

CHIPPEWA COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2016

**CHIPPEWA COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2016**

| | |
|--|-----------|
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 1 |
| SCHEDULE OF STATE FINANCIAL ASSISTANCE | 6 |
| NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE | 13 |
| INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 15 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND <i>STATE SINGLE AUDIT GUIDELINES</i> | 17 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 20 |

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2016**

| Federal Grantor Agency/Program | Federal CFDA # | Pass-Through Entity | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Federal Expenditures | Grant Reimburse- ments | (Deferred) Reimbursements 12/31/16 |
|--|-------------------|------------------------|--|---------------------------------------|---|----------------------------|-------------------------|------------------------------|--|
| <u>Department of Agriculture</u> | | | | | | | | | |
| Special Supplemental Nutrition Assistance Program for Women, Infants and Children | 10.557 | WI DHS | CARS 154710 | \$ - | \$ 869 | \$ - | \$ 267,707 | \$ 267,969 | \$ 607 |
| State Matching Grant for Food Stamp Program | 10.561 | | | | | | | | |
| Incentives Food Stamp Agency | | WI DCF | CORS 965 | - | 130 | - | - | 130 | - |
| Nutritional Ed Grant | | WI DHS | CARS 154661 | - | 7,685 | - | 20,479 | 21,203 | 6,961 |
| Income Maintenance Contract | | WI DHS / GRIM | CARS 283, 284 | - | 87,732 | - | 212,306 | 238,858 | 61,180 |
| Total 10.561 | | | | - | 95,547 | - | 232,785 | 260,191 | 68,141 |
| Total Department of Agriculture | | | | - | 96,416 | - | 500,492 | 528,160 | 68,748 |
| <u>Department of Housing and Urban Development</u> | | | | | | | | | |
| Community Development Block Grant: | 14.228 | (X) | | | | | | | |
| Regional Housing Grant | | WI DOA | H 12-13-07 | - | 82,909 | - | 1,842,944 | 1,867,914 | 57,939 |
| <u>Department of Justice</u> | | | | | | | | | |
| Bulletproof Vest Partnership Program | 16.607 | Direct | 1121-0235 | - | - | - | 4,066 | 1,980 | 2,086 |
| Edward Byrne Memorial Justice Assistance: | 16.738 | | | | | | | | |
| 1/1/16-12/31/16 | | WI OJA | 2011/2012-DJ-02X-11034 | - | - | - | 76,000 | 73,319 | 2,681 |
| 1/1/15-12/31/15 | | WI OJA | 2011/2012-DJ-02X-10474 | - | 28,110 | - | - | 28,110 | - |
| 1/1/16-12/31/16 | | Eau Claire County | 2015-DJ-01-11714 | - | - | - | 5,814 | 5,814 | - |
| Total 16.738 | | | | - | 28,110 | - | 81,814 | 107,243 | 2,681 |
| Public Safety Partnership and Community Policing Grants | 16.710 | Eau Claire County | Anti-Heroin DTF | - | - | - | 466 | 466 | - |
| Total Department of Justice | | | | - | 28,110 | - | 86,346 | 109,689 | 4,767 |

(X) = Major Federal Program

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| Federal Grantor Agency/Program | Federal CFDA # | Pass-Through Entity | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Federal Expenditures | Grant Reimburse- ments | (Deferred) Reimbursements 12/31/16 |
|--|-------------------|------------------------|--|---------------------------------------|---|----------------------------|-------------------------|------------------------------|--|
| <u>Department of Transportation</u> | | | | | | | | | |
| Highway Planning and Construction Cluster: | | | | | | | | | |
| Highway Planning and Construction: | | | | | | | | | |
| | 20.205 | | | | | | | | |
| CTHS "F" | | WI DOT | #8907-00-70 | \$ - | \$ 3,716 | \$ - | \$ - | \$ 1,801 | \$ 1,915 |
| CTHS "X" | | WI DOT | #8919-03-70 | - | 3,808 | - | - | - | 3,808 |
| HRRR | | WI DOT | #1000-08-58 | - | 288,024 | - | - | 284,019 | 4,005 |
| CTHS "T" | | WI DOT | #1420 | - | 499,042 | - | - | 492,600 | 6,442 |
| CTHS "X" Bridge | | WI DOT | #7861-01-74 | - | 1,987 | (1,850) | - | 137 | - |
| Total 20.205 | | | | - | 796,577 | (1,850) | - | 778,557 | 16,170 |
| National Recreational Trails Grant: | | | | | | | | | |
| | 20.219 | | | | | | | | |
| 10/6/15-6/30/18 | | WI DNR | RTA-75815 | - | - | - | 4,655 | - | 4,655 |
| 10/6/14-6/30/15 | | WI DNR | RTA-669-09 | - | 3,757 | - | - | 3,757 | - |
| Total 20.219 | | | | - | 3,757 | - | 4,655 | 3,757 | 4,655 |
| Total Highway Planning and Construction Cluster | | | | - | 800,334 | (1,850) | 4,655 | 782,314 | 20,825 |
| Commercial Driver's License Program Improvement | 20.232 | | | | | | | | |
| 10/1/16-9/30/17 | | WI DOT | FG-2017-Chippewa-03882 | - | - | - | 1,000 | - | 1,000 |
| State and Community Highway Safety | 20.600 | | | | | | | | |
| 10/1/15-9/30/16 | | WI DOT | #0956-00-05, 0956-25-69, 3950956-40-29 | - | 170 | - | 33,061 | 33,231 | - |
| Interagency Hazardous Materials Training and Planning: | 20.703 | | | | | | | | |
| 10/1/15-9/30/16 | | WI DMA | 2015-HMEP-01-10669, 2015-HMEP-01-10741, 2015-HMEP-01-10782 | - | - | - | 785 | 785 | - |
| Total Department of Transportation | | | | - | 800,504 | (1,850) | 39,501 | 816,330 | 21,825 |
| <u>Environmental Protection Agency</u> | | | | | | | | | |
| Targeted Runoff Management: | 66.460 | | | | | | | | |
| 1/1/12-12/31/15 | | WI DNR | TRC - LC19-09000-12 | - | 16,644 | (12,126) | 749,000 | 753,518 | - |
| Radon Outreach | 66.032 | | | | | | | | |
| 2016 | | WI DHS | CARS 150327 | - | - | - | 3,500 | 1,597 | 1,903 |
| Total Environmental Protection Agency | | | | - | 16,644 | (12,126) | 752,500 | 755,115 | 1,903 |
| <u>Department of Education</u> | | | | | | | | | |
| Grants for Infants and Toddlers | 84.181 | WI DHS | CARS 550 | - | 31,319 | - | 50,153 | 42,137 | 39,335 |

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| Federal Grantor Agency/Program | Federal CFDA # | Pass-Through Entity | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Federal Expenditures | Grant Reimburse- ments | (Deferred) Reimbursements 12/31/16 |
|--|-------------------|------------------------|--|---------------------------------------|---|----------------------------|-------------------------|------------------------------|--|
| Department of Health and Human Services | | | | | | | | | |
| Preventive Health - Title III D | 93.043 | WI DHS / GWAAR | CARS 560510 | \$ - | \$ - | \$ - | \$ 4,491 | \$ - | \$ 4,491 |
| Aging Cluster: | | | | | | | | | |
| Supportive Services - Title III B | 93.044 | WI DHS / GWAAR | CARS 560340 | - | 31,188 | - | 58,196 | 55,303 | 34,081 |
| Title III-Part C-Nutrition Services: | 93.045 | | | | | | | | |
| Congregate Nutrition - Title III C-1 | | WI DHS / GWAAR | CARS 560350 | - | 46,781 | - | 65,233 | 112,014 | - |
| Home Delivered Nutrition - Title III C-2 | | WI DHS / GWAAR | CARS 560360 | - | - | - | 40,708 | 40,708 | - |
| Total 93.045 | | | | - | 46,781 | - | 105,941 | 152,722 | - |
| Nutrition Services Incentive Program: | | | | | | | | | |
| 10/1/16-9/30/17 | 93.053 | WI DHS / GWAAR | CARS 560422 | - | - | - | 27,066 | - | 27,066 |
| 10/1/15-9/30/16 | | WI DHS / GWAAR | CARS 560422 | - | 32,299 | - | (2,226) | 30,001 | 72 |
| 10/1/14-9/30/15 | | WI DHS / GWAAR | CARS 560422 | - | 178 | - | - | 178 | - |
| Total 93.053 | | | | - | 32,477 | - | 24,840 | 30,179 | 27,138 |
| Total Aging Cluster | | | | - | 110,446 | - | 188,977 | 238,204 | 61,219 |
| National Family Caregivers Support Program | 93.052 | WI DHS / GWAAR | CARS 560520 | - | 20,472 | - | 28,218 | 36,708 | 11,982 |
| Public Health Emergency Preparedness: | 93.074 | | | | | | | | |
| Biot Focus A Planning | | WI DHS | CARS 155015 | - | 12,825 | - | 43,279 | 45,269 | 10,835 |
| Bioterrism Preparedness | | WI DHS | CARS 155050, 155190 | - | - | - | 1,500 | 1,500 | - |
| PHEP Ebola | | WI DHS | CARS 11111 | - | 1,631 | - | 17,028 | 17,899 | 760 |
| Total 93.074 | | | | - | 14,456 | - | 61,807 | 64,668 | 11,595 |
| Newborn Hearing Screen Outreach | 93.251 | WI DHS | CARS 115002 | - | 7,843 | - | 18,138 | 20,687 | 5,294 |
| Childhood Immunization Grants | 93.268 | WI DHS | CARS 155020 | - | 3,235 | - | 18,542 | 18,695 | 3,082 |
| State Health Insurance Assistance Program | 93.324 | WI DHS / GWAAR | CARS 560432 | - | - | - | 5,795 | 5,795 | - |
| Family Preservation and Support Services | 93.556 | WI DCF | CORe 3306 | - | 6,939 | - | 57,827 | 59,766 | 5,000 |
| Temporary Assistance for Needy Families: | 93.558 | | | | | | | | |
| Basic Children and Families Allocation | | WI DCF | CORe 840, 3377, 3380, 3561 | - | 22,364 | - | 169,456 | 161,637 | 30,183 |
| Child Support Enforcement Program (Title IV-D) | 93.563 | WI DCF | CORe 7332, 7477, 7482, 7506, 7606, 7613, 7903 | - | 158,239 | - | 591,768 | 584,062 | 165,945 |
| Low-Income Home Energy Assistance: | | | | | | | | | |
| 10/1/16-9/30/17 | | WI DOA | AD1296172.09 | - | - | - | 23,598 | 4,861 | 18,737 |
| 10/1/15-9/30/16 | | WI DOA | AD1296171.09 | - | 11,527 | - | 78,831 | 90,358 | - |
| Total 93.568 | | | | - | 11,527 | - | 102,429 | 95,219 | 18,737 |
| Child Care Development | 93.596 | WI DCF | CORe 831, 852 | - | 28,140 | - | 78,040 | 93,355 | 12,825 |
| Child Welfare Services: | 93.645 | | | | | | | | |
| Basic Children and Families Allocation | | WI DCF | CORe 3561 | - | - | - | 39,399 | 39,399 | - |
| Community Youth and Family Aids Program | | WI DOC | CY 2016 YA | - | (1) | - | - | (1) | - |
| Total 93.645 | | | | - | (1) | - | 39,399 | 39,398 | - |

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| Federal Grantor Agency/Program | Federal CFDA # | Pass-Through Entity | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Federal Expenditures | Grant Reimburse- ments | (Deferred) Reimbursements 12/31/16 |
|---|-------------------|------------------------|--|---------------------------------------|---|----------------------------|-------------------------|------------------------------|--|
| <u>Department of Health and Human Services (Continued)</u> | | | | | | | | | |
| Foster Care - Title IV-E: | 93.658 | | | | | | | | |
| Basic Children and Families Allocation | | WI DCF | CORe 3324, 3341, 3561 | \$ - | \$ 2,972 | \$ - | \$ 385,897 | \$ 388,869 | \$ - |
| Community Youth and Family Aids Program | | WI DOC | CY 2016 YA | - | (2) | - | - | (2) | - |
| Total 93.658 | | | | - | 2,970 | - | 385,897 | 388,867 | - |
| Social Services Block Grant: | 93.667 | | | | | | | | |
| Aging and Disability Resource Center | | WI DHS | CARS 560100 | - | 357 | - | - | 357 | - |
| Chafee Foster Care Independence Program | 93.674 | WI DCF | CORe 3360 | - | 11,020 | - | - | 11,020 | - |
| State Children's Insurance Program | 93.767 | WI DHS / GRIM | CARS 283, 284 | - | 10,844 | - | 27,799 | 30,632 | 8,011 |
| Medicaid Cluster: | 93.778** (X) | | | | | | | | |
| State Elderly Benefit Specialist | | WI DHS / GWAAR | CARS 560021 | - | 14,138 | (6,934) | 28,215 | 7,517 | 27,902 |
| State Pharmaceutical Assistance Program | | | | | | | | | |
| 7/1/16-6/30/17 | | WI DHS / GWAAR | CARS 560030, 560029 | - | - | - | 4,820 | 4,820 | - |
| 7/1/15-6/30/16 | | WI DHS / GWAAR | CARS 560030, 560029 | - | 1,146 | - | - | 1,146 | - |
| Social Services and Community Programs Contract | | WI DHS | CARS 878, 881 | - | - | - | 24,345 | - | 24,345 |
| Human Services Contract: | | | | | | | | | |
| CLTS DD Autism Federal | | WI DHS | CARS 831 | - | - | - | 26,378 | 17,194 | 9,184 |
| CLTS DD Federal Other | | WI DHS | CARS 834 | - | - | - | 39,145 | 25,516 | 13,629 |
| CLTS MH Autism Federal | | WI DHS | CARS 837 | - | - | - | 10,964 | 7,146 | 3,818 |
| CLTS MH Federal Other | | WI DHS | CARS 840 | - | - | - | 79,755 | 51,985 | 27,770 |
| CLTS PD Federal Other | | WI DHS | CARS 846 | - | - | - | 14,251 | 9,289 | 4,962 |
| Case Management | | WI DHS | 43070900 MCD | - | 7,351 | - | 13,232 | 18,206 | 2,377 |
| Comprehensive Community Services | | WI DHS | 100044114 | 481,303 | 552,902 | - | 4,526,765 | 2,339,276 | 2,740,391 |
| Wisconsin Medicaid Cost Reporting Program | | WI DHS | Final 2015, Interim 2016 | - | - | - | 28,204 | 28,204 | - |
| Aging and Disability Resource Center | | WI DHS | CARS 560061, 560081, 560087, 560091 | - | 217,679 | - | 368,289 | 458,100 | 127,868 |
| Maternal and Child Health Services | | WI DHS | CARS 159320 | - | 430 | - | 1,864 | 1,633 | 661 |
| IM Outreach | | WI DHS | CARS 75 | - | 3,311 | - | 15,210 | 12,566 | 5,955 |
| Basic Children and Families Allocation | | WI DCF | CORe 980 | - | 147 | - | - | 147 | - |
| Income Maintenance Contract | | WI DHS / GRIM | CARS 283, 284 | - | 103,389 | - | 339,177 | 344,827 | 97,739 |
| <u>Claims Paid to Providers Via Third Party Administrator</u> | | | | | | | | | |
| Medical Assistance | | (A)(X) | | - | - | - | 275,670 | 275,670 | - |
| Total 93.778 | | | | 481,303 | 900,493 | (6,934) | 5,796,284 | 3,603,242 | 3,086,601 |

(X) = Major Federal Program

(A) = See Note 5

** = Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| Federal Grantor Agency/Program | Federal CFDA # | Pass-Through Entity | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Federal Expenditures | Grant Reimburse- ments | (Deferred) Reimbursements 12/31/16 |
|--|-------------------|------------------------|--|---------------------------------------|---|----------------------------|-------------------------|------------------------------|--|
| <u>Department of Health and Human Services (Continued)</u> | | | | | | | | | |
| Block Grant for Community Mental Health Services | 93.958 | WI DHS | CARS 515, 529, 569 | \$ - | \$ 29,159 | \$ - | \$ 155,387 | \$ 120,124 | \$ 64,422 |
| Block Grant - Prevention and Treatment of Substance Abuse | 93.959 | WI DHS | CARS 515, 529, 570 | - | 23,334 | - | 200,211 | 164,136 | 59,409 |
| Preventive Health and Health Service Block Grant | 93.991 | WI DHS | CARS 159220, 159221 | - | - | - | 8,470 | 7,659 | 811 |
| Maternal and Child Health Services Block Grant | 93.994 | | | | | | | | |
| Statewide - Performance Based | | WI DHS | CARS 159332 | - | 5,312 | - | 193,420 | 198,732 | - |
| Consolidated Contract | | WI DHS | CARS 159320 | - | 7,079 | - | 30,656 | 26,863 | 10,872 |
| Total 93.994 | | | | - | 12,391 | - | 224,076 | 225,595 | 10,872 |
| Total Department of Health and Human Services | | | | 481,303 | 1,374,228 | (6,934) | 8,163,011 | 5,969,826 | 3,560,479 |
| <u>Department of Homeland Security</u> | | | | | | | | | |
| Emergency Management Performance Grants: | 97.042 | | | | | | | | |
| 10/1/16-9/30/17 | | WI DMA | FFY-17 EMPG | - | - | - | 13,523 | - | 13,523 |
| 10/1/15-9/30/16 | | WI DMA | FFY-16 EMPG | - | 13,541 | - | 40,551 | 54,092 | - |
| 10/1/14-9/30/15 | | WI DMA | FFY-15 EMPG | - | 27,083 | 5,246 | - | 32,329 | - |
| Total 97.042 | | | | - | 40,624 | 5,246 | 54,074 | 86,421 | 13,523 |
| Total Department of Homeland Security | | | | - | 40,624 | 5,246 | 54,074 | 86,421 | 13,523 |
| TOTAL FEDERAL AWARDS | | | | \$ 481,303 | \$ 2,470,754 | \$ (15,664) | \$ 11,489,021 | \$ 10,175,592 | \$ 3,768,519 |

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016**

| State Grantor Agency/ Program Title and Year | State I.D. Number | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Grant Expenditures | Grant Reimburse- ments | Accrued (Deferred) Reimbursements 12/31/16 |
|---|----------------------|---|----------------------------|-----------------------|------------------------------|---|
| <u>Department of Agriculture, Trade and Consumer Protection</u> | | | | | | |
| Clean Sweep Program: | 115.04 | | | | | |
| 2016 | | \$ - | \$ - | \$ 11,665 | \$ - | \$ 11,665 |
| 2015 | | 7,365 | - | - | 7,365 | - |
| Soil and Water Resource Management: | 115.15 | | | | | |
| County Staff and Support: | | | | | | |
| 2016 | | - | - | 166,836 | 166,836 | - |
| 2015 | | 174,181 | - | - | 174,181 | - |
| Land and Water Resource Management Projects: | 115.40 | | | | | |
| 2016 | | - | - | 36,636 | 36,636 | - |
| Total Department of Agriculture, Trade and Consumer Protection | | 181,546 | - | 215,137 | 385,018 | 11,665 |
| <u>Department of Natural Resources</u> | | | | | | |
| Utility-Terrain Vehicle Aids | 370.547 | | | | | |
| 7/1/15-6/30/16 UTV-16005 | | 750 | - | - | 750 | - |
| Venison Processing | 370.549 | | | | | |
| 2016 | | - | - | 673 | 673 | - |
| 2015 | | 990 | - | - | 990 | - |
| Boating Enforcement Aids: | 370.550 | | | | | |
| 2016 | | - | - | 23,591 | - | 23,591 |
| 2015 | | 18,091 | - | - | 18,091 | - |
| All-Terrain Vehicle Enforcement Aids: | 370.551 | | | | | |
| 5/1/15-4/30/16 | | - | - | 8,972 | 8,972 | - |
| Snowmobile Enforcement Aids: | 370.552 | | | | | |
| 5/1/15-4/30/16 | | - | - | 6,526 | 6,526 | - |

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| <u>State Grantor Agency/ Program Title and Year</u> | <u>State I.D. Number</u> | <u>Accrued (Deferred) Reimbursements 1/1/16</u> | <u>Prior Years Adjustments</u> | <u>Grant Expenditures</u> | <u>Grant Reimburse- ments</u> | <u>Accrued (Deferred) Reimbursements 12/31/16</u> |
|--|------------------------------|---|------------------------------------|-------------------------------|---------------------------------------|---|
| Department of Natural Resources (Continued) | | | | | | |
| Wildlife Damage Claims and Abatement: Administration and Abatement: | 370.553 | | | | | |
| 2016 | | \$ - | \$ - | \$ 14,803 | \$ 11,036 | \$ 3,767 |
| 2015 | | 11,217 | - | - | 11,217 | - |
| Recreational Aids - Fish, Wildlife and Forestry: | 370.564 | | | | | |
| 2016 | | (9,806) | - | 4,937 | 1,630 | (6,499) |
| Urban and Community Forestry: Forest Administration Grant: | 370.572 | | | | | |
| 2016 | | - | - | 36,581 | 36,581 | - |
| Snowmobile Trails and Areas: | 370.574 | | | | | |
| 7/1/16-6/30/17 #S-4484 | | - | - | 77,000 | 58,050 | 18,950 |
| 7/1/16-6/30/17 #S-4717 | | - | - | - | 45,325 | (45,325) |
| 7/1/15-6/30/16 #S-4414 | | (45,325) | - | 90,625 | 45,300 | - |
| All-Terrain Vehicle Aids (Transp. Fd.): | 370.577 | | | | | |
| 7/1/16-6/30/17 ATV-3406 | | - | - | 2,500 | - | 2,500 |
| 7/1/15-6/30/16 ATV-3262 | | 3,504 | - | 996 | 4,500 | - |
| 7/1/15-6/30/16 ATV-3334 | | 1,289 | - | - | 1,289 | - |
| 2/4/16-6/30/17 ATV-3382 | | - | - | 69 | 239,186 | (239,117) |
| Lakes Management Planning Grant: | | | | | | |
| 9/1/10-12/31/15 LPT-379-11 | 370.664 | (1,250) | 5,000 | - | - | 3,750 |
| Municipal and County Recycling Grants: | 370.670 | | | | | |
| 2016 | | - | - | 207,636 | 207,636 | - |
| Motorized Stewardship Grant | 370.TA1 | | | | | |
| 2/3/16-6/30/17 MS-1603 | | - | - | 46,400 | 34,800 | 11,600 |
| Knowles-Nelson Stewardship Program | 370.TA1 | | | | | |
| 5/5/15-6/30/16 SCF3-1031 | | 34,729 | - | 13,101 | 47,830 | - |
| Total Department of Natural Resources | | <u>14,189</u> | <u>5,000</u> | <u>534,410</u> | <u>780,382</u> | <u>(226,783)</u> |

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| <u>State Grantor Agency/ Program Title and Year</u> | <u>State I.D. Number</u> | <u>Accrued (Deferred) Reimbursements 1/1/16</u> | <u>Prior Years Adjustments</u> | <u>Grant Expenditures</u> | <u>Grant Reimburse- ments</u> | <u>Accrued (Deferred) Reimbursements 12/31/16</u> |
|---|------------------------------|---|------------------------------------|-------------------------------|---------------------------------------|---|
| <u>Department of Transportation</u> | | | | | | |
| Elderly and Handicapped County Aids: | 395.101 | | | | | |
| Elderly and Handicapped Transportation: | | | | | | |
| 2016 | | \$ (70,264) | \$ - | \$ 151,859 | \$ 151,859 | \$ (70,264) |
| Total Department of Transportation | | (70,264) | - | 151,859 | 151,859 | (70,264) |
| <u>Department of Corrections</u> | | | | | | |
| Capacity Building for Early Intervention: | 410.302 | | | | | |
| 7/1/15-6/30/16 | | 7,470 | (7,470) | - | - | - |
| Youth Aids Community: | 410.313 | | | | | |
| 2015 | | (100) | - | - | (100) | - |
| Total Department of Corrections | | 7,370 | (7,470) | - | (100) | - |
| <u>Department of Health Services</u> | | | | | | |
| Fluoride Supplement Program: | 435.151734 | | | | | |
| 2016 | | - | - | 2,040 | 1,989 | 51 |
| 2015 | | (1,008) | - | - | (1,008) | - |
| WIC Farmers Market Grant: | 435.154720 | | | | | |
| 2016 | | - | - | 2,033 | 953 | 1,080 |
| WIC CSHCN Special Project | 435.154790 | | | | | |
| 2016 | | - | - | 2,200 | 2,200 | - |
| Consolidated Contract - CHHD LD: | 435.157720 | | | | | |
| 2016 | | - | - | 6,994 | 6,994 | - |
| 2015 | | (1,178) | - | - | (1,178) | - |
| Maternal and Health Services Block Grant: | 435.159320 | | | | | |
| 2016 | | - | - | 1,864 | 1,203 | 661 |
| 2015 | | 430 | - | - | 430 | - |
| TPCP - Wisconsin WINS: | 435.181005 | | | | | |
| 2016 | | - | - | 5,168 | 3,631 | 1,537 |
| 2015 | | 537 | - | - | 537 | - |

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| <u>State Grantor Agency/ Program Title and Year</u> | <u>State I.D. Number</u> | <u>Accrued (Deferred) Reimbursements 1/1/16</u> | <u>Prior Years Adjustments</u> | <u>Grant Expenditures</u> | <u>Grant Reimburse- ments</u> | <u>Accrued (Deferred) Reimbursements 12/31/16</u> |
|---|------------------------------|---|------------------------------------|-------------------------------|---------------------------------------|---|
| <u>Department of Health Services (Continued)</u> | | | | | | |
| IM Available Allocation: | 435.283 | | | | | |
| Income Maintenance Contract: | | | | | | |
| 2016 | | \$ - | \$ - | \$ 88,000 | \$ 88,000 | \$ - |
| IM Available Allocation Federal Share: | 435.284 | | | | | |
| Income Maintenance Contract: | | | | | | |
| 2016 | | - | - | 3,497 | 1,372 | 2,125 |
| 2015 | | 1,117 | - | - | 1,117 | - |
| Kinship Care Base Benefit: | 435.377 | | | | | |
| 2016 | | - | - | 107,862 | 47,783 | 60,079 |
| Community Support Program Waiting List: | 435.504 | | | | | |
| 2015 | | 1 | - | - | 1 | - |
| Coordinated Services - CTY | 435.515 | | | | | |
| 2016 | | - | - | 147,780 | 85,592 | 62,188 |
| 2015 | | 50,615 | - | - | 50,615 | - |
| Certified Mental Health Program: | 435.517 | | | | | |
| 2016 | | - | - | 135,032 | 101,277 | 33,755 |
| 2015 | | 7,934 | - | - | 7,934 | - |
| Integrated Service Programs for Children with Birth-to-Three Initiative: | 435.550 | | | | | |
| 2016 | | - | - | 48,264 | 10,411 | 37,853 |
| 2015 | | 30,079 | - | - | 30,079 | - |
| Aging and Disability Resource Center: MFP-MH RELOCATION | 435.560065** | | | | | |
| 2016 | | - | - | 12,771 | 17,718 | (4,947) |
| 2015 | | 7,687 | - | - | 7,687 | - |
| Aging and Disability Resource Center: | 435.560100** | | | | | |
| 2016 | | - | - | 424,925 | 389,138 | 35,787 |
| 2015 | | 101,438 | - | - | 101,438 | - |
| Aging and Disability Resource Center: Adult Protective Services | 435.560312** | | | | | |
| 2016 | | - | - | 55,548 | 55,548 | - |
| 2015 | | 7,408 | - | - | 7,408 | - |
| Basic County Allocation - State Funded: | 435.561** | | | | | |
| 2016 | | - | - | 1,805,337 | 1,726,158 | 79,179 |

** Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| <u>State Grantor Agency/ Program Title and Year</u> | <u>State I.D. Number</u> | <u>Accrued (Deferred) Reimbursements 1/1/16</u> | <u>Prior Years Adjustments</u> | <u>Grant Expenditures</u> | <u>Grant Reimburse- ments</u> | <u>Accrued (Deferred) Reimbursements 12/31/16</u> |
|---|------------------------------|---|------------------------------------|-------------------------------|---------------------------------------|---|
| <u>Department of Health Services (Continued)</u> | | | | | | |
| Family Support Program: 2015 | 435.577 | \$ 5,833 | \$ - | \$ - | \$ 5,833 | \$ - |
| State Senior Community Services: State/County Match: | 435.681** | | | | | |
| 2016 | | - | - | 189,656 | 53,016 | 136,640 |
| 2015 | | 43,763 | - | - | 43,763 | - |
| Mobile Crisis Development | 435.81073 | | | | | |
| 2016 | | - | - | 81,262 | 27,069 | 54,193 |
| 2015 | | 40,043 | - | - | 40,043 | - |
| CLTS DD Non-Federal: | 435.832** | | | | | |
| 2016 | | - | - | 18,705 | 12,192 | 6,513 |
| CLTS MH Non-Federal: | 435.835** | | | | | |
| 2016 | | - | - | 7,775 | 5,068 | 2,707 |
| CLTS DD Non-Federal Other: | 435.838** | | | | | |
| 2016 | | - | - | 27,758 | 18,093 | 9,665 |
| CLTS MH Non-Federal Other: | 435.841** | | | | | |
| 2016 | | - | - | 56,555 | 36,864 | 19,691 |
| CLTS PD Non-Federal Other: | 435.847** | | | | | |
| 2016 | | - | - | 10,105 | 6,587 | 3,518 |
| CLTS Other CWA Admin GPR: | 435.877** | | | | | |
| 2016 | | - | - | 13,911 | - | 13,911 |
| CLTS Autism CWA Admin GPR: | 435.880** | | | | | |
| 2016 | | - | - | 6,649 | - | 6,649 |
| CLTS Autism CWA Admin Fed: | 435.881** | | | | | |
| 2016 | | - | - | 1,195 | - | 1,195 |
| Passed through Area Agency on Aging: | | | | | | |
| Elderly Benefit Specialist Program: | 435.560024 | | | | | |
| 2016 | | - | 6,934 | 28,215 | 7,247 | 27,902 |
| Elderly Benefit Specialist Program: | 435.560320 | | | | | |
| 2016 | | - | - | 164 | 28,066 | (27,902) |
| 2015 | | 6,934 | - | - | 6,934 | - |
| Elderly Benefit Specialist Program: | 435.560327 | | | | | |
| 2016 | | - | - | 5,328 | 5,328 | - |
| State Senior Community Services: | 435.560330 | | | | | |
| 2016 | | - | - | 8,288 | 8,288 | - |
| 2015 | | 828 | - | - | 828 | - |

** Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| State Grantor Agency/ Program Title and Year | State I.D. Number | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Grant Expenditures | Grant Reimburse- ments | Accrued (Deferred) Reimbursements 12/31/16 |
|---|----------------------|---|----------------------------|-----------------------|------------------------------|---|
| <u>Department of Health Services (Continued)</u> | | | | | | |
| Passed through Area Agency on Aging: (Continued) | | | | | | |
| Congregate Nutrition: | 435.560350 | | | | | |
| 2016 | | \$ - | \$ - | \$ 89,237 | \$ 89,237 | \$ - |
| 2015 | | 4,151 | - | - | 4,151 | - |
| Special Programs for the Aging - Title III, Part C: | 435.560360 | | | | | |
| 2016 | | - | - | 2,797 | 2,797 | - |
| Alzheimer's Family Caregiver Support: | 435.560381 | | | | | |
| 2016 | | - | - | 23,844 | 7,492 | 16,352 |
| 2015 | | 9,754 | - | - | 9,754 | - |
| Special Programs for the Aging - Programs for Prevention: | 435.560490 | | | | | |
| 2016 | | - | - | 23,961 | 23,961 | - |
| Total Department of Health Services | | 316,366 | 6,934 | 3,444,720 | 3,187,638 | 580,382 |
| <u>Department of Children and Families</u> | | | | | | |
| FS/Medicaid Collections and Incentives | 437.267 | | | | | |
| 2015 | | 276 | - | - | 276 | - |
| CW Adam Walsh Foster/Adoptive Parent Fingerprinting | 437.3324 | | | | | |
| 2015 | | 24 | - | - | 24 | - |
| JJ Community Intervention Prog | 437.3410 | | | | | |
| 2016 | | - | - | 14,940 | 14,940 | - |
| JJ AODA | 437.3411 | | | | | |
| 2016 | | - | - | 13,126 | 13,126 | - |
| JJ Youth Aids | 437.3413 | | | | | |
| 2016 | | - | - | 515,698 | 515,698 | - |
| Basic Children and Families Allocation | 437.3561** | | | | | |
| 2016 | | - | - | 442,049 | 442,049 | - |
| CW WSACWIS Annual Op Maint Fee | 437.3604 | | | | | |
| 2016 | | - | - | (7,573) | (7,573) | - |
| CW Children and Families Allocations | 437.3681** | | | | | |
| 2016 | | - | - | 35,493 | 35,493 | - |
| 2015 | | 62,066 | - | - | 62,066 | - |
| Child Support - State Share: | 437.7502 | | | | | |
| 2016 | | - | - | 81,112 | 81,112 | - |
| Child Support - Medical Support GPR | 437.7603 | | | | | |
| 2016 | | - | - | 37,059 | 33,485 | 3,574 |
| Food Stamp Agency Incentives | 437.9650 | | | | | |
| 2016 | | - | - | 4,355 | 3,994 | 361 |
| AFDC Agency Incentives | 437.9750 | | | | | |
| 2016 | | - | - | 75 | 60 | 15 |
| Medicaid Agency incentives | 437.9800 | | | | | |
| 2016 | | - | - | 2,998 | 2,660 | 338 |
| Total Department of Children and Families | | 62,366 | - | 1,139,332 | 1,197,410 | 4,288 |

** Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

| State Grantor Agency/ Program Title and Year | State I.D. Number | Accrued (Deferred) Reimbursements 1/1/16 | Prior Years Adjustments | Grant Expenditures | Grant Reimburse- ments | Accrued (Deferred) Reimbursements 12/31/16 |
|---|----------------------|---|----------------------------|-----------------------|------------------------------|---|
| <u>Department of Justice</u> | | | | | | |
| Treatment Alternatives and Diversion: | 455.271 | | | | | |
| 2016 | | \$ - | \$ - | \$ 91,236 | \$ 63,439 | \$ 27,797 |
| 2015 | | 34,473 | - | - | 34,473 | - |
| Victim and Witness Assistance Program: | 455.532 | | | | | |
| 2016 | | - | - | 84,423 | 37,713 | 46,710 |
| 2015 | | 47,277 | - | - | 47,277 | - |
| Total Department of Justice | | <u>81,750</u> | <u>-</u> | <u>175,659</u> | <u>182,902</u> | <u>74,507</u> |
| <u>Department of Military Affairs</u> | | | | | | |
| Emergency Planning Grant Program: | | | | | | |
| LEPC Emergency Planning Grant: | 465.337 | | | | | |
| 10/1/16-9/30/17 | | - | - | 4,550 | - | 4,550 |
| 10/1/15-9/30/16 | | 4,573 | - | 13,719 | 18,292 | - |
| 10/1/14-9/30/15 | | 6,641 | - | - | 6,641 | - |
| Emergency Management: | | | | | | |
| Computer and Hazmat Equipment: | 465.367 | | | | | |
| 2016 | | - | - | 6,400 | 6,400 | - |
| Total Department of Military Affairs | | <u>11,214</u> | <u>-</u> | <u>24,669</u> | <u>31,333</u> | <u>4,550</u> |
| <u>Department of Administration</u> | | | | | | |
| Utility Public Benefits: | 505.371 | | | | | |
| 10/1/16-9/30/17 Contract #AD1599972.09 | | - | - | 21,235 | 9,817 | 11,418 |
| 10/1/15-9/30/16 Contract #AD1599971.09 | | 21,909 | - | 22,320 | 44,229 | - |
| Land Information Board Grants: | 505.166 | | | | | |
| 2016 | | - | - | 67,368 | 42,368 | 25,000 |
| Total Department of Administration | | <u>21,909</u> | <u>-</u> | <u>110,923</u> | <u>96,414</u> | <u>36,418</u> |
| Subtotal State Financial Assistance | | <u>\$ 626,446</u> | <u>\$ 4,464</u> | 5,796,709 | <u>\$ 6,012,856</u> | <u>\$ 414,763</u> |
| <u>Claims Paid to Providers Via Third Party Administrator</u> | | | | | | |
| Children's Long Term Support | (A) ** | | | 195,481 | | |
| TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES | | | | <u>\$ 5,992,190</u> | | |

(A) See Note 5

** Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2016**

NOTE 1 REPORTING ENTITY

Chippewa County is governed by a board of supervisors consisting of fifteen 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 solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the 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 modified 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.

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.

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

**CHIPPEWA COUNTY, WISCONSIN
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 DECEMBER 31, 2016**

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, 2016 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2016 and/or adjustment of accruals resulting from prior year audit findings.

NOTE 4 CDBG PROGRAM REVOLVING LOAN FUND

Housing Rehabilitation

The County was awarded Community Development Block Grants (CDBG) in prior years for financing housing rehabilitation loans. Repayments received on the loans are recorded in a separate revolving loan fund by the County and are used to finance similar loans in accordance with the original grant agreements. Transactions of the revolving loan fund for the year ending December 31, 2016 are summarized as follows:

| | | | |
|-------------------------------|--|-----------|----------------|
| Balance January 1, 2016 | | \$ | 535,489 |
| Grant Revenue | | | 1,842,944 |
| Loan Repayments | | | 261,894 |
| Interest Accrued to Fund | | | 1,294 |
| Loans Made from Fund | | | (2,180,736) |
| Administration Paid from Fund | | | (273,744) |
| Balance December 31, 2016 | | <u>\$</u> | <u>187,141</u> |

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

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 INDIRECT COSTS

The County has not elected to use the 10% de minimis indirect cost rate.

**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**

The County Board
Chippewa County, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Chippewa County, Wisconsin (County) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance. We consider item 2016-002 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Chippewa County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 24, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES

The County Board
Chippewa County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Chippewa 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, 2016. 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.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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, 2016.

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 or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Uniform Guidance and Schedule of State Financial Assistance Required by State Single Audit Guidelines

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa County as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Chippewa County's basic financial statements. We issued our report thereon dated July 24, 2017, 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

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 24, 2017

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2016**

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? X yes no
 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 no
 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 the Uniform Guidance? yes X no

Identification of major Federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------------|--|
| 14.228 | Community Development Block Grant |
| 93.778 | Medical Assistance Program |

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

Auditee qualified as low-risk auditee? yes X no

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2016**

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

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 no

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> |
|--|--|
| 435.832, 435.835, 435.838, 435.841, 435.847, 435.877, 435.880, 435.881 | Children's Long-Term Support |
| 435.560065 | Aging and Disability Resource Center MFP-MH RELOCATION |
| 435.560100 | Aging and Disability Resource Center |
| 435.560312 | Aging and Disability Resource Center Adult Protective Services |
| 435.561, 437.3561 | Basic County Allocation |
| 435.681, 437.3681 | Community Services and MH Services - State/County Match |

Federal Programs Tested as Major State Programs:

- 93.778 Medical Assistance Program – Human Services Contract
- 93.778 Medical Assistance Program – Claims Paid by Third Party Administrator
- 93.778 Aging and Disability Resource Center

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

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2016**

PART II: FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING:

FINDING: 2016-001 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.

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 Finance Director is the official responsible for ensuring corrective action of the deficiency.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2016**

**PART II: FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING:
(CONTINUED)**

FINDING: 2016-002 Limited Segregation of Duties

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition: In some of the smaller County offices the available staff precludes a proper separation of duties to assure adequate internal control.

Context: The limited size of the County's staff in some departments responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The County has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.

Cause: The condition is due to limited staff available.

Effect: The potential exists that the design of the internal controls over financial reporting could affect the ability of the County to record, process, summarize and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the county's inability to prevent/detect misappropriation of County assets.

Recommendation: The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Views of Responsible Officials and Planned Corrective Actions: The County continues to work to achieve segregation of duties whenever cost effective. The Financial Director is the official responsible for ensuring corrective action of the deficiency.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2016**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.

PART V: FINDINGS RELATED TO STATE GENERAL REQUIREMENTS:

None.