

WASHBURN COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2013

**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2013**

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**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #		Accrued (Deferred)		Expenditures		Receipts		Accrued	
			Reimbursements 1/1/13	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	Reimbursements 12/31/13	
Department of Agriculture										
Passed through Wisconsin Department of Health Services:										
Special Supplemental Food Program for Women, Infants and Children	10.557	(X)	\$ -	\$ -	\$ 94,785	\$ -	\$ 95,073	\$ -	\$ (288)	
State Administrative Matching Grants for Income Maintenance Contract	10.561		17,384	-	81,110	37,140	72,733	37,140	25,761	
Passed through Wisconsin Department of Children and Families										
Supplemental Nutrition Assistance Program	10.561		-	-	357	-	308	-	49	
Total Department of Agriculture			17,384	-	176,252	37,140	168,114	37,140	25,522	
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	*	(A) 792	-	4,179	-	2,378	-	2,593	
Recovery Act	16.803	*	(A) 5,850	-	-	-	5,850	-	-	
Total Department of Justice			6,642	-	4,179	-	8,228	-	2,593	
Department of Transportation										
Passed through Wisconsin Department of Transportation:										
Recreational Trails Program	20.219		100,500	-	15,870	-	25,500	-	90,870	
Department of Education										
Passed through Wisconsin Department of Health Services										
Special Education - Grants for Infants and Families	84.181		-	-	15,443	-	15,443	-	-	
* American Recovery and Reinvestment Act Funds (A) JAG Program Cluster (X) Major Federal Awards 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, 2013**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/13
				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	\$ 1,216	\$ -	\$ 1,614	\$ 215	\$ 1,779	\$ 215	\$ 1,051
Title III, B - Supportive Services	93.044	(B) -	-	28,387	103,673	28,387	103,673	-
Title III, Part C-1 - Nutrition Services	93.045	(B) -	-	32,996	58,471	32,996	58,471	-
Title III, Part C-2 - Home Delivered Nutrition	93.045	(B) -	-	13,690	35,103	13,690	35,103	-
Title III, Part E - National Family Caregiver Support	93.052	-	428	10,630	6,933	10,653	6,933	405
Nutrition Services Incentive Program	93.053	(B) 1,899	-	15,122	-	15,415	-	1,606
Nutrition Services Incentive Program	93.667	-	-	884	-	790	-	94
Title III, Part C-1 - Nutrition Services	93.667	-	-	814	1,442	814	1,442	-
Title III, Part C-2 - Home Delivered Nutrition	93.667	-	-	705	1,807	705	1,807	-
Elderly Benefit Specialist Replacement	93.778	(X) -	4,598	28,215	3,135	32,813	3,135	-
Elderly Benefit Specialist Replacement - Federal Match	93.778	(X) 4,660	-	13,251	-	17,911	-	-
State Health Insurance Assistance Program - Federal Match	93.778	(X) -	-	2,066	-	2,066	-	-
State Health Insurance Assistance Program	93.779	-	4,722	6,444	-	11,166	-	-
Passed through Wisconsin Department of Health Services:								
Public Health Emergency Preparedness	93.069	-	(4,944)	27,275	-	27,275	-	(4,944)
Immunization Grants	93.268	-	-	6,361	-	6,361	-	-
Income Maintenance	93.558	-	562	2,621	1,200	2,351	1,200	832
Temporary Assistance for Needy Families	93.558	-	-	43,505	-	43,505	-	-
Social Services Block Grant	93.667	-	-	75,877	-	75,877	-	-
Aging Disability Resource Center - Social Services Block Grant	93.667	-	-	534	-	534	-	-
Income Maintenance	93.767	-	3,253	15,178	6,950	13,611	6,950	4,820
Medical Assistance Program Cluster:								
Medical Assistance Program	93.778	(X) 3,594	-	16,916	-	15,093	-	5,417
Income Maintenance Contract	93.778	(X) -	-	(1,467)	-	(928)	-	(539)
Income Maintenance Contract	93.778	(X) 24,108	-	69,921	59,015	58,365	59,015	35,664
Income Maintenance Outreach	93.778	(X) -	-	14,018	-	14,018	-	-
Case Management	93.778	(X) 937	-	11,914	29,474	12,123	29,474	728
Wisconsin Medicaid Cost Reporting	93.778	(X) -	-	48,374	-	48,374	-	-
Aging and Disability Resource Center	93.778	(X) 15,570	-	61,673	-	62,201	-	15,042
Consolidated Contracts MCH	93.778	(X) -	-	666	-	666	-	-
Block Grant for Community Health	93.958	-	1,165	77,097	-	78,262	-	-

(B) Aging Cluster

(X) Major Federal Awards 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, 2013**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/13
				Federal	Local	Grant 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	\$ (192)	\$ -	\$ 31,842	\$ -	\$ 27,079	\$ -	\$ 4,571
Preventive Health and Health Service Block Grant:	93.991	(542)	-	283	-	(259)	-	-
Maternal and Child Health Services Block Grant:								
Consolidated Contracts MCH	93.994	-	-	8,727	-	8,727	-	-
Reproductive Health	93.994	-	-	12,156	-	12,156	-	-
Passed through Wisconsin Department of Children and Families								
Promoting Safe and Stable Families	93.556	6,008	-	33,310	-	30,991	-	8,327
Temporary Assistance for Needy Families	93.558	7,356	-	42,491	-	42,349	-	7,498
Child Support Enforcement Program (Title IV-D)	93.563	(X) 60,691	-	234,587	67,949	244,021	67,949	51,257
Child Care Development Program	93.596	1,976	-	33,420	-	28,902	-	6,494
Children's Justice Act	93.643	-	-	10,970	-	10,970	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	-	8,922	-	8,922	-	-
Foster Care-Title IV-E	93.658	(X) -	-	122,613	-	122,613	-	-
Social Services Block Grant	93.667	-	-	13,765	-	13,765	-	-
Chafee Foster Care Independence Program	93.674	189	-	1,711	-	674	-	1,226
Medicaid Agency Incentives	93.778	(X) -	-	332	-	303	-	29
Passed through Wisconsin Department of Administration:								
Low-Income Home Energy Assistance	93.568	7,746	-	22,937	1,590	25,520	1,590	5,163
Passed through Wisconsin Department of Corrections:								
Stephanie Tubbs Jones Child Welfare Services Program	93.645	244	-	1,513	1,777	1,766	1,777	(9)
Foster Care-Title IV-E	93.658	(X) 390	-	2,269	2,665	2,672	2,665	(13)
Total Department of Health and Human Services		141,036	4,598	1,207,129	381,399	1,208,044	381,399	144,719
Department of Homeland Security								
Passed through Wisconsin Department of Military Affairs:								
Emergency Management Performance Grants	97.042	22,787	-	29,887	-	30,230	-	22,444
TOTAL FEDERAL AWARDS		\$ 288,349	\$ 4,598	1,448,760	\$ 418,539	\$ 1,455,559	\$ 418,539	\$ 286,148
Claims Paid to Providers via Third Party Administrator								
Medical Assistance (Medicaid Cluster)	93.778	** (X) ^^		159,783				
TOTAL FEDERAL AWARD EXPENDITURES				\$ 1,608,543				

(X) Major Federal Awards Program
 ** Tested as State Major 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, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					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	\$ 113,301	\$ -	\$ 121,321	\$ 113,301	\$ 1,358	\$ 119,963
Land and Water Resource Management Projects	115.40	11,166	-	21,189	14,491	-	17,864
Total Department of Agriculture, Trade and Consumer Protection		124,467	-	142,510	127,792	1,358	137,827
<u>Department of Commerce</u>							
Environmental Aids - Private Sewage System Grants	143.110	-	-	8,382	8,382	-	-
<u>Department of Natural Resources</u>							
Wildlife Damage Claims and Abatement	370.553	(461)	-	23,464	4,348	-	18,655
Recreation Aid	370.564	-	-	7,402	7,402	-	-
Forest Road Aid	370.567	-	-	29,495	29,495	-	-
Little Grassy Lake Dam	370.572	3,856	-	12,335	-	-	16,191
County Forest Sustainable Grant	370.572	12,101	-	8,000	20,101	-	-
Urban and Community Forestry	370.572	-	-	91,799	83,835	-	7,964
Recreational Boating Facilities	370.573	-	-	18,326	3,793	3,827	10,706
Recreation Aids - Snowmobile Trails and Areas:							
7/2/12-6/30/13 S-4161	370.575	** 861	-	46,817	41,852	-	5,826
9/12/12-6/30/14 S-4201	370.575	** 3,791	-	-	3,791	-	-
8/15/12-6/30/13 S-4209	370.575	** (121,665)	-	111,852	-	-	(9,813)
8/16/12-6/30/14 S-4210	370.575	** (1,172)	-	12,088	-	-	10,916
8/15/13-6/3/14 S-4281	370.575	** -	-	31,350	31,350	-	-

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13	
					Grant Reimburse- ments	Local Share		
<u>Department of Natural Resources (Continued)</u>								
Resource Aids - ATV Project Aids:								
4/06/11-6/30/13	ATV-2074	370.576	** \$ 6,375	\$ -	\$ -	\$ 6,375	\$ -	\$ -
11/17/10-6/30/12	ATV-2077	370.576	** 162,475	-	-	-	-	162,475
11/28/11-6/30/13	ATV-2193	370.576	** 57,400	-	-	57,400	-	-
7/2/12-6/30/13	ATV-2241	370.576	** 4,233	-	35,299	-	-	39,532
10/2/12-6/30/14	ATV-3025	370.576	** (74,013)	-	96,673	-	-	22,660
7/1/13-6/30/14	ATV-3089	370.576	** -	-	40,966	31,785	-	9,181
7/1/13-6/30/14	ATV-3116	370.576	** -	-	13,930	13,930	-	-
7/1/13-6/30/14	UTV-14021	370.576	** -	-	5,041	-	-	5,041
Lake Planning Grant	370.664		57,864	-	31,555	65,514	7,890	16,015
Recycling Grant Aids	370.670		-	-	109,338	83,373	25,965	-
Municipal Dam Construction	370.763	**	-	-	294,952	200,000	94,952	-
Total Department of Natural Resources			111,645	-	1,020,682	684,344	132,634	315,349
<u>Department of Transportation</u>								
Elderly and Handicapped County Aids:								
Elderly and Handicapped Transportation:	395.101		-	-	81,817	68,117	13,700	-
<u>Department of Corrections</u>								
Community Intervention	410.302		-	-	5,910	5,910	-	-
Youth Aids - AODA	410.313		(991)	-	-	(137)	-	(854)
Youth Aids - Early Intervention	410.313		7,987	-	-	7,987	-	-
Youth Aids - Community	410.313		16,771	-	320,700	164,250	173,221	-
Total Department of Corrections			23,767	-	326,610	178,010	173,221	(854)

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					Grant Reimburse- ments	Local Share	
Department of Health Services							
Women's, Infants', and Children's Farmers Market Grant	435.154720	\$ -	\$ -	\$ 687	\$ 687	\$ -	\$ -
WWWP - GPR	435.157000	-	-	13,293	13,293	-	-
Consolidated Contracts - CHHD LD	435.157720	-	-	3,110	3,110	-	-
Consolidated Contracts MCH	435.159320	-	-	666	666	-	-
Reproductive Health	435.159321	-	-	9,910	9,910	-	-
PF Non Federal Program Revenue	435.200	(486)	-	(1,007)	(1,119)	-	(374)
IM Available Allocation - State Share	436.283	-	-	70,890	70,890	-	-
Medicaid Subrogation Collection	435.291	-	-	(35,050)	(42,500)	7,510	(60)
Adult Protective System	435.312	-	-	18,024	18,024	-	-
Community Options Program	435.367	** (134)	-	80,444	77,026	-	3,284
Certified Mental Health Program	435.517	-	-	14,355	14,355	-	-
Integrated Service Programs for Children with Severe Disabilities	435.530	-	-	10,095	10,095	-	-
Grants for Infants and Toddlers	435.550	-	-	15,155	15,155	-	-
State Funded Basic Allocation	435.561	** -	-	448,563	448,563	-	-
Aging Disability Resource Center	435.560100	20,642	-	87,128	86,702	-	21,068
IMD - OBRA Relocations	435.571	9,713	-	14,450	13,326	-	10,837
Family Support Program	435.577	1,047	-	17,568	17,000	-	1,615

** Major State Financial Assistance Program

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					Grant Reimburse- ments	Local Share	
<u>Department of Health Services (Continued)</u>							
Community Services and MH Services:							
Human Services Contract	435.681	** \$ 16,270	\$ -	\$ 62,335	\$ 54,331	\$ -	\$ 24,274
Regional Crisis Grant	435.81075	** -	-	107,569	107,569	-	-
MA Crisis Training	435.81079	-	-	9,800	9,800	-	-
CLTS - DD AUT CWA admin	435.832	** 1,959	-	908	1,928	-	939
CLTS - DD OTH CWA admin	435.835	** 1,173	-	3,701	2,362	-	2,512
CLTS - MH AUT CWA admin	435.838	** 1,022	-	872	1,499	-	395
CLTS - MH OTH CWA admin	435.841	** -	-	455	-	-	455
CLTS - PD OTH CWA admin	435.847	** 157	-	720	234	-	643
Passed through Greater Wisconsin Area Agency on Aging:							
Elderly Benefit Specialist Program	435.560320	4,598	(4,598)	-	-	-	-
State Pharmaceutical Assistance Program	435.560327	-	-	3,275	3,275	-	-
State Senior Community Services	435.560330	-	-	6,699	5,837	862	-
Congregate Nutrition	435.560350	-	-	95,884	34,589	61,295	-
Home Delivered Meal Program	435.560360	-	-	7,109	1,995	5,114	-
Alzheimer's Family Support Program	435.560381	2,794	-	1,175	2,977	-	992
Elder Abuse Service	435.560490	7,767	-	9,704	13,379	-	4,092
<u>Department of Children and Families:</u>							
Supplemental Nutrition Assistance Program	437.267	-	-	688	610	-	78
Basic County Allocation	437.3561	** -	-	99,671	99,671	-	-
WISACWIS Ongoing Charges and Pass Through	437.3604	-	-	(1,978)	(1,978)	-	-
State/County Match	437.3681	** -	-	231,699	20,448	211,251	-
Total Department of Health and Family Services		66,522	(4,598)	1,408,567	1,113,709	286,032	70,750
<u>Department of Justice</u>							
Victim and Witness Assistance Program-A Program Cluster:	455.503, 532,	14,636	-	62,740	29,271	29,901	18,204

** 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, 2013**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/13
					Grant Reimburse- ments	Local Share	
Department of Military Affairs							
Emergency Planning Grant Program:							
Hazmat Grant	465.308	\$ -	\$ -	\$ 2,784	\$ 1,974	\$ 810	\$ -
LEPC Emergency Planning Grant	465.337	3,602	-	4,812	4,808	-	3,606
Total Department of Military Affairs		3,602	-	7,596	6,782	810	3,606
Department of Administration							
Comprehensive Planning Grant:							
Comprehensive Planning Activities	505.110	28,506	-	-	-	-	28,506
Land Information Board Grant	505.118	(16,564)	-	23,019	18,211	-	(11,756)
Utility Public Benefits - Low Income Assistance	505.371	5,980	-	19,477	20,596	77	4,784
Office of Justice Assistance - Mobile Data Computer Equipment	505.627	-	-	7,371	7,371	-	-
Passed Through Burnett County:							
Treatment Alternatives and Diversion Program	2010-TD-01-7550	2,620	-	19,510	18,798	1,285	2,047
Total Department of Administration		20,542	-	69,377	64,976	1,362	23,581
Subtotal State Financial Assistance		\$ 365,181	\$ (4,598)	3,128,281	\$ 2,281,383	\$ 639,018	\$ 568,463
Paid Claims by Third Party Administrator							
Medical Assistance - Community Long Term Support	^^	**		109,802			
Deduct: Local Share of Expenditures							
				(639,018)			
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				\$ 2,599,065			

** 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, 2013

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, 2013 are presented in the County's 2013 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, 2013**

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, 2013 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2013 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, 2013:

Owner-Occupied Loans. The County had one-hundred twenty-one (121) owner-occupied mortgage loans outstanding at December 31, 2013 totaling \$908,651. 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, 2013 are summarized as follows:

Balance January 1, 2013	\$ 10,780
Loan Repayments	54,908
Interest Income	28
Loans Made from Fund	(21,181)
Administration Paid from Fund	(2,839)
Balance December 31, 2013	<u>\$ 41,696</u>

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2013**

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.

**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, 2013, 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, 2014. 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 2013-001, 2013-002 and 2013-003 to be material weaknesses.

Honorable Members
of the Board of Supervisors
Washburn County, Wisconsin

Compliance and Other Matters

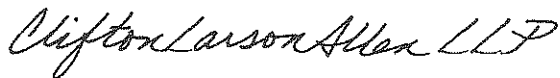
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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, 2014

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, 2013. 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 \$693,807 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2013. 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, 2013.

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

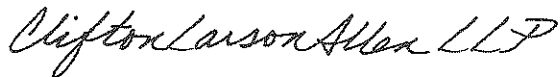
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2013, 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, 2014, 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, 2014

**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013**

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>
10.557	Supplemental Nutrition for Women, Infants and Children
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
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, 2013**

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>
370.575	Recreational Trails - Snowmobile Grants
370.576	Recreational Trails - ATV Grants
370.763	Municipal Dam Construction
435.367	Community Options Program
435.832	CLTS - DD AUT CWA admin
435.835	CLTS - DD OTH CWA admin
435.838	CLTS - MH AUT CWA admin
435.841	CLTS - MH OTH CWA admin
435.847	CLTS - PD OTH CWA admin
^^	CLTS Paid via Third Party Administrator
435.561	Basic County Allocation
435.681	Community Services and MH Services - State/County Match
435.81075	Regional Crisis
437.3561	Basic County Allocation
437.3681	State/County Match

Federal Programs on Schedule of Expenditures of Federal Awards:

93.778 CLTS Paid via Third Party Administrator

^^ = See Note 5 to the Schedules of Expenditures of Federal Awards and State financial Assistance.

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, 2013**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2013-001 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, 2013**

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

FINDING: 2013-002 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, 2013**

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

FINDING: 2013-003 Limited Segregation of Duties

- Criteria:** Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.
- Condition:** In some of the smaller County offices the available staff precludes a proper separation of duties to assure adequate internal control.
- Context:** The limited size of the County's staff in some departments responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The County has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.
- Cause:** The condition is due to limited staff available.
- Effect:** The potential exists that the design of the internal controls over financial reporting could affect the ability of the County to record, process, summarize and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the County's inability to prevent /detect misappropriation of County assets.
- Recommendation:** The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

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, 2013**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.

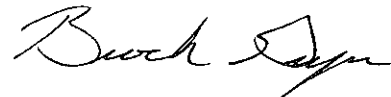
PART V: OTHER ISSUES

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, 2014