-	9	9	-	-
Medicaid Agency Incentives	437.267	-	-	2,499	2,387	-	112
AW DOJ Fingerprint Background	437.3324	126	-	392	518	-	-
Basic County Allocation	437.3561	**	-	225,798	225,798	-	-
eWISACWIS	437.3604	-	-	(4,826)	(4,826)	-	-
State/County Match	437.3681	**	-	223,953	-	184,145	39,808
Total Department of Department of Children and Families		9,075	-	482,016	267,026	184,145	39,920
<u>Department of Justice</u>							
Victim Witness Assistance Program	455.532	20,835	-	51,794	43,692	-	28,937
<u>Department of Military Affairs</u>							
Computer & Hazmat Equipment Grant	465.308	2,749	-	1,188	3,937	-	-
Emergency Planning Grant	465.337	10,108	-	13,509	13,443	-	10,174
State Disaster Fund	465.365	-	-	-	-	-	-
Total Department of Military Affairs		12,857	-	14,697	17,380	-	10,174
<u>Department of Administration</u>							
Land Information Grant	505.116	-	-	4,202	4,202	-	-
Public Benefits	505.371	**	-	39,815	43,921	-	6,561
Total Department of Administration		10,667	-	44,017	48,123	-	6,561
Subtotal State Financial Assistance		\$ 213,150	\$ -	\$ 6,670,061	\$ 3,230,447	\$ 3,346,208	\$ 306,556
<u>Claims Paid to Providers via Third Party Administrator</u>							
Children's Long Term Support	^^	**	-	227,944	-	-	-
Deduct: Local Share of Expenditures				(3,346,208)			
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				<u>\$ 3,551,797</u>			

** Major State Financial Assistance Program

^^ See Note 5

See the accompanying Notes to 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, 2013**

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 1421 Stout Road, 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, 2013 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2013.

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2013**

NOTE 4 FEDERAL PASSTHROUGHS TO SUBRECIPIENTS

During 2013, 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, 2013**

A. MAJOR FEDERAL PROGRAM AWARDS

None

B. MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

None

C. STATE GENERAL REQUIREMENTS

None



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

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, 2013, 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 22, 2014. 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 items 2013-001 and 2013-003 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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 2013-002 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 22, 2014



CliftonLarsonAllen

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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, 2013. 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 \$142,043 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2013. 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, 2013.

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, 2013, and the related notes to the financial statements, which collectively comprise Dunn County's basic financial statements. We issued our report thereon dated July 22, 2014, 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

Eau Claire, Wisconsin

July 22, 2014

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness(es) identified X yes no
 • Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes no
 Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
 • Material weakness(es) identified? yes X no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X no

Type of auditors' report issued on compliance for major programs Unmodified
 Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medical Assistance Program
93.563	Child Support Enforcement
20.509	Formula Grants for Other Than Urbanized Areas

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

State Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X no

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? _____ yes X no

Identification of major State programs:

<u>State ID/CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
435.283	Income Maintenance Available Allocation – State Share
435.832, 435.835	Children Long Term Support DD Non-Federal
435.838, 435.841	Children Long Term Support MH Non-Federal
435.847	Children Long Term Support PD Non-Federal
435.560062, 435.560063, 435.560065, 435.560100	Aging and Disability Resource Center
435.561, 435.681	Basic County Allocation
437.3561, 437.3681	Basic County Allocation
505.371	Wisconsin Home Energy Assistant Program (WHEAP) / Public Benefits

Federal Programs Tested as Major State Programs:

- 93.778 Case Management
- 93.778 Wisconsin Medicaid Cost Reporting

Dollar threshold used to distinguish between type A and type B programs: \$100,000

Auditee qualified as low-risk auditee? _____ yes X no

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2013-001 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, 2013**

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

FINDING: 2013-002 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, 2013**

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

FINDING: 2013-003 The Neighbors Financial Management

Criteria: The County should properly manage, including oversight and monitoring of, all financial transactions.

Condition: During the period of time when The Neighbors finance manager position was vacant, staffing precluded such a proper separation of functions. Our assessment of the controls, policies and procedures over financial transactions processed centrally by finance personnel in the Administration, Clerk and Treasurer offices mitigate risks associated with the lack of segregation of duties as long as strong controls, policies and procedures remain in place at the department level. These controls include oversight and monitoring of departmental financial transactions and operational results. An observed breakdown of oversight, controls, policies and procedures at The Neighbors at year-end include: timely billings and collections for services provided, proper management of capital assets, and accurate cost allocations.

Context: The limited size of The Neighbors accounting and financial staff, resulting from the finance manager position vacancy, precludes a complete segregation of incompatible duties and does not allow for proper financial oversight and monitoring.

Cause: The condition is due to limited staff available and the vacancy of the finance manager position.

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 financial management 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 ensure proper management of the financial transactions. As noted below, the vacant finance manager position was filled subsequent to year-end.

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 has subsequent to year-end hired an individual to fill the vacancy in The Neighbors' finance manager position.

Planned Completion Date for CAP:

Subsequent to year-end action has been taken to respond to this deficiency.

Plan to Monitor Completion of CAP:

The County Manager will be monitoring this corrective action plan.

Compensating Controls and Mitigating Factors:

County officials closely monitored matters relating to The Neighbors' operations.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

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.