

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

**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2017**

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

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Agriculture</u>									
Special Supplemental Nutrition Assistance Program for Women, Infants and Children: WIC Program	10.557	WI DHS	CARS Line # 154710	\$ -	\$ (201)	\$ -	\$ 87,862	\$ 88,548	\$ (887)
State Matching Grant for Food Stamp Program (SNAP Cluster): Supplement Nutrition Assistance Program Income Maintenance Contract	10.561	WI DCF WI DHS / GRIM	CORe Line #961, 965 CORe Line #961, 965	-	13,889	-	85,226	63,086	36,029
Total SNAP Cluster				-	13,889	-	85,226	63,086	36,029
LIDAR Ortho Grant 07/01/2016-3/8/2017 Total Department of Agriculture	15.817	Direct	G16AC00062-16Li02	-	-	-	118,250	118,250	-
				-	13,688	-	291,338	269,884	35,142
<u>Department of Justice</u>									
Bulletproof Vest Partnership Program Total Department of Justice	16.607	WI DOJ	FY 2017	-	-	-	5,250	5,250	-
				-	-	-	5,250	5,250	-
<u>Department of Transportation</u>									
Highway Planning and Construction Cluster: Highway Planning and Construction: CTH "A-H"	20.205	WI DOT	Project A-H	-	-	-	200,000	200,000	-
<u>Department of Education</u>									
Special Education Grants for Infants and Families: Birth to Three Initiative	84.181	WI DHS	CARS Line #550	-	-	-	16,675	16,675	-
<u>Department of Health and Human Services</u>									
Preventive Health - Title III D Aging Cluster:	93.043	GWAAR	CARS Line #560510	-	680	-	2,811	2,689	802
Supportive Services - Title III B	93.044	GWAAR	CARS Line #560340	-	1,694	-	24,854	26,392	156
Title III-Part C-Nutrition Services:	93.045								
Congregate Nutrition - Title III C-1		GWAAR	CARS Line #560350	-	2,942	-	44,387	47,329	-
Home Delivered Nutrition - Title III C-2		GWAAR	CARS Line #560360	-	-	-	13,292	13,292	-
Total Title III, Part C Nutrition Services				-	2,942	-	57,679	60,621	-
Nutrition Services Incentive Program:	93.053	GWAAR	CARS Line #560422	-	51	-	23,348	23,399	-
Total Aging Cluster				-	4,687	-	105,881	110,412	156
National Family Caregivers Support Program	93.052	GWAAR	CARS Line #560520	-	1,773	-	8,613	7,834	2,552

** 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, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
Department of Health and Human Services (Continued)									
Public Health Emergency Preparedness	93.074	WI DHS	CARS Line #155015	\$ -	\$ -	\$ -	\$ 20,512	\$ 20,512	\$ -
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.074	WI DHS	CARS Line #75, 155050	-	-	-	1,125	1,125	-
Immunization Cooperative Agreements	93.074	WI DHS	CARS Line #155020	-	-	-	6,518	6,518	-
Public Health Emergency Preparedness (PHEP) EBOLA 2	93.074	WI DHS	CARS Line #11111	-	7,135	-	500	-	7,635
State Health Insurance Assistance Program - (4/1/15-3/31/16)	93.324	GWAAR	CARS Line #560432	-	-	-	4,430	4,430	-
State Health Insurance Assistance Program - (4/1/16 - 3/31/17)	93.324	GWAAR	CARS Line #560432	-	1,590	-	440	1,590	440
Promoting Safe and Stable Families	93.556	WI DCF	CORe Line #3306	-	5,552	-	33,310	33,310	5,552
Temporary Assistance for Needy Families (TANF Cluster): Children and Families Basic Allocation	93.558	WI DCF	CARS Line #831, 3377, 3380, 3561	-	6,118	-	46,290	42,478	9,930
Social Services and Community Programs Contract		WI DHS	CARS Line #515, 561	-	-	-	41,313	41,064	249
Total TANF Cluster				-	6,118	-	87,603	83,542	10,179
Child Support Enforcement	93.563	WI DCF	CORE # 7332, 7477, 7482, 7502, 7506, 7903	-	44,917	-	209,612	202,019	52,510
Low-Income Home Energy Assistance	93.568	WI DOA	AD1296173.65	-	8,103	-	18,833	23,803	3,133
Child Care Development Program	93.596	WI DCF	CORe Line #831, 852	-	1,592	-	15,683	12,547	4,728
Stephanie Tubbs Jones Child Welfare Services Program: Basic Children and Families Allocation	93.645	WI DCF	CORe Line #3413, 3561, 3681	-	-	-	13,325	13,325	-
Community Youth and Family Aids Program		WI DOC	CARS # RDOC	-	-	-	-	-	-
Total Stephanie Tubbs Jones Child Welfare Services Program				-	-	-	13,325	13,325	-
Foster Care-Title IV-E: Basic Children and Families Allocation	93.658	WI DCF	CORe Line #3342, 3344, 3413, 3561, 3681	-	3,830	-	135,775	139,605	-
Chafee Foster Care Independence Program	93.674	WI DOC	CORe Line #3360	-	2,222	-	-	2,222	-
Social Services Block Grant: State Health Insurance Assistance Program: Nutrition Revitalization (9/15/15-9/30/2016)	93.667	GWAAR	CARS Line #560352	-	6,107	-	-	-	6,107
Aging and Disability Resource Center (ADRC)		WI DHS	CARS Line #561	-	-	-	77,462	76,994	468
Total Social Services Block Grant				-	6,107	-	77,462	76,994	6,575
Preventive Health and Health Service Block Grant	93.758	WI DHS / GRIM	CARS Line #159220	-	-	-	7,260	7,260	-
Children's Insurance Program	93.767	WI DHS / GRIM	FY 2015	-	1,818	-	11,296	8,339	4,775

** 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, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Health and Human Services (Continued)</u>									
Medicaid Cluster:	93.778	**							
I & A OCI Replacement Federal Match			GWAAR CARS Line #560029	\$ -	\$ -	\$ -	\$ 840	\$ 840	\$ -
I & A EBS Replacement Federal Match			GWAAR CARS Line #560021	-	-	-	8,216	8,216	-
Case Management			WI DHS FY 2015	-	1,754	-	17,095	17,863	986
Wisconsin Medicaid Cost Reporting Program			WI DHS CARS Line #684	-	-	-	70,583	70,583	-
Aging and Disability Resource Center (ADRC)			WI DHS / Barron County, WI	-	23,094	-	100,622	113,606	10,110
			560082, 560085, 560071, 560072, 560074, 560075, 560087, 560088, 560091, 560092, 560095	-	-	-	-	-	-
Maternal and Child Health Services			WI DHS CARS Line # 75, 159320	-	10	-	10,163	9,960	213
Income Maintenance			WI DHS / GRIM CARS Line #75	-	22,188	-	116,188	89,259	49,117
<u>Claims Paid to Providers Via Third Party Administrator</u>									
Medical Assistance	93.778	**		-	21,558	-	140,543	156,432	5,669
Total Medicaid Cluster				-	68,604	-	464,250	466,759	66,095
Block Grants for Community Mental Health Services	93.958		WI DHS CARS Line #515, 569	-	10,706	-	15,947	15,174	11,479
Block Grants for Prevention and Treatment of Substance Abuse	93.959		WI DHS CARS Line #570, 516	-	1,466	-	23,235	17,964	6,737
<u>Maternal and Child Health Services Block Grant</u>									
MCH Consolidated Contract	93.994		WI DHS CARS Line #159320	-	182	-	8,860	4,849	4,193
Reproductive Health	93.994		WI DHS CARS Line #159321	-	-	-	14,588	14,588	-
Total Maternal and Child Health Services Block Grant				-	182	-	23,448	19,437	4,193
Total Department of Health and Human Services				-	177,082	-	1,287,869	1,277,410	187,541
<u>Department of Homeland Security</u>									
Emergency Management Performance Grant	97.042		WI DMA FY 2017 EMPG	-	-	15,430	30,639	30,750	15,319
Federal Emergency Management Agency	97.036		WI DMA FEMA-4276-WI-DR	-	136,606	-	-	-	136,606
Federal Emergency Management Agency	97.036	**	WI DMA FEMA-4276-WI-DR	-	-	-	570,120	-	570,120
Homeland Security Grant	97.067		WI DMA 2016-HSW-04-10847	-	-	-	4,664	-	4,664
Total Department of Homeland Security				-	136,606	15,430	605,423	30,750	156,589
TOTAL FEDERAL AWARD EXPENDITURES				<u>\$ -</u>	<u>\$ 327,376</u>	<u>\$ 15,430</u>	<u>\$ 2,406,555</u>	<u>\$ 1,799,969</u>	<u>\$ 379,272</u>

** 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, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Agriculture, Trade and Consumer Protection</u>						
Soil and Water Resource Management:						
Soil and Water Resource Management Program	115.15	** \$ 103,364	\$ -	\$ 102,756	\$ 206,120	\$ -
Land and Water Resource Management Projects	115.40	** 19,429	-	57,071	76,500	-
Total Department of Agriculture, Trade and Consumer Protection		122,793	-	159,827	282,620	-
<u>Department of Commerce</u>						
Environmental Aids - Private Sewage System Grants	143.110	-	-	6,400	6,400	-
<u>Department of Natural Resources</u>						
Wildlife Damage Claims and Abatement	370.553	6,315	-	20,181	13,119	13,377
Recreation Aid	370.564	-	-	7,034	7,034	-
Forest Road Aid	370.567	-	-	30,200	30,200	-
Little Grassy Lake Dam	370.572	1,058	-	-	1,058	-
County Forest Sustainable Grant	370.572	-	-	71,397	71,397	-
Recreational Boating Facilities	370.573	-	-	5,226	5,226	-
Recreation Aids - Snowmobile Trails and Areas:						
7/1/17-6/30/18 S-5051	370.575	-	-	32,543	38,265	(5,722)
7/1/16-6/30/17 S-4933S	370.575	-	-	3,344	-	3,344
11/14/17-6/30/20 S-5086	370.575	-	-	-	30,414	(30,414)
8/15/12-6/30/13 S-4209	370.575	(6,281)	-	-	-	(6,281)
7/1/15-6/30/16 S-4448	370.575	31,111	-	-	31,111	-
7/1/15-6/30/16 S-4495	370.575	(4,754)	-	-	-	(4,754)
12/15/14-6/30/16 MS15-01	370.575	(2,745)	-	-	-	(2,745)
7/1/16-6/30/17 S-4751	370.575	(31,888)	-	25,249	-	(6,639)

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Natural Resources</u> (Continued)						
Resource Aids - ATV Project Aids:						
7/1/17-6/30/18	ATV-3636	370.576	\$ -	\$ -	\$ 32,043	\$ 38,415
7/1/17-6/30/18	ATV-3674	370.576	-	-	6,990	-
7/1/17-6/30/18	ATV-3693T	370.576	-	-	-	1,911
9/26/17-6/30/19	ATV-3760	370.576	-	-	-	6,825
11/14/17-6/30/20	ATV-3535	370.576	-	-	8,097	-
11/14/17-6/30/20	ATV-3716	370.576	-	-	-	30,415
9/26/17-6/30/19	ATV-3759	370.576	-	-	-	29,093
7/1/13-6/30/14	ATV-3200	370.576	1,027	-	-	-
7/1/13-6/30/14	ATV-3201	370.576	(25,967)	-	-	-
7/1/13-6/30/14	ATV-3206	370.576	16,325	-	-	-
7/1/13-6/30/14	ATV-3213	370.576	(5,693)	-	-	-
7/1/14-6/30/16	ATV-3337	370.576	1,047	-	-	-
7/1/13-6/30/14	ATV-3246	370.576	24,559	-	2,091	-
3/25/15-6/30/17	ATV-3250	370.576	(36,009)	-	-	-
7/1/15-6/30/15	ATV-3297	370.576	32,020	-	-	-
7/1/15-6/30/16	ATV-3324	370.576	6,990	-	-	-
10/1/15-6/30/17	ATV-3349	370.576	(34,866)	-	19,725	-
10/6/15-6/30/17	ATV-3371	370.576	(25,378)	-	26,696	-
7/1/16-6/30/17	ATV-3438	370.576	(4,827)	-	39,951	-
9/12/16-6/30/18	ATV-3502	370.576	(51,375)	-	30,727	-
7/1/15-6/30/16	UTV-16029	370.576	5,170	-	-	-
Lake Planning Grant		370.664	15,488	-	19,293	24,086
Recycling Grant Aids		370.670	-	-	83,321	83,321
Municipal Dam Construction		370.763	** -	-	52,021	52,021
Total Department of Natural Resources			(88,673)	-	516,129	589,103
<u>Department of Transportation</u>						
Elderly and Handicapped County Aids:						
Elderly and Handicapped Transportation:		395.101	-	-	69,578	69,578

** 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, 2017**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/17</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/17</u>
<u>Department of Health Services</u>						
Women's, Infants', and Children's Farmers Market Grant	435.154720	\$ 14	\$ -	\$ 875	\$ 875	\$ 14
Consolidated Contracts - CHHD LD	435.157720	(812)	-	2,523	2,523	(812)
Consolidated Contracts MCH	435.159320	-	-	470	470	-
Reproductive Health	435.159321	(2)	-	11,249	11,249	(2)
IM Available Allocation - State Share	435.283	** (24,062)	-	43,431	43,431	(24,062)
IM Available Allocation - State Share	435.284	229	-	2,453	1,645	1,037
Adult Protective System	435.312	-	-	18,024	13,257	4,767
Coordinated Services	435.515	-	-	58,939	58,939	-
Certified Mental Health Program	435.516	(32,300)	-	132,449	48,266	51,883
Integrated Service Programs for Children with Severe Disabilities	435.530	1,462	-	-	1,462	-
Grants for Infants and Toddlers	435.550	-	-	16,365	16,365	-
State Funded Basic Allocation	435.561	** 35,635	-	442,542	475,505	2,672
Aging Disability Resource Center	435.560100	33,244	-	153,750	161,468	25,526

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Health Services (Continued)</u>						
Community Services and MH Services:						
Human Services Contract	435.681	\$ 24,016	\$ -	\$ 61,708	\$ 24,016	\$ 61,708
Kinship Care Base Benefit	437.377	4,955	-	22,270	10,093	17,132
Child Support	437.7502	-	-	21,954	21,954	-
Child Support - MSL Incentive	437.7332	162	-	2,120	2,144	138
FPLS Fees	437.7903	-	-	(524)	(393)	(131)
Passed through Greater Wisconsin Area Agency on Aging:						
Elderly Benefit Specialist Program	435.560320	-	-	8,216	8,216	-
Elderly Benefit Specialist Program - Other	435.560325	-	-	19,999	19,999	-
Elderly Benefit Specialist Program - Other	435.560327	-	-	3,275	3,275	-
State Senior Community Services	435.560330	-	-	5,837	5,837	-
Congregate Nutrition	435.560350	4,024	-	16,293	20,317	-
Home Delivered Meal Program	435.560360	-	-	1,460	1,460	-
Alzheimer's Family Support Program	435.560381	4,768	-	9,578	10,166	4,180
Elder Abuse Service	435.560490	-	-	9,298	6,490	2,808
		51,333	-	1,064,554	969,029	146,858
<u>Department of Children and Families:</u>						
Food Stamp Agency Incentive	437.965	134	-	1,454	1,110	478
MA Agency Incentive	437.980	86	-	3,444	1,153	2,377
Basic County Allocation	437.3561	-	-	125,462	125,462	-
Community Intervention	437.3410	250	-	6,105	6,215	140
JJ AODA	437.3411	-	-	1,505	1,073	432
Youth Aids	437.3413	-	-	174,908	174,908	-
State/County Match	437.3681	-	-	10,172	10,172	-
CW WSACWIS Annual OP Maint Fee	437.3935	-	-	(1,978)	(1,978)	-
PDS Partnership Fees	437.3940	-	-	(706)	(706)	-
Total Department of Health and Family Services		470	-	320,366	317,409	3,427
<u>Department of Justice</u>						
Victim and Witness Assistance Program-A Program Cluster:	455.503, 532, 539	20,629	-	37,288	39,668	18,249
Total Department of Justice		20,629	-	37,288	39,668	18,249

** 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, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>Department of Military Affairs</u>						
Emergency Planning Grant Program:						
Hazmat Grant	465.308	\$ -	\$ -	\$ 1,609	\$ 1,609	\$ -
Hazard Mitigation	465.305	22,768	-	89,840	-	112,608
LEPC Emergency Planning Grant	465.337	2,441	-	4,837	4,859	2,419
Total Department of Military Affairs		<u>25,209</u>	-	<u>96,286</u>	<u>6,468</u>	<u>115,027</u>
<u>Department of Administration</u>						
Comprehensive Planning Grant:						
Land Information Board Grant	505.118	(28,425)	28,425	115,088	115,088	-
Utility Public Benefits - Low Income Assistance	505.371	3,472	-	19,446	19,813	3,105
Passed Through Burnett County:						
Treatment Alternatives and Diversion Program	2014-TD-01-10374	987	-	-	987	-
Total Department of Administration		<u>(23,966)</u>	<u>28,425</u>	<u>134,534</u>	<u>135,888</u>	<u>3,105</u>
Subtotal State Financial Assistance		<u>\$ 107,795</u>	<u>\$ 28,425</u>	<u>\$ 2,404,962</u>	<u>\$ 2,416,163</u>	<u>\$ 125,019</u>
Paid Claims by Third Party Administrator						
Medical Assistance - Community Long Term Support	^^	**		99,496		
Deduct: Local Share of Expenditures						
				<u>-</u>		
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				<u>\$ 2,504,458</u>		
** Major State Financial Assistance Program						
** Major State Financial Assistance Program						
^^ See Note 5						

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

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

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, 2017 are presented in the County's 2017 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
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2017**

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 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 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2017 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2017 and/or adjustment of accruals resulting from prior year audit findings.

NOTE 5 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, 2017:

Owner-Occupied Loans. The County had eighty (80) owner-occupied mortgage loans outstanding at December 31, 2017 totaling \$870,990. 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.

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

NOTE 5 CDBG PROGRAMS REVOLVING LOAN FUND (CONTINUED)

Transactions of the revolving loan fund for the year ending December 31, 2017 are summarized as follows:

Fund Balance January 1, 2017	\$	41,176
Loan Repayments		13,886
Interest Income		30
Loans Made from Fund		3,306
Administration Paid from Fund		(34,179)
Fund Balance December 31, 2017	\$	32,219

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

NOTE 6 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR

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

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

Honorable Members
of the Board of Supervisors
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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 28, 2018. 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 2017-001 and 2017-002 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
September 28, 2018

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, 2017. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Component Unit

Washburn County's basic financial statements include the operations of the Washburn County Industrial Development Agency, Ltd., which expended \$592,457 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2017. Our audit, described below, did not include the operations of the 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.

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 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 auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit 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, 2017, and the related notes to the financial statements, which collectively comprise Washburn County's basic financial statements. We issued our report thereon dated September 28, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Guidelines, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Rice Lake, Wisconsin
September 28, 2018

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2017**

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes 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>
93.778	Medical Assistance Program - Medicaid Cluster
97.036	Homeland Security - Disaster Grants

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

Auditee qualified as low-risk auditee? yes X no

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

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2017-001 Material Audit Adjustments
MATERIAL WEAKNESS

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.

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

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

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

FINDING: 2017-002 Limited Segregation of Duties
MATERIAL WEAKNESS

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 2017 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.

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.

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

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

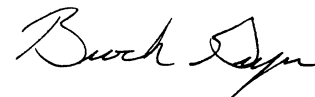
None.

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

None.

PART V: 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 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 28, 2018 |