

**WASHBURN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2019**



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**WASHBURN COUNTY, WISCONSIN
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**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of Agriculture</u>					
Special Supplemental Nutrition Assistance Program for Women, Infants and Children: WIC Program	10.557	WI DHS	CARS Line # 154710	\$ -	\$ 75,162
State Matching Grant for Food Stamp Program (SNAP Cluster): Income Maintenance Contract	10.561	WI DHS / GRIM	SPARC Line #961, 965	-	90,445
Total Department of Agriculture				-	165,607
<u>Department of Interior</u>					
Wildlife Restoration and Basic Hunter Education	15.611	WI DNR	RPBL-505-13	-	40,279
<u>Environmental Protection Agency</u>					
Nonpoint Source Implementation Grants: Targeted Runoff Management	66.460	WI DNR	66.460	-	43,354
<u>Department of Education</u>					
Special Education Grants for Infants and Families: Birth to Three Initiative	84.181	WI DHS	CARS Line #550	-	16,850
<u>Department of Health and Human Services</u>					
Preventive Health - Title III D Aging Cluster:	93.043	GWAAR	CARS Line #560510	-	6,166
Supportive Services - Title III B	93.044	GWAAR	CARS Line #560340	-	26,484
Title III-Part C-Nutrition Services: Congregate Nutrition - Title III C-1	93.045	GWAAR	CARS Line #560350	-	32,478
Total Title III, Part C Nutrition Services				-	32,478
Nutrition Services Incentive Program:	93.053	GWAAR	CARS Line #560422	-	37,483
Total Aging Cluster				-	96,445
National Family Caregivers Support Program	93.052	GWAAR	CARS Line #560520	-	9,969

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

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Department of Health and Human Services (Continued)</u>					
Public Health Emergency Preparedness	93.069	WI DHS	CARS Line #155015	\$ -	\$ 32,576
Health Emergency Preparedness (PHEP)	93.069	WI DHS	CARS Line #75, 155050	-	2,250
Env PH Tracking Network	93.070	WI DHS	CARS Line #155078	-	4,439
Injury Prevention and Control Research and State and Commu	93.136	WI DHS	CARS Line #150211	-	22,609
Capacity Building Assistance to Strengthen Public Health Immur	93.268	WI DHS	CARS Line # 155020	-	5,690
State Health Insurance Assistance Program	93.324	GWAAR	CARS Line #560432	-	5,770
Public Health Crisis Response Awards	93.354	WI DHS	CARS Line #155129, 155131	-	18,000
Medicare Improvements for Patients and Providers	93.518	GWAAR	CARS Line #75019	-	2,025
Promoting Safe and Stable Families	93.556	WI DCF	SPARC Line #3306	-	33,310
Temporary Assistance for Needy Families (TANF Cluster):	93.558				
Children and Families Basic Allocation		WI DCF	CARS Line #831, 3377, 3380, 3561	-	8,471
Social Services and Community Programs Contract		WI DHS	CARS Line #515, 561	-	41,956
Total TANF Cluster				-	50,427
Child Support Enforcement	93.563	** WI DCF	SPARC # 7332, 7477, 7482, 7502, 7506, 7903	-	223,755
Low-Income Home Energy Assistance	93.568	WI DOA	AD1296173.65	-	15,671
Child Care Development Program	93.596	WI DCF	SPARC Line #831, 852	-	26,420
<u>Department of Health and Human Services (Continued)</u>					
Stephanie Tubbs Jones Child Welfare Services Program:	93.645				
Basic Children and Families Allocation		WI DCF	SPARC Line #3413, 3561, 3681	-	14,880
Foster Care-Title IV-E:	93.658				
Basic Children and Families Allocation		WI DCF	SPARC Line #3342, 3344, 3413, 3561, 3681	-	152,356
Total Foster Care - Title IV-E				-	152,356
Social Services Block Grant:	93.667				
Aging and Disability Resource Center (ADRC)		WI DHS	CARS Line #561	-	78,211
Total Social Services Block Grant				-	78,211
CW TPR Adoption Services	93.659	WI DCF	SPARC Line #3574	-	1,520
Children's Insurance Program	93.767	WI DHS / GRIM	FY 2019	-	11,838
** Major Federal Program					

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

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Department of Health and Human Services (Continued)</u>					
Medicaid Cluster:	93.778	**			
I & A OCI Replacement Federal Match		GWAAR	CARS Line #560030	\$ -	\$ 683
I & A EBS Replacement Federal Match		GWAAR	CARS Line #560021	-	5,966
Case Management		WI DHS	FY 2019	-	9,365
Wisconsin Medicaid Cost Reporting Program		WI DHS	CARS Line #684	-	31,017
			CARS Line #560081, 560082, 560085, 560071, 560072, 560074, 560075, 560087, 560088, 560091, 560092, 560095	-	62,171
Aging and Disability Resource Center (ADRC)		WI DHS / Barron County, WI		-	6,553
Maternal and Child Health Services		WI DHS	CARS Line # 75, 159320	-	117,103
Income Maintenance		WI DHS / GRIM	CARS Line #75	-	
<u>Claims Paid to Providers Via Third Party Administrator</u>					
Medical Assistance	93.778	**		-	251,077
Total Medicaid Cluster				-	483,935
Block Grants for Community Mental Health Services	93.958	WI DHS	CARS Line #515, 569	-	16,486
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS Line #570, 516	-	28,348
Preventive Health and Health Service Block Grant	93.991	WI DHS	CARS Line #159220	-	8,080
Maternal and Child Health Services Block Grant Reproductive Health	93.994	WI DHS	CARS Line #159321	-	7,749
Total Maternal and Child Health Services Block Grant				-	7,749
Total Department of Health and Human Services				-	1,358,925
<u>Department of Homeland Security</u>					
Emergency Management Performance Grant	97.042	WI DMA	FY 2019 EMPG	-	31,174
Total Department of Homeland Security				-	31,174
TOTAL FEDERAL AWARD EXPENDITURES				\$ -	\$ 1,656,189

** Major Federal Program

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

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Agriculture, Trade and Consumer Protection</u>		
Soil and Water Resource Management:		
Soil and Water Resource Management Program	115.15	\$ 99,768
Land and Water Resource Management Projects	115.40	** 37,584
Total Department of Agriculture, Trade and Consumer Protection		137,352
 <u>Department of Natural Resources</u>		
Wildlife Damage Claims and Abatement	370.553	28,005
Recreation Aid	370.564	7,024
Forest Road Aid	370.567	29,904
County Forest Sustainable Grant	370.572	65,576
Recreation Aids - Snowmobile Trails and Areas:	370.575	136,409
Resource Aids - ATV Project Aids:	370.576	** \$ 299,772
Lake Planning Grant	370.664	19,699
Recycling Grant Aids	370.670	83,300
Total Department of Natural Resources		669,689
 <u>Department of Transportation</u>		
Elderly and Handicapped County Aids:		
Elderly and Handicapped Transportation:	395.101	72,389

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Health Services</u>		
Women's, Infants', and Children's Farmers Market Grant	435.154720	\$ 608
Consolidated Contracts - CHHD LD	435.157720	2,523
Community Disease Control & Prevention	435.155800	6,400
WH/FP RH 253.07 GPR	435.159317	6,520
WH/FP RH 20.435 (1)(EV)	435.159322	3,084
IM Available Allocation - State Share	435.283	40,456
IM Available Allocation - State Share	435.284	1,502
Adult Protective System	435.312	18,024
Kinship Care Base Benefit	435.377	21,806
Coordinated Services	435.515	50,586
Grants for Infants and Toddlers	435.550	16,190
State Funded Basic Allocation	435.561	** 449,885
Aging Disability Resource Center	435.560100	181,437

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Health Services (Continued)</u>		
Human Services Contract	435.681	** \$ 35,667
Transform Milwaukee Jobs TMJ Drug Testing	437.516	100,213
Child Support	437.7502	21,796
CS Medical Support GPR Earned	437.7606	959
Child Support Fingerprint	437.0961	144
Passed through Greater Wisconsin Area Agency on Aging:		
Elderly Benefit Specialist Program	435.560024	5,455
Elderly Benefit Specialist Program - Other	435.560025	22,760
Elderly Benefit Specialist Program - Other	435.560327	683
State Pharmaceutical Assistance Program	435.560328	2,592
State Senior Community Services	435.560330	5,837
Congregate Nutrition	435.560350	49,926
Home Delivered Meal Program	435.560360	1,555
Alzheimer's Family Support Program	435.560381	9,437
Elder Abuse Service	435.560490	6,150
		<u>1,062,195</u>
<u>Department of Children and Families:</u>		
CW Kinship Care Program - Benefits	437.3377	36,100
CW Kinship Care Program - Assessment	437.3380	1,641
Community Intervention	437.3410	6,201
Youth Aids	437.3413	214,962
Basic County Allocation	437.3561	** 137,681
State/County Match	437.3681	** 11,060
CW WSACWIS Annual OP Maint Fee	437.3935	(1,978)
PDS Partnership Fees	437.3940	(706)
CW Youth Specific Case Management Systems Fee	437.3945	(38,000)
Food Stamp Agency Incentive	437.965	3,058
MA Agency Incentive	437.980	2,265
BFI - SABG	437.1401	55,065
Total Department of Health and Family Services		<u>427,349</u>

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Expenditures</u>
<u>Department of Justice</u>		
Victim and Witness Assistance Program-A Program Cluster:	455.532	\$ 36,443
<u>Department of Military Affairs</u>		
Emergency Planning Grant Program:		
Hazmat Grant	465.308	1,413
LEPC Emergency Planning Grant	465.337	<u>4,820</u>
Total Department of Military Affairs		<u>6,233</u>
<u>Department of Administration</u>		
Comprehensive Planning Grant:		
Land Information Board Grant	505.118	114,600
Utility Public Benefits - Low Income Assistance	505.371	<u>32,653</u>
Total Department of Administration		<u>147,253</u>
Subtotal State Financial Assistance		2,558,903
Paid Claims by Third Party Administrator		
Medical Assistance - Community Long Term Support	^^	** <u>171,896</u>
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES		<u><u>\$ 2,730,799</u></u>

^^ See Note 5

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2019**

NOTE 1 REPORTING ENTITY

Washburn County is governed by a board of supervisors consisting of twenty-one 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 a discretely presented component unit as described below.

Component Unit

Washburn County Industrial Development Agency, Ltd. Washburn County Industrial Development Agency, Ltd. (Agency) was organized in 1989 by the County when the County received intergovernmental funds to finance a loan to a private business. Proceeds received from the repayment of this loan are being used by the Agency to finance other loans to local businesses to promote industrial development. The Agency is governed by a seven member board statutorily comprised of the county board chairman, finance committee chairman, county treasurer, corporation counsel and three public members appointed by the county board. The Agency receives no funding from nor provides any funding to the County. The Agency maintains its financial statements on a fiscal year ending June 30. Financial statements of the Agency for the year ending June 30, 2019 are presented in the County's 2019 audited basic financial statements as a discretely presented component unit. The Agency's financial statements are separately audited and can be obtained from Washburn County.

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.

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2019**

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. Washburn County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 CDBG PROGRAMS REVOLVING LOAN FUND

Housing Rehabilitation

The County was awarded Community Development Block Grants for financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The following is a description of the loans outstanding under the program at December 31, 2019:

Owner-Occupied Loans. The County had seventy-five (75) owner-occupied mortgage loans outstanding at December 31, 2019 totaling \$849,132. These notes become due and payable in full only "in the event that the maker:

- a. No longer continues to occupy the premises securing this note as a full-time residence, or
- b. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

Receivables have been recorded in the special revenue fund in the amount of the outstanding balances on these loans and were equally offset by deferred inflow of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

Transactions of the revolving loan fund for the year ending December 31, 2019 are summarized as follows:

Fund Balance January 1, 2019	\$	24,932
Loan Repayments		57,424
Interest Income		1,226
Loans Made from Fund		25,334
Administration Paid from Fund		(25,469)
Fund Balance December 31, 2019	<u>\$</u>	<u>83,447</u>

The above transactions are not included in the schedule of expenditures of federal awards.

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2019**

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.



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
Washburn 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 discretely presented component unit, each major fund and the aggregate remaining fund information of Washburn County, Wisconsin (County) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 6, 2020. Our report includes a reference to other auditors who audited the financial statements of the Washburn County Industrial Development Agency, Ltd., as described in our report on Washburn 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs listed as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Honorable Members
of the Board of Supervisors
Washburn County, Wisconsin

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*.

Washburn 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

Rice Lake, Wisconsin
October 6, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE 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
Washburn County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Washburn 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, 2019. 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

Washburn County's basic financial statements include the operations of the Washburn County Industrial Development Agency, Ltd., which expended \$566,544 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2019. Our audit, described below, did not include the operations of the Washburn County Industrial Development Agency Ltd. because it operates on a June 30 fiscal year-end and receives its own audit of expenditures of federal awards.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' 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 the 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
Washburn 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 Program

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 auditors' results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2019.

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 of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program 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 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 less severe than a material weakness in internal control over compliance, yet important enough to merit attention of 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
Washburn 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Washburn County's basic financial statements. We issued our report thereon dated October 6, 2020, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Washburn County Industrial Development Agency, as described in our report on Washburn County, Wisconsin, Wisconsin's financial statements. This report does not include expenditures of federal awards or a schedule of state financial assistance for the Washburn County Industrial Development Agency. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Guidelines, respectively, and is 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

Rice Lake, Wisconsin
October 6, 2020

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2019**

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 none reported
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X none reported
- Significant deficiency(ies) identified? yes X none reported

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 none reported

Identification of major Federal programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$187,500/\$750,000

Auditee qualified as low-risk auditee? yes X no

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2019**

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

State Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X none reported
- Significant deficiency(ies) identified? _____ yes X none reported

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 Number(s)</u>	<u>Name of State Program or Cluster</u>
115.40	Land and Water Resource Management
370.576	Recreational Trails - ATV Grants
See Note 5	CLTS Paid via Third Party Administrator
435.561	State Funded Basic County Allocation
435.681	Community Services and MH Services - State/County Match
437.3681	Basic County Allocation
437.3561	Basic County Allocation

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

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

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2019-001 Material Audit Adjustments

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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 review adjustments proposed by us and will endeavor to minimize the number and amount of proposed adjustments in future audits, but 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 potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff.

Repeat Finding: This finding is repeated from finding 2018-001.

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 Financial Director is the official responsible for ensuring corrective action of the deficiency

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

FINDING: 2019-002 Limited Segregation of Duties

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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 segregation of duties condition is applicable to the receipting, disbursement and journal entry transaction cycles as well as financial reporting functions of the County.

Cause: The limited size of the County's staff responsible for accounting and financial reporting functions precludes a complete segregation of incompatible duties. Additionally, policies and procedures over financial transactions in place during 2019 are not adequate.

Effect: The potential exists, due to the lack of segregation of duties, that a financial statement misstatement or misappropriation of assets caused by error or fraud may not be detected or prevented by County staff.

Repeat Finding: This finding is repeated from finding 2018-002.

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 achieve segregation of duties whenever cost effective. The Financial Director is the official responsible for ensuring corrective action of the deficiency.

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.

PART 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 *State Single Audit Guidelines*:

- 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 Corrections 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 Brock Geyen, CPA

5. Date of Report October 6, 2020

