

DUNN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2018

**DUNN COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	1
SCHEDULE OF STATE FINANCIAL ASSISTANCE	4
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS	7
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 <i>GOVERNMENT AUDITING STANDARDS</i>	9
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 <i>UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES</i>	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	14

**DUNN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture</u>					
Special Supplemental Food Program for Woman, Infants and Children	10.557	WI DHS	CARS #154710	\$ -	\$ 168,835
State Matching Grant for Food Stamp Program (SNAP Cluster)	10.561				
Income Maintenance Contract		WI DHS / GRIM	CARS #284	-	392,164
Environmental Quality Incentives Program	10.912	NACD	2018 Technical Assistance	-	50,000
Total U.S. Department of Agriculture				-	610,999
<u>U.S. Department of Justice</u>					
Crime Victim Assistance	16.575	WI DOJ	Grant #12437, 12869, 13563	-	140,678
Edward Byrne Memorial Justice Assistance Grant Program:	16.738				
West Central Drug Task Force		Eau Claire County	FY-18	-	4,886
Jail Reentry Pilot Project		WI DOJ	2016-DJ-04-12659	-	60,758
Total Edward Byrne Memorial Justice Assistance Grant Program:				-	65,644
Total U.S. Department of Justice				-	206,322
<u>U.S. Department of Transportation</u>					
Formula Grants for Rural Areas	20.509	WI DOT	Section 5311 FY18, WI-18-9045	-	288,912
Highway Safety Cluster:					
National Priority Safety Programs	20.616	WI DOT	095-25-67	-	2,446
Total U.S. Department of Transportation				-	291,358
<u>Environmental Protection Agency</u>					
Indoor Radon Program	66.032	WI DHS	CARS #150321	-	10,368
<u>U.S. Department of Education</u>					
Special Education Grants for Infants and Families:	84.181	WI DHS	CARS #550	-	65,100

See 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, 2018

Federal Grantor Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>					
Preventive Health - Title III D	93.043	WI DHS / GWAAR	CARS #560510	\$ -	\$ 2,994
Aging Cluster:					
Supportive Services - Title III B	93.044	WI DHS / GWAAR	CARS #560340	-	40,442
Title III-Part C-Nutrition Services:	93.045	WI DHS / GWAAR	CARS #560350, 560360	-	104,854
Nutrition Services Incentives Program	93.053	WI DHS / GWAAR	CARS #560422	-	21,414
Total Aging Cluster				-	166,710
National Family Caregivers Support Program	93.052	WI DHS / GWAAR	CARS #560520	-	20,772
Public Health Emergency Preparedness	93.069	WI DHS	CARS #155015, 155050	-	47,057
MIPPA	93.071	WI DHS / GWAAR	CARS #560620	-	2,600
Prevention and Public Health Fund Capacity Building					
Assistance to Strengthen Public Health Immunization	93.539	WI DHS	CARS #155020	-	11,243
Safe & Stable Families	93.556	WI DCF	CORe #3306	-	42,827
Temporary Assistance for Needy Families (TANF Cluster):	93.558				
Children and Families Basic County Allocation		WI DCF	CORe #1399, 3612	-	21,851
Social Services and Community Programs Contract		WI DHS	CARS #561	-	81,879
Total TANF Cluster				-	103,730
Child Support Enforcement	93.563	** WI DCF	CORe # 7477, 7482, 7506, 7616	-	570,352
Child Care and Development Block Grant	93.575	WI DCF	CORe #831, 852	-	50,389
Low Income Home Energy Assistance Program	93.568	WI DOA	AD1599973.17, WHEAP19.17	-	48,052
Grants to States for Access and Visitation Program	93.597	WI DCF	CORe #7332	-	15,594
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	CORe #3413, 3561, 3861	-	27,591
Foster Care-Title IV-E	93.658	WI DCF	CORe #3344A&B, 3413, 3681, 3561	-	337,570
Social Services Block Grant	93.667	WI DHS	CARS #561	-	152,825
Preventive Health and Health Services					
Block Grant (PPHF)	93.758	WI DHS	CARS #159220, 155800	-	7,084
Children's Health Insurance Program	93.767	WI DHS / GRIM	CARS #284	-	50,505

See 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, 2018**

Federal Grantor Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Health and Human Services (Cont.)</u>					
Medicaid Cluster:	93.778	**			
Case Management		WI DHS	FY-2018	\$ -	\$ 22,358
Human Services Contract		WI DHS	CARS #75, 878 CARS #560061, 560074, 560081,	-	44,005
Aging and Disability Resource Center (ADRC)		WI DHS	560087	-	258,864
Children's Long-Term Support (CLTS)		WI DHS / WPS	CY 2018	-	176,989
I&A Elderly Benefit Specialist		WI DHS / GWAAR	CARS #560021	-	19,629
Income Maintenance Contract		WI DHS / GRIM	CARS #284	-	499,581
Public Health Contract		WI DHS	CARS #75, 159322	-	3,587
Comprehensive Community Services		Chippewa County	FY-2018	-	567,319
Wisconsin Medical Assistance Cost Reporting (WIMCR)		WI DHS	Final 2017	-	476,581
CLTS Claims Paid to Providers via Third Party Administrator		^^	WPS FY-2018	-	375,972
Total Medicaid Cluster				-	2,444,885
Block Grants for Community Mental Health Services	93.958	WI DHS	CARS #515, 569	-	47,609
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS #515, 570	-	70,917
Maternal and Child Health Services Block Grant	93.994	WI DHS	CARS #159320, 159321, 159322	-	55,444
Total U.S. Department of Health and Human Services				-	4,276,750
<u>U.S. Department of Homeland Security</u>					
Emergency Management Performance Grant	97.042	WI DMA	EMPG FY16, FY17, FY 18	\$ -	\$ 43,221
Total Federal Award Expenditures				\$ -	\$ 5,504,118

** Major Federal Awards Program

^^ See Note 5

See 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, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Expenditures
<u>Department of Agriculture, Trade and Consumer Protection</u>		
Agricultural Clean Sweep	115.04	\$ 16,235
Soil and Water Resource Management	115.15	162,542
Land and Water Resource Management	115.40	<u>73,534</u>
Total Department of Agriculture, Trade and Consumer Protection		252,311
<u>Department of Safety and Professional Services</u>		
Wisconsin Fund Private Sewage System	143.110	10,325
<u>Department of Natural Resources</u>		
Boating/Water Enforcement	370.550	7,717
Snowmobile Enforcement Grant	370.552	9,134
Wildlife Damage Abatement and Claims	370.553	18,907
County Conservation Aids	370.563	2,302
Forest Crop/Managed Forest	370.566	22,980
Snowmobile Trails	370.574	99,964
Lakes Protection	370.663	21,475
Recycling Grant	370.670	<u>156,917</u>
Total Department of Natural Resources		339,396
<u>Department of Transportation</u>		
Elderly and Handicapped County Transportation Aids	395.101	99,931
Transit Operating Aids	395.104	** 66,726
Total Department of Transportation		<u>166,657</u>
<u>Department of Health Services</u>		
Fluoride Supplement	435.151734	1,330
Fluoride Mouthrinse	435.151734	1,329
WIC Farmers Market Grant	435.154720	1,747
Communicable Disease Control and Prevention	435.155800	4,481
Cons Contracts Lead Poisoning	435.157720	4,242
Cons Contracts Maternal and Child Health Services	435.159321	33,662
Cons Contracts Maternal and Child Health Services	435.159322	1,201

See 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, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Expenditures
<u>Department of Health Services (Continued)</u>		
APS-Adult Protective Services	435.312	\$ 36,036
Kinship Care Based Benefit	435.377	32,551
Coordinated Services	435.515	49,680
Community Mental Health Program	435.516	117,808
IMB Rebalancing Initiative	435.518	6,234
Birth to Three Initiative	435.550	63,888
Aging and Disability Resource Center	435.560100	265,148
Basic County Allocation	435.561	** 880,807
Basic County Allocation - State/County Match	435.681	** 122,674
CLTS OTHER CWA ADMIN GPR	435.877	** 141,670
CLTS AUTISM CWA ADMIN GPR	435.880	** 3,379
CLTS PF STATE MATCHED	435.882	** 5,947
CLTS PF BCA MATCHED	435.883	** (1,438)
Passed through Area Agency on Aging:		
Elderly Benefit Specialist Program	435.560024	19,629
Elderly Benefit Specialist Program	435.560320	8,586
State Senior Community Services	435.560330	6,404
Title III, Part C-1 Congregate Meals	435.560350	11,253
Title III, Part C-2 Home Delivered Meals	435.560360	405
Alzheimer's Family and Caregiver Support	435.560381	17,143
Elder Abuse	435.560490	14,806
Passed through Great Rivers Income Maintenance Consortium		
IMAA State Share	435.283	121,962
Total Department of Health and Family Services		<u>1,972,564</u>

See 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, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Expenditures
<u>Department of Children and Families</u>		
Food Stamp Agency Incentives	437.965	\$ 9,088
Medicaid Agency Incentives	437.980	4,232
CW Kinship Care Program - Benefits	437.3377	121,014
CW Kinship Care Program - Assessment	437.3380	6,191
JJ Community Intervention Program	437.3410	9,385
JJ AODA	437.3411	4,312
JJ Youth Aids	437.3413	** 217,979
Basic County Allocation	437.3561	** 272,602
State/County Match	437.3681	** 21,679
eWISACWIS	437.3935	(4,826)
PDS Partnership Fees	437.3940	(1,994)
Child Support State GPR/PR Funding Allocation	437.7502	51,880
Child Support Medical Support GPR Earned	437.7606	1,344
Child Support Federal Parent Locator Services	437.7903	(966)
Total Department of Department of Children and Families		<u>711,920</u>
<u>Department of Justice</u>		
Victim Witness Assistance Program	455.532/455.539	\$ 56,831
Treatment Alternatives & Diversion	455.279	99,566
Total Department of Justice		<u>156,397</u>
<u>Department of Military Affairs</u>		
Computer & Hazmat Equipment Grant	465.308	5,980
Emergency Planning Grant	465.337	12,781
Total Department of Military Affairs		<u>18,761</u>
<u>Department of Administration</u>		
Land Information Grant	505.173	95,944
Public Benefits	505.371	26,897
Total Department of Administration		<u>122,841</u>
Subtotal State Financial Assistance		\$ 3,751,172
<u>Claims Paid to Providers via Third Party Administrator</u>		
Children's Long-Term Support	^^	** <u>262,351</u>
Total State Financial Assistance Expenditures		<u>\$ 4,013,523</u>

** Major State Financial Assistance Program

^^ See Note 5

DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2018

NOTE 1 REPORTING ENTITY

Dunn County is governed by a board of supervisors consisting of 29 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.

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.

**DUNN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
DECEMBER 31, 2018**

NOTE 4 FEDERAL PASSTHROUGHS TO SUBRECIPIENTS

During 2018, 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.



CliftonLarsonAllen LLP
CLAconnect.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, 2018, 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 24, 2019. 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 2018-001 and 2018-002 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 2018-003 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
July 24, 2019



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, 2018. 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 \$-0- in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2018. 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
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, 2018.

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
of the Board of Supervisors
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, 2018, and the related notes to the financial statements, which collectively comprise Dunn County's basic financial statements. We issued our report thereon dated July 24, 2019, 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
July 25, 2019

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Section I – Summary of Auditors' Results

Financial Statements

- | | |
|---|----------------------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | _____ X _____ Yes _____ No |
| • Were significant deficiency(ies) identified not considered to be a material weakness(es)? | _____ X _____ Yes _____ No |
| 3. Noncompliance material to basic financial statements noted? | _____ Yes _____ X _____ No |

Federal Awards

- | | |
|--|----------------------------|
| 1. Internal control over compliance: | |
| • Material weakness(es) identified? | _____ Yes _____ X _____ No |
| • Were significant deficiency(ies) identified not considered to be a material weakness(es)? | _____ Yes _____ X _____ No |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. 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:

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

Dollar threshold used to determine between type A and type B programs:

\$ 750,000 _____

Auditee qualify as low-risk auditee?

_____ Yes _____ X _____ No

**DUNN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018**

Section II – Findings Related to the Financial Statements

Finding: 2018-001 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)
YEAR ENDED DECEMBER 31, 2018**

Section II – Findings Related to the Financial Statements (Continued)

Finding: 2018-002 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)
YEAR ENDED DECEMBER 31, 2018**

Section II – Findings Related to the Financial Statements (Continued)

Finding: 2018-003 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)
YEAR ENDED DECEMBER 31, 2018**

Section III – Findings Related to Major Federal Award Programs

None.

Section IV – Findings Related to Major State Financial Assistance Programs

None.

Section V – Other Issues

- | | |
|--|----|
| 1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| Department of Agriculture, Trade and Consumer Protection | No |
| Department of Justice | No |
| Department of Military Affairs | No |
| Department of Veterans Affairs | No |
| Department of Natural Resources | No |
| Department of Transportation | No |
| Department of Administration | No |
| Department of Safety and Professional Services | No |
| Department of Health Services | No |
| Department of Children and Families | No |
| 3. Was a management letter or other document conveying audit comments issued as a result of this audit? | No |

4. Name and signature of Principal


April Anderson, CPA

5. Date of Report

July 25, 2019