

WASHBURN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2014

**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2014**

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**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years	Expenditures		Receipts		Accrued
		(Deferred) Reimbursements 1/1/14		Adjustments	Federal	Local	Grant Reimburse- ments	Local Share
Department of Agriculture								
Passed through Wisconsin Department of Health Services:								
Special Supplemental Food Program for Women, Infants and Children	10.557	\$ (288)	\$ -	\$ 95,633	\$ -	\$ 95,068	\$ -	\$ 277
State Administrative Matching Grants for Income Maintenance Contract	10.561	25,761	-	67,877	39,112	80,128	39,112	13,510
Passed through Wisconsin Department of Children and Families								
Supplemental Nutrition Assistance Program	10.561	49	-	667	-	662	-	54
Total Department of Agriculture		25,522	-	164,177	39,112	175,858	39,112	13,841
Department of Justice								
Passed through Wisconsin Department of Justice:								
Edward Bryne Memorial Justice Assistance Grant Program Intoxicated Driver Incentive - Project # 0950-39-13	16.804	2,593	-	5,172	-	5,026	-	2,739
Department of Transportation								
Passed through Wisconsin Department of Transportation:								
Recreational Trails Program	20.219	90,870	(15,870)	-	-	-	-	75,000
Department of Education								
Passed through Wisconsin Department of Health Services								
Special Education - Grants for Infants and Families	84.181	-	-	16,675	-	16,675	-	-

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, 2014

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred) Reimbursements	Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/14	
				1/1/14	Federal	Local	Grant Reimburse- ments		Local Share
Department of Health and Human Services									
Passed through Greater Wisconsin Area Agency on Aging:									
Title III, D - Preventive Health:	93.043	\$ 1,051	\$ -	\$ 1,752	\$ 215	\$ 1,887	\$ 215	\$ 916	
Title III, B - Supportive Services	93.044	(A) -	-	26,539	108,834	25,648	108,834	891	
Title III, Part C-1 - Nutrition Services	93.045	(A) -	-	30,788	65,710	30,788	65,710	-	
Title III, Part C-2 - Home Delivered Nutrition	93.045	(A) -	-	13,826	50,119	13,826	50,119	-	
Title III, Part E - National Family Caregiver Support	93.052	405	-	9,295	5,742	8,547	5,742	1,153	
Nutrition Services Incentive Program	93.053	(A) 1,606	-	15,315	-	16,921	-	-	
Nutrition Services Incentive Program	93.667	(X) 94	-	-	-	94	-	-	
State Health Insurance Assistance	93.324	-	-	579	-	74	-	505	
Title III, Part C-1 - Nutrition Services	93.667	(X) -	-	17,326	-	4,738	-	12,588	
Title III, Part C-2 - Home Delivered Nutrition	93.667	(X) -	-	227	-	227	-	-	
Elderly Benefit Specialist Replacement	93.778	(X) -	-	28,215	3,135	28,215	3,135	-	
Elderly Benefit Specialist Replacement - Federal Match	93.778	(X) -	-	10,220	-	10,220	-	-	
I&A OCI Replacement	93.778	(X) -	-	1,213	-	1,213	-	-	
I&A OCI Replacement - Other	93.778	(X) -	-	2,062	-	2,062	-	-	
I&A OCI Replacement - Federal Match	93.778	(X) -	-	1,213	-	1,213	-	-	
State Health Insurance Assistance Program	93.779	-	-	4,728	-	4,728	-	-	
Passed through Wisconsin Department of Health Services:									
Public Health Emergency Preparedness	93.069	(4,944)	-	34,099	-	29,155	-	-	
Medicare Enrollment Assistance Program	93.071	-	-	3,000	-	3,000	-	-	
Bioterrorism Preparedness	93.074	-	-	1,500	-	1,500	-	-	
Immunization Grants	93.268	-	-	6,360	-	6,360	-	-	
Income Maintenance	93.558	832	-	2,194	1,264	2,589	1,264	437	
Temporary Assistance for Needy Families	93.558	-	-	43,067	-	43,067	-	-	
Social Services Block Grant	93.667	(X) -	-	75,114	-	75,114	-	-	
Aging Disability Resource Center - Social Services Block Grant	93.667	(X) -	-	358	-	358	-	-	
Income Maintenance	93.767	4,820	-	12,702	7,319	14,994	7,319	2,528	
Medical Assistance Program Cluster:									
Medical Assistance Program	93.778	(X) 5,417	-	549	-	5,704	-	262	
Income Maintenance Contract	93.778	(X) (539)	-	3,681	-	3,142	-	-	
Income Maintenance Contract	93.778	(X) 35,664	-	94,130	54,239	111,058	54,239	18,736	
Case Management	93.778	(X) 728	-	19,107	72,810	18,082	72,810	1,753	
Wisconsin Medicaid Cost Reporting	93.778	(X) -	-	46,074	-	46,074	-	-	
Aging and Disability Resource Center	93.778	(X) 15,042	-	66,417	-	56,899	-	24,560	
Consolidated Contracts MCH	93.778	(X) -	-	4,231	-	4,231	-	-	
Block Grant for Community Health	93.958	-	-	8,386	-	7,828	-	558	

(A) Aging Cluster
(X) Major Federal Awards Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/14	Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/14		
				Federal	Local	Reimburse- ments	Local Share			
Department of Health and Human Services (Continued)										
Passed through Wisconsin Department of Health Services: (Continued)										
Block Grant for Prevention and Treatment of Substance Abuse	93.959	\$ 4,571	\$ -	\$ 78,191	\$ -	\$ 78,571	\$ -	\$ 4,191		
Preventive Health and Health Service Block Grant:	93.991	-	-	1,559	-	1,559	-	-		
Maternal and Child Health Services Block Grant:										
Consolidated Contracts MCH	93.994	-	-	8,777	-	8,777	-	-		
Reproductive Health	93.994	-	-	16,312	-	16,312	-	-		
Passed through Wisconsin Department of Children and Families										
Promoting Safe and Stable Families	93.556	8,327	-	33,310	-	36,085	-	5,552		
Temporary Assistance for Needy Families	93.558	7,498	-	50,657	1,540	54,061	1,540	4,094		
Child Support Enforcement Program (Title IV-D)	93.563	(X) 51,257	-	230,517	61,744	229,720	61,744	52,054		
Child Care Development Program	93.596	6,494	-	21,843	-	24,131	-	4,206		
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	-	8,966	-	8,966	-	-		
Foster Care-Title IV-E	93.658	(X) -	-	136,690	-	132,318	-	4,372		
Social Services Block Grant	93.667	(X) -	-	13,833	-	13,833	-	-		
Chafee Foster Care Independence Program	93.674	1,226	-	1,599	-	1,524	-	1,301		
Medicaid Agency Incentives	93.778	(X) 29	-	438	-	390	-	77		
Passed through Wisconsin Department of Administration:										
Low-Income Home Energy Assistance	93.568	5,163	-	52,192	824	45,537	824	11,818		
Passed through Wisconsin Department of Corrections:										
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(9)	-	1,666	3,169	530	3,169	1,127		
Foster Care-Title IV-E	93.658	(X) (13)	-	2,332	4,436	740	4,436	1,579		
Total Department of Health and Human Services		144,719	-	1,243,149	441,100	1,232,610	441,100	155,258		
Department of Homeland Security										
Passed through Wisconsin Department of Military Affairs:										
Hazard Mitigation	97.039	-	-	8,125	-	-	-	8,125		
Emergency Management Performance Grants	97.042	22,444	-	30,952	68,286	30,420	68,286	22,976		
Total Department of Homeland Security		22,444	-	39,077	68,286	30,420	68,286	31,101		
TOTAL FEDERAL AWARDS				<u>\$ 286,148</u>	<u>\$ (15,870)</u>	<u>1,468,250</u>	<u>\$ 548,498</u>	<u>\$ 1,460,589</u>	<u>\$ 548,498</u>	<u>\$ 277,939</u>
Claims Paid to Providers via Third Party Administrator										
Medical Assistance (Medicaid Cluster)	93.778	^^		162,121						
TOTAL FEDERAL AWARD EXPENDITURES				<u>\$ 1,630,371</u>						

(X) Major Federal Awards Program

^^ See Note 5

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, 2014**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/14	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/14
					Grant Reimburse- ments	Local Share	
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Soil and Water Resource Management:							
Soil and Water Resource Management Program	115.15	** \$ 119,963	\$ -	\$ 112,217	\$ 119,963	\$ 14,922	\$ 97,295
Land and Water Resource Management Projects	115.40	** 17,864	-	19,834	33,947	-	3,751
Total Department of Agriculture, Trade and Consumer Protection		137,827	-	132,051	153,910	14,922	101,046
<u>Department of Commerce</u>							
Environmental Aids - Private Sewage System Grants	143.110	-	-	9,860	9,860	-	-
<u>Department of Natural Resources</u>							
Wildlife Damage Claims and Abatement	370.553	18,655	-	14,483	23,464	-	9,674
Recreation Aid	370.564	-	-	7,053	7,053	-	-
Forest Road Aid	370.567	-	-	30,086	30,086	-	-
Little Grassy Lake Dam	370.572	16,191	-	1,028	17,219	-	-
County Forest Sustainable Grant	370.572	-	44,860	84,101	123,326	5,635	-
Urban and Community Forestry	370.572	7,964	(7,964)	-	-	-	-
Recreational Boating Facilities	370.573	10,706	-	6,786	10,706	-	6,786
Recreation Aids - Snowmobile Trails and Areas:							
7/2/12-6/30/13 S-4161	370.575	5,826	(861)	-	4,965	-	-
7/1/14-6/30/15 S-4354	370.575	-	-	31,350	31,350	-	-
8/15/12-6/30/13 S-4209	370.575	(9,813)	622	2,910	-	-	(6,281)
8/16/12-6/30/14 S-4210	370.575	9,169	-	-	9,169	-	-
10/10/14-6/30/16 MS15-02	370.575	-	-	954	6,960	-	(6,006)
8/15/13-6/3/14 S-4281	370.575	1,747	-	65,255	58,320	-	8,682

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued	Prior Years Adjustments	Expenditures	Receipts		Accrued	
		(Deferred) Reimbursements 1/1/14			Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/14	
<u>Department of Natural Resources (Continued)</u>								
Resource Aids - ATV Project Aids:								
11/17/10-6/30/12	ATV-2077	370.576	\$ 162,475	\$ 15,870	\$ 5,296	\$ -	\$ -	\$ 183,641
7/2/12-6/30/13	ATV-2241	370.576	39,532	-	-	39,532	-	-
10/2/12-6/30/14	ATV-3025	370.576	22,660	-	1,995	-	-	24,655
7/1/13-6/30/14	ATV-3089	370.576	9,181	-	22,604	-	-	31,785
7/1/13-6/30/14	ATV-3116	370.576	-	-	6,965	6,965	-	-
7/1/13-6/30/14	ATV-3160	370.576	-	-	26,632	31,785	-	(5,153)
7/1/13-6/30/14	ATV-3187	370.576	-	-	6,965	6,965	-	-
7/1/13-6/30/14	ATV-3200	370.576	-	-	-	23,250	-	(23,250)
7/1/13-6/30/14	ATV-3201	370.576	-	-	-	30,375	-	(30,375)
7/1/13-6/30/14	ATV-3206	370.576	-	-	-	48,975	-	(48,975)
7/1/13-6/30/14	ATV-3213	370.576	-	-	-	19,500	-	(19,500)
7/1/13-6/30/14	ATV-3246	370.576	-	-	3,730	-	-	3,730
7/1/13-6/30/14	UTV-15027	370.576	-	-	5,165	5,165	-	-
7/1/13-6/30/14	UTV-14021	370.576	5,041	-	5,041	10,082	-	-
Lake Planning Grant	370.664		16,015	-	23,540	16,015	5,885	17,655
Recycling Grant Aids	370.670	**	-	-	94,638	83,381	11,257	-
Municipal Dam Construction	370.763	**	-	-	795,096	200,000	595,096	-
Total Department of Natural Resources			315,349	52,527	1,241,673	844,608	617,873	147,068
<u>Department of Transportation</u>								
Elderly and Handicapped County Aids:								
Elderly and Handicapped Transportation:	395.101	**	-	-	85,329	68,117	17,212	-
<u>Department of Corrections</u>								
Community Intervention	410.302		-	-	2,970	2,970	-	-
Youth Aids - AODA	410.313	**	(854)	-	-	(78)	-	(776)
Youth Aids - Community Services	410.313		-	-	471,830	51,747	309,249	110,834
Total Department of Corrections			(854)	-	474,800	54,639	309,249	110,058

** Major State Financial Assistance Program

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

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/14			Grant Reimburse- ments	Local Share	Reimbursements 12/31/14
Department of Health Services							
Women's, Infants', and Children's Farmers Market Grant	435.154720	\$ -	\$ -	\$ 875	\$ 865	\$ -	\$ 10
WWWP - GPR	435.157000	-	-	13,027	13,027	-	-
Consolidated Contracts - CHHD LD	435.157720	-	-	1,266	1,684	-	(418)
Consolidated Contracts MCH	435.159320	-	-	670	670	-	-
Reproductive Health	435.159321	-	-	13,298	13,298	-	-
PF Non Federal Program Revenue	435.200	(374)	-	-	(374)	-	-
IM Available Allocation - State Share	436.283	-	-	70,940	70,940	-	-
Medicaid Subrogation Collection	435.291	(60)	-	-	(60)	-	-
Adult Protective System	435.312	-	-	18,024	18,024	-	-
Community Options Program	435.367	3,284	-	69,795	74,438	-	(1,359)
Certified Mental Health Program	435.517	-	-	14,355	14,355	-	-
Grants for Infants and Toddlers	435.550	-	-	16,365	16,365	-	-
State Funded Basic Allocation	435.561	**	-	444,052	444,052	-	-
Aging Disability Resource Center	435.560100	21,068	-	101,882	85,476	-	37,474
IMD - OBRA Relocations	435.571	10,837	-	14,450	25,287	-	-
Family Support Program	435.577	1,615	-	15,633	13,777	-	3,471
Meth Prevention	435.591	-	-	28,456	28,456	-	-

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/14	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/14
					Grant Reimburse- ments	Local Share	
Department of Health Services (Continued)							
Community Services and MH Services:							
Human Services Contract	435.681	\$ 24,274	\$ -	\$ 61,708	\$ 39,701	\$ -	\$ 46,281
Regional Crisis Grant	435.81075	-	-	69,099	69,099	-	-
MA Crisis Training	435.81079	-	-	3,581	3,581	-	-
CLTS - DD AUT CWA admin	435.832	939	-	-	939	-	-
CLTS - DD OTH CWA admin	435.835	2,512	-	-	2,512	-	-
CLTS - MH AUT CWA admin	435.838	395	-	-	395	-	-
CLTS - MH OTH CWA admin	435.841	455	-	-	455	-	-
CLTS - PD OTH CWA admin	435.847	643	-	-	643	-	-
Passed through Greater Wisconsin Area Agency on Aging:							
State Senior Community Services	435.560330	-	-	6,486	5,837	649	-
Congregate Nutrition	435.560350	-	-	90,696	28,937	61,759	-
Home Delivered Meal Program	435.560360	-	-	7,630	1,650	5,980	-
Alzheimer's Family Support Program	435.560381	992	-	5,540	1,577	-	4,955
Elder Abuse Service	435.560490	4,092	-	9,900	5,222	-	8,770
Department of Children and Families:							
Supplemental Nutrition Assistance Program	437.267	78	-	1,105	1,052	-	131
Basic County Allocation	437.3561	**	-	100,159	100,159	-	-
WISACWIS Ongoing Charges and Pass Through	437.3604	-	-	(1,978)	(1,978)	-	-
State/County Match	437.3681	**	-	272,552	20,513	252,039	-
Total Department of Health and Family Services		70,750	-	1,449,566	1,100,574	320,427	99,315
Department of Justice							
Victim and Witness Assistance Program-A Program Cluster:	455.503, 532,	18,204	-	66,268	35,790	30,413	18,269
** Major State Financial Assistance Program							

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

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/14			Grant Reimburse- ments	Local Share	Reimbursements 12/31/14
Department of Military Affairs							
Emergency Planning Grant Program:							
Hazmat Grant	465.308	\$ -	\$ -	\$ 7,108	\$ 5,501	\$ 1,607	\$ -
HMEP Training Grant	465.310	-	-	455	455	-	-
LEPC Emergency Planning Grant	465.337	3,606	-	4,932	4,872	-	3,666
Total Department of Military Affairs		<u>3,606</u>	<u>-</u>	<u>12,495</u>	<u>10,828</u>	<u>1,607</u>	<u>3,666</u>
Department of Administration							
Comprehensive Planning Grant:							
Comprehensive Planning Activities	505.110	28,506	-	-	-	-	28,506
Land Information Board Grant	505.118	(11,756)	-	6,594	31,694	-	(36,856)
Utility Public Benefits - Low Income Assistance	505.371	4,784	-	30,889	21,362	2,677	11,634
Passed Through Burnett County:							
Treatment Alternatives and Diversion Program	2014-TD-01-10374	2,047	-	16,863	17,266	-	1,644
Total Department of Administration		<u>23,581</u>	<u>-</u>	<u>54,346</u>	<u>70,322</u>	<u>2,677</u>	<u>4,928</u>
Subtotal State Financial Assistance		<u>\$ 568,463</u>	<u>\$ 52,527</u>	<u>3,526,388</u>	<u>\$ 2,348,648</u>	<u>\$ 1,314,380</u>	<u>\$ 484,350</u>
Paid Claims by Third Party Administrator							
Medical Assistance - Community Long Term Support	^^			112,103			
Deduct: Local Share of Expenditures				(1,314,380)			
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				<u>\$ 2,324,111</u>			

^^ See Note 5

**WASHBURN COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2014**

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, 2014 are presented in the County's 2014 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.

Receipts – Receipts recorded under the Grant Reimbursement category 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.

**WASHBURN COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2014**

NOTE 2 BASIS OF PRESENTATION (CONTINUED)

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, except as discussed in Note 4.

Deferred Reimbursement – Amounts recorded as deferred reimbursements represent available (unexpended) program funds held by the County.

NOTE 3 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2014 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2014 and/or adjustment of accruals resulting from prior year audit findings.

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, 2014:

Owner-Occupied Loans. The County had eighty-six (86) owner-occupied mortgage loans outstanding at December 31, 2014 totaling \$922,176. 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 revenues 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, 2014 are summarized as follows:

Balance January 1, 2014	\$ 41,696
Loan Repayments	23,095
Interest Income	21
Loans Made from Fund	36,992
Administration Paid from Fund	<u>(100,747)</u>
Balance December 31, 2014	<u>\$ 1,057</u>

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

**WASHBURN COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2014**

NOTE 5 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR

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

NOTE 6 PASS-THROUGH GRANT NUMBERS

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

**WASHBURN COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2014**

A. MAJOR FEDERAL PROGRAM AWARDS

None

B. MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

None

C. STATE GENERAL REQUIREMENTS

None



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

Honorable Members
of the Board of Supervisors
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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 25, 2015. 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.

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.

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 the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002 and 2014-003 to be material weaknesses.

Honorable Members
of the Board of Supervisors
Washburn County, Wisconsin

Compliance and Other Matters

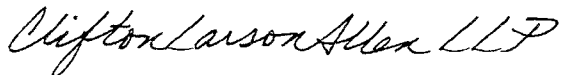
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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
September 25, 2015



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

Honorable Members of the Board of Supervisors
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 Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. 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 \$668,668 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2014. 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 the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, *OMB Circular A-133* and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Honorable Members
of the Board of Supervisors
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 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, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

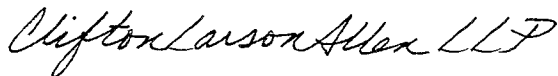
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133 and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Honorable Members
of the Board of Supervisors
Washburn County, Wisconsin

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

We have audited the financial statements of the governmental activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise Washburn County's basic financial statements. We issued our report thereon dated September 25, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and State Single Audit Guidelines, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Rice Lake, Wisconsin
September 25, 2015

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2014**

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? yes X none reported

 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 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 section 510(a) of OMB Circular A-133? yes X no

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
93.667	Social Services Block Grant
93.778	Medical Assistance Program - Medicaid Cluster

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

Auditee qualified as low-risk auditee? yes X no

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2014**

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 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>
115.15	Soil and Water Resource Management
115.40	Land and Water Resource Management
370.763	Municipal Dam Construction
370.670	Recycling
395.101	Elderly Transportation Aids
410.313	Youth Aids
435.561	Basic County Allocation
437.3561	Basic County Allocation
437.3681	State/County Match

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

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

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2014**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2014-001 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 and expertise 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 their internal staff and expertise to determine if an internal control policy over the annual financial reporting is beneficial.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County will continue to rely upon the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements. The Administrative Coordinator/Finance Director is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2014**

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

FINDING: 2014-002 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 potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff.
- Recommendation:** The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Administrative Coordinator/Finance Director is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2014**

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

FINDING: 2014-003 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. During our testing of payroll expenditures, we noted three timesheets which were not approved.
- 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 and an overlook by the finance department.
- 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. It is also possible unapproved payroll related items could allow for unauthorized expenditures to be processed.
- Recommendation:** The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible and reevaluate the controls and procedures over payroll related approvals.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2014**

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

FINDING: 2014-003 Limited Segregation of Duties (Continued)

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County continues to work to achieve segregation of duties whenever cost effective. The Administrative Coordinator/Finance Director is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Board will be monitoring this corrective action plan.

Compensating Controls and Mitigating Factors:

The cash disbursements process includes approval of the disbursement by the department head and approval of each voucher and coding by the finance department. The payroll disbursements process includes department head approval of timesheets and personnel department review of timesheets and approval of coding. The receipts process includes pre-numbering and a reconciliation of departmental batch receipt reports performed by the Treasurer. In addition to the above, the Treasurer also reviews the account coding and completes bank reconciliations monthly and is reconciled to the general ledger.

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2014**

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 September 25, 2015