

DUNN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2017

**DUNN COUNTY, WISCONSIN
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**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Year Adjustments	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>U.S. Department of Agriculture</u>								
Special Supplemental Food Program for Woman, Infants and Children	10.557	WI DHS	CARS #154710	\$ (1,012)	\$ -	\$ 175,198	\$ 146,417	\$ 27,769
State Matching Grant for Food Stamp Program (SNAP Cluster)	10.561							
Income Maintenance Contract		WI DHS / GRIM	CARS #284	46,491	-	333,428	308,223	71,696
Total U.S. Department of Agriculture				45,479	-	508,626	454,640	99,465
<u>U.S. Department of Housing and Urban Development</u>								
Community Development Block Grant - SOAR Grant	14.228	WI DOA	CSOAR 15-01, 16-01	19,417	-	50,155	69,572	-
<u>U.S. Department of Justice</u>								
Crime Victim Assistance	16.575	WI DOJ	2016-VO-01-12437, 2015-VO-01-12075	11,523	-	123,423	110,075	24,871
Edward Byrne Memorial Justice Assistance Grant Program:	16.738							
West Central Drug Task Force		Eau Claire County	FY-17	5,814	-	5,762	11,576	-
Edward Byrne Memorial Justice Assistance Grant Program		WI DOJ	2013/2014-DJ-02-11694	44,118	-	-	44,118	-
Total Edward Byrne Memorial Justice Assistance Grant Program:				49,932	-	5,762	55,694	-
Total U.S. Department of Justice				61,455	-	129,185	165,769	24,871
<u>U.S. Department of Transportation</u>								
Formula Grants for Rural Areas	20.509	WI DOT	Section 5311 FY17, WI-18- 9045, WI-18-0046, WI-18-X047	103,648	-	201,924	262,117	43,455
Highway Safety Cluster:								
National Priority Safety Programs	20.616	WI DOT	095-25-67	4,000	(1,553)	-	2,447	-
Total U.S. Department of Transportation				107,648	(1,553)	201,924	264,564	43,455
<u>Environmental Protection Agency</u>								
Indoor Radon Program	66.032	WI DHS	CARS #150321	(489)	-	10,368	6,423	3,456
<u>U.S. Department of Education</u>								
Special Education Grants for Infants and Families:	84.181	WI DHS	CARS #550	-	-	65,100	65,100	-

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, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Year Adjustments	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
U.S. Department of Health and Human Services								
Preventive Health - Title III D	93.043	WI DHS / GWAAR	CARS #560510	\$ 596	\$ -	\$ 2,403	\$ 2,999	\$ -
Aging Cluster:								
Supportive Services - Title III B	93.044	WI DHS / GWAAR	CARS #560340	-	-	37,656	24,708	12,948
Title III-Part C-Nutrition Services:	93.045	WI DHS / GWAAR	CARS #560350, 560360	-	-	45,811	43,000	2,811
Nutrition Services Incentives Program	93.053	WI DHS / GWAAR	CARS #560422	4,014	-	19,584	23,598	-
Total Aging Cluster				4,014	-	103,051	91,306	15,759
National Family Caregivers Support Program	93.052	WI DHS / GWAAR	CARS #560520	1,770	-	23,155	16,925	8,000
Public Health Emergency Preparedness (PHEP) Program	93.074	WI DHS	CARS #155015	-	-	10,000	10,000	-
Immunization Grants	93.268	WI DHS	CARS #155020	(2,985)	-	12,539	9,554	-
State Health Insurance Assistance Program	93.324	WI DHS / GWAAR	CARS #560432	-	-	3,000	3,000	-
Safe & Stable Families	93.556	WI DCF	CORe #3306, 3311	7,404	-	47,151	54,555	-
Temporary Assistance for Needy Families (TANF Cluster):	93.558							
Children and Families Basic County Allocation		WI DCF	CORe #852, 3377, 3380	31,635	-	171,744	151,137	52,242
Social Services and Community Programs Contract		WI DHS	CARS #561	26,890	-	83,917	86,521	24,286
Total TANF Cluster				58,525	-	255,661	237,658	76,528
Child Support Enforcement	93.563	**	WI DCF CORe # 7477, 7482, 7506, 7558, 7615	129,089	-	551,210	534,502	145,797
Low Income Home Energy Assistance Program	93.568	WI DOA	AD1599971.17, AD1599972.17	7,275	-	42,610	41,119	8,766
Child Care and Development Fund	93.596	WI DCF	CORe #831, 852	82	-	24,399	24,481	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	CORe #3413, 3561	-	-	23,719	23,719	-
Foster Care-Title IV-E	93.658	WI DCF	CORe #3344, 3413, 3681, 3561	10,225	-	320,397	325,419	5,203
Social Services Block Grant	93.667	WI DHS	CARS #561	50,673	-	157,344	208,017	-
Capacity Building Assistance to Strengthen Public Health	93.733	WI DHS	CARS #155032	-	-	4,400	4,400	-
Preventive Health and Health Services Block Grant (PPHF)	93.758	WI DHS	CARS #159220	-	-	7,095	7,095	-
Children's Health Insurance Program	93.767	WI DHS / GRIM	CARS #284	6,089	-	44,193	40,781	9,501
Medicaid Cluster:	93.778	**						
Case Management		WI DHS	FY-2017	4,434	-	36,022	37,922	2,534
Human Services Contract		WI DHS	CARS #878, 881 CARS #560061, 560071, 560074, 560081, 560087, 560091	13,212	-	19,250	24,389	8,073
Aging and Disability Resource Center (ADRC)		WI DHS	CY 2017	50,408	-	258,140	245,192	63,356
Children's Long-Term Support (CLTS)		WI DHS / WPS	CARS #560021	38,328	-	156,927	185,543	9,712
I&A Elderly Benefit Specialist		WI DHS / GWAAR	CARS #560029, 560030	-	-	22,748	21,013	1,735
State Pharmaceutical Assistance Program - I&A OCI Replacement		WI DHS / GWAAR	CARS #284	-	-	6,550	6,550	-
Income Maintenance Contract		WI DHS / GRIM	CARS #159320, 75	68,449	-	454,560	425,268	97,741
Public Health Contract		WI DHS	FY-2017	491	-	2,510	2,453	548
Comprehensive Community Services		Chippewa County	Final 2016	-	-	392,433	285,221	107,212
Wisconsin Medical Assistance Cost Reporting (WIMCR)		WI DHS	FY-2017	-	-	149,615	149,615	-
CLTS Claims Paid to Providers via Third Party Administrator		**	WPS	-	-	256,864	256,864	-
Total Medicaid Cluster				175,322	-	1,755,619	1,640,030	290,911
Block Grants for Community Mental Health Services	93.958	WI DHS	CARS #515, 569	(4,337)	-	26,463	22,126	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS #570	-	-	69,453	54,074	15,379
Maternal and Child Health Services Block Grant	93.994	WI DHS	CARS #159320, 159321	1,558	-	59,445	43,779	17,224
Total U.S. Department of Health and Human Services				445,300	-	3,543,307	3,395,539	593,068

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, 2017

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/17</u>	<u>Prior Year Adjustments</u>	<u>Federal Expenditures</u>	<u>Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/17</u>
U.S. Department of Homeland Security Emergency Management Performance Grant	97.042	WI DMA	EMPG FY16, FY17, FY 18	\$ 10,887	\$ -	\$ 45,650	\$ 23,884	\$ 32,653
TOTAL FEDERAL AWARD EXPENDITURES				<u>\$ 689,697</u>	<u>\$ (1,553)</u>	<u>\$ 4,554,315</u>	<u>\$ 4,445,491</u>	<u>\$ 796,968</u>

**Major Federal Awards Program

^^See Note 6

**DUNN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Agriculture, Trade and Consumer Protection</u>					
Agricultural Clean Sweep	115.04	\$ 17,325	\$ 15,630	\$ 17,325	\$ 15,630
Soil and Water Resource Management	115.15	** -	155,232	155,232	-
Land and Water Resource Management	115.40	** 37,097	60,466	90,554	7,009
Total Department of Agriculture, Trade and Consumer Protection		54,422	231,328	263,111	22,639
<u>Department of Safety and Professional Services</u>					
Wisconsin Fund Private Sewage System	143.110	-	5,100	5,100	-
<u>Department of Natural Resources</u>					
Snowmobile Enforcement Grant	370.552	-	7,924	7,924	-
Wildlife Damage Abatement and Claims	370.553	11,366	17,910	23,290	5,986
County Conservation Aids	370.563	-	4,305	2,312	1,993
Forest Crop/Managed Forest	370.566	-	22,805	22,805	-
Snowmobile Trails	370.574	52,729	104,943	132,672	25,000
Water Conservation / Watershed Program	370.663	-	20,000	-	20,000
Recycling Grant	370.670	-	156,726	156,726	-
Total Department of Natural Resources		64,095	334,613	345,729	52,979
<u>Department of Transportation</u>					
Elderly and Handicapped County Transportation Aids	395.101	** -	94,506	94,506	-
Transit Operating Aids	395.104	24,319	72,658	65,704	31,273
Total Department of Transportation		24,319	167,164	160,210	31,273
<u>Department of Health Services</u>					
Fluoride Supplement	435.151734	-	1,330	1,330	-
Fluoride Mouthrinse	435.151734	-	1,329	1,329	-
WIC Farmers Market Grant	435.154720	-	1,456	1,456	-
Cons Contracts Lead Poisoning	435.157720	1,066	4,242	4,859	449
Cons Contracts Maternal and Child Health Services	435.159320	82	1,093	1,016	159
Reproductive Health	435.159321	-	30,010	19,020	10,990

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, 2017

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
Department of Health Services (Continued)					
APS-Adult Protective Services	435.312	\$ -	\$ 36,036	\$ 36,036	\$ -
Kinship Care Based Benefit	435.377	(3,563)	30,813	4,528	22,722
Coordinated Services	435.515	-	60,088	60,088	-
Community Mental Health Program	435.516	-	117,808	117,808	-
IMB Rebalancing Init	435.518	-	9,099	9,099	-
Non-Resident Reimbursement	435.531	-	15,682	-	15,682
Birth to Three Initiative	435.550	-	63,888	63,888	-
ADRC MFP-NH RELOCATE GPR	435.560062	13,193	-	13,193	-
ADRC MFP-NH RELOCATION	435.560065	** 154	515	669	-
Aging and Disability Resource Center	435.560100	** 4,595	272,446	277,041	-
Nutrition Revitalization NP	435.560352	4,614	-	4,614	-
Basic County Allocation	435.561	** 306,029	898,912	1,204,941	-
Basic County Allocation - State/County Match	435.681	** -	122,674	122,674	-
CLTS OTHER CWA ADMIN GPR	435.877	** 30,181	112,127	132,846	9,462
CLTS AUTISM CWA ADMIN GPR	435.880	** 7,690	14,048	20,422	1,316
CLTS AUTISM CWA ADMIN FED	435.881	** 795	-	795	-
CLTS PF STATE MATCHED	435.882	** (54)	(2,973)	(3,027)	-
CLTS PF BCA MATCHED	435.883	** (192)	-	(192)	-
Passed through Area Agency on Aging:					
Elderly Benefit Specialist Program	435.560024	-	22,748	21,013	1,735
Elderly Benefit Specialist Program	435.560320	-	5,467	5,321	146
Pharmaceutical Assistance Program	435.560327	-	6,550	6,550	-
State Senior Community Services	435.560330	397	6,404	5,375	1,426
Title III, Part C-1 Congregate Meals	435.560350	-	61,086	53,427	7,659
Title III, Part C-2 Home Delivered Meals	435.560360	-	2,570	2,570	-
Alzheimer's Family and Caregiver Support	435.560381	9,351	19,646	24,390	4,607
Elder Abuse	435.560490	1,988	14,806	12,227	4,567
Passed through Great Rivers Income Maintenance Consortium					
IMAA State Share	435.283	-	113,901	113,901	-
IMAA	435.284	768	9,596	8,300	2,064
Total Department of Health and Family Services		377,094	2,053,397	2,347,507	82,984

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, 2017

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/17</u>	<u>Expenditures</u>	<u>Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/17</u>
<u>Department of Children and Families</u>					
Food Stamp Agency Incentives	437.965	\$ 164	\$ 5,239	\$ 4,441	\$ 962
AFDC Agency Incentives	437.975	-	21	21	-
Medicaid Agency Incentives	437.980	276	2,029	1,679	626
JJ Community Intervention Program	437.3410	8,150	17,535	27,700	(2,015)
JJ AODA	437.3411	65	4,450	4,515	-
JJ Youth Aids	437.3413	-	215,196	215,196	-
Basic County Allocation	437.3561	** -	250,132	250,132	-
State/County Match	437.3681	** -	25,040	25,040	-
eWISACWIS	437.3935	-	(4,826)	(4,826)	-
PDS Partnership Fees	437.3940	-	(1,994)	(1,994)	-
Child Support Medical Support Liability (MSL) Incentive	437.7332	1,455	19,594	19,712	1,337
Child Support State GPR/PR Funding Allocation	437.7502	-	50,660	50,660	-
Child Support Medical Support GPR Earned	437.7606	-	970	970	-
Child Support Federal Parent Locator Services	437.7903	-	(891)	(891)	-
Total Department of Department of Children and Families		10,110	583,155	592,355	910

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, 2017**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/17</u>	<u>Expenditures</u>	<u>Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/17</u>
<u>Department of Justice</u>					
Victim Witness Assistance Program	455.532/455.539	\$ 29,186	\$ 57,065	\$ 59,576	\$ 26,675
Treatment Alternatives & Diversion	455.279	-	99,566	64,574	34,992
Total Department of Justice		<u>29,186</u>	<u>156,631</u>	<u>124,150</u>	<u>61,667</u>
<u>Department of Military Affairs</u>					
Computer & Hazmat Equipment Grant	465.308	-	2,707	-	2,707
Emergency Planning Grant	465.337	3,429	13,121	6,560	9,990
Total Department of Military Affairs		<u>3,429</u>	<u>15,828</u>	<u>6,560</u>	<u>12,697</u>
<u>Department of Administration</u>					
Land Information Grant	505.166	-	98,064	98,064	-
Public Benefits	505.371	14,840	36,616	37,691	13,765
Total Department of Administration		<u>14,840</u>	<u>134,680</u>	<u>135,755</u>	<u>13,765</u>
Subtotal State Financial Assistance		<u>\$ 577,495</u>	<u>\$ 3,681,896</u>	<u>\$ 3,980,477</u>	<u>\$ 278,914</u>
<u>Claims Paid to Providers via Third Party Administrator</u>					
Children's Long-Term Support	^^	**	<u>181,845</u>		
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES			<u><u>\$ 3,863,741</u></u>		

** Major State Financial Assistance Program

^^ See Note 6

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2017**

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 modified 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.

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2017**

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Dunn County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 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, 2017 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2017.

NOTE 5 FEDERAL PASSTHROUGHS TO SUBRECIPIENTS

During 2017, the County did not pass any federal funding to subrecipients.

NOTE 6 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.

**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, 2017, 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 26, 2018. 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 2017-001 and 2017-002 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 2017-003 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
August 8, 2018



CliftonLarsonAllen

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE *UNIFORM GUIDANCE 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 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, 2017. 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 \$383,227 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2017. 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance 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
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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, 2017.

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 the Uniform Guidance 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

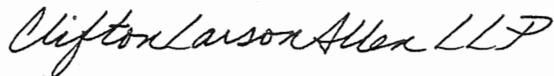
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the Uniform Guidance and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Honorable Members
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Dunn County, Wisconsin

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 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, 2017, and the related notes to the financial statements, which collectively comprise Dunn County's basic financial statements. We issued our report thereon dated July 26, 2018, 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 the Uniform Guidance 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
August 8, 2018

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

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 2 CFR 200.516(a)? yes X no

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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93.563	Child Support Enforcement
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

PART I: SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

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>
115.15	Soil and Water Resource Management
115.40	Land and Water Resource Management
395.101	Specialized Transportation
435.560065, 435.560100	Aging and Disability Resource Center (ADRC)
435.561, 437.3561	Basic County Allocation
435.681, 437.3681	State/County Match
435.8xx	Children Long-Term Support Programs

Federal Programs Tested as Major State Programs:	
93.778	Case Management
93.778	Children Long-Term Support Programs

Dollar threshold used to distinguish between type A and type B programs: \$250,000

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

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2017**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2017-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Criteria: It is the County's responsibility to have controls in place to prevent or detect a material misstatement in the annual financial statements, including footnote disclosures.

Condition: The County does not have an internal control policy in place over annual financial reporting that would enable management to conclude its annual financial statements and related footnote disclosures are complete and presented in accordance with Generally Accepted Accounting Principles (GAAP).

Context: The County has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff to prevent or detect a material misstatement in the annual financial statements including footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Cause: The County relies on the audit firm to prepare the annual financial statements and related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Recommendation: The County should continue to evaluate its internal staff and expertise to determine if an internal control policy over the annual financial reporting is beneficial.

Views of Responsible Officials and Planned Corrective Actions: The County will continue to rely upon the audit firm to prepare the annual financial statements and related footnote disclosures in accordance with GAAP. Management will review and approve the financial statements prior to final issuance. The CFO is the official responsible for ensuring corrective action of the deficiency.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2017**

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

FINDING: 2017-002 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.

Views of Responsible Officials and Planned Corrective Actions: 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 CFO is the official responsible for ensuring corrective action of the deficiency.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2017**

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

FINDING: 2017-003 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.

Views of Responsible Officials and Planned Corrective Actions: The County continues to work to achieve segregation of duties whenever cost effective. The CFO is the official responsible for ensuring corrective account of the deficiency.

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2017**

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.