

**CHIPPEWA COUNTY, WISCONSIN**  
**FEDERAL AND STATE SINGLE AUDIT REPORTS**  
**YEAR ENDED DECEMBER 31, 2018**

**CHIPPEWA COUNTY, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2018**

|  |           |
|--|-----------|
| <b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>  | <b>1</b>  |
| <b>SCHEDULE OF STATE FINANCIAL ASSISTANCE</b>  | <b>4</b>  |
| <b>NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE<br/>FINANCIAL ASSISTANCE</b>   | <b>6</b>  |
| <b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL<br/>REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF<br/>FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT<br/>AUDITING STANDARDS</i></b>   | <b>8</b>  |
| <b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,<br/>REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE<br/>SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL<br/>ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND <i>STATE SINGLE AUDIT<br/>GUIDELINES</i></b> | <b>10</b> |
| <b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>   | <b>13</b> |

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2018**

| <u>Federal Grantor Agency/Program</u>  | <u>Federal<br/>CFDA #</u> | <u>Pass-Through<br/>Entity</u> | <u>Pass-Through Entity<br/>Identifying<br/>Number</u>  | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Federal<br/>Expenditures</u> |
|--|---------------------------|--------------------------------|--|--|---------------------------------|
| <b><u>Department of Agriculture</u></b>  |                           |                                |  |  |                                 |
| Conservation Reserve Enhancement Program   | 10.069                    | WI DATCP                       | ARM-LWR-280  | \$ -   | \$ 628                          |
| Special Supplemental Nutrition Assistance Program for Women,<br>Infants and Children | 10.557                    | WI DHS                         | CARS 154710, 154760  | -  | 253,231                         |
| State Matching Grant for Food Stamp Program (SNAP Cluster)                           | 10.561                    | WI DHS                         | CARS 154661  | -  | 31,219                          |
| State Nutritional Ed Grant   |                           | WI DHS / GRIM                  | CARS 283, 284  | -  | 273,874                         |
| State Income Maintenance Contract  |                           |                                |  | -  | 305,093                         |
| Total SNAP Cluster   |                           |                                |  | -  | 558,952                         |
| Total Department of Agriculture  |                           |                                |  | -  |                                 |
| <b><u>Department of Housing and Urban Development</u></b>                            |                           |                                |  |  |                                 |
| Community Development Block Grant  | 14.228                    | WI DOA                         | H 14-15-07, EAP 16-06  | -  | 1,142,864                       |
| <b><u>Department of Justice</u></b>  |                           |                                |  |  |                                 |
| Juvenile Justice and Delinquency Prevention  | 16.540                    | WI OJA                         | BJA FY 16  | -  | 68,440                          |
| Bulletproof Vest Partnership Program   | 16.607                    | Direct                         | n/a  | -  | 4,709                           |
| Public Safety Partnership and<br>Community Policing Grants                           | 16.710                    | Eau Claire County              | 2018 Drug Task Force   | -  | 5,548                           |
| Edward Byrne Memorial Justice Assistance   | 16.738                    | Eau Claire County              | 2017-DJ-01-12772   | -  | 4,886                           |
| CEASE Grant  | 16.none                   | WI DOJ                         | Case # 2018-11250  | -  | 106                             |
| Total Department of Justice  |                           |                                |  | -  | 83,689                          |
| <b><u>Department of Transportation</u></b>   |                           |                                |  |  |                                 |
| State and Community Highway Safety   | 20.600                    | WI DOT                         | #3950958-40-08, #3950959-  | -  | 28,965                          |
| Interagency Hazardous Materials Training and Planning                                | 20.703                    | WI DMA                         | 2017-HMEP-FED-01-11066,<br>2017-HMEP-FED-01-11002,<br>2017-HMEP-FED-01-11003,<br>2017-HMEP-FED-01-11004,<br>2017-HMEP-FED-01-11005 | -  | 1,934                           |
| Total Department of Transportation   |                           |                                |  | -  | 30,899                          |

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, 2018**

| <u>Federal Grantor Agency/Program</u>                               | <u>Federal<br/>CFDA #</u> | <u>Pass-Through<br/>Entity</u> | <u>Pass-Through Entity<br/>Identifying<br/>Number</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Federal<br/>Expenditures</u> |
|---|---------------------------|--------------------------------|---|--|---------------------------------|
| <u>Department of Education</u>                                      |                           |                                |   |  |                                 |
| Grants for Infants and Toddlers                                     | 84.181                    | WI DHS                         | CARS 550  | \$ -   | \$ 49,671                       |
| <u>Department of Health and Human Services</u>                      |                           |                                |   |  |                                 |
| Special Programs for the Aging - Title III, Part D<br>Aging Cluster | 93.043                    | WI DHS / GWAAR                 | CARS 560510   | -  | 5,530                           |
| Special Programs for the Aging - Title III, Part B                  | 93.044                    | WI DHS / GWAAR                 | CARS 560340   | -  | 62,934                          |
| Special Programs for the Aging - Title III, Part C                  | 93.045                    | WI DHS / GWAAR                 | CARS 560350, 560360                                   | -  | 189,578                         |
| Nutrition Services Incentive Program                                | 93.053                    | WI DHS / GWAAR                 | CARS 560422   | -  | 34,051                          |
| Total Aging Cluster   |                           |                                |   | -  | 286,563                         |
| National Family Caregivers Support Program                          | 93.052                    | WI DHS / GWAAR                 | CARS 560520   | -  | 18,644                          |
| Public Health Emergency Preparedness                                | 93.069                    | WI DHS                         | CARS 155775   | -  | 5,300                           |
| Public Health Emergency Preparedness                                | 93.074                    | WI DHS                         | CARS 155015, 155050                                   | -  | 59,540                          |
| Newborn Hearing Screen Outreach                                     | 93.251                    | WI DHS                         | CARS 115002   | -  | 33,836                          |
| Childhood Immunization Grants                                       | 93.268                    | WI DHS                         | CARS 155020   | -  | 15,508                          |
| State Health Insurance Assistance Program                           | 93.324                    | WI DHS / GWAAR                 | CARS 560432   | -  | 7,538                           |
| Promoting Safe and Stable Families                                  | 93.556                    | WI DCF                         | CORe 3306   | -  | 42,827                          |
| Temporary Assistance for Needy Families (TANF Cluster)              | 93.558                    |                                |   |  |                                 |
| Basic County Allocation   |                           | WI DHS                         | CARS 561, 3561  | -  | 131,371                         |
| Children and Families Contract                                      |                           | WI DCF                         | CORe 852  | -  | 59,453                          |
| Total TANF Cluster  |                           |                                |   | -  | 190,824                         |
| Child Support Enforcement Program (Title IV-D)                      | 93.563                    | WI DCF                         | CORe 7332, 7477, 7482,<br>7506, 7606, 7616, 7903      | -  | 599,364                         |
| Low-Income Home Energy Assistance                                   | 93.568                    | WI DOA                         | AD1599973.09, WHEAP19.09                              | -  | 67,744                          |
| Child Care and Development Block Grant (CCDF Cluster)               | 93.575                    | WI DCF                         | CORe 831, 840, 852                                    | -  | 67,291                          |
| Child Welfare Services Program                                      | 93.645                    | WI DCF                         | CORe 3561   | -  | 43,088                          |
| Foster Care - Title IV-E  | 93.658                    | WI DCF                         | CORe 3561   | -  | 522,685                         |
| Adoption Assistance   | 93.659                    | WI DCF                         | CORe 3574   | -  | 6,080                           |
| Social Services Block Grant   | 93.667                    | WI DHS                         | CARS 561, 3561  | -  | 245,202                         |
| State Children's Insurance Program                                  | 93.767                    | WI DHS / GRIM                  | CARS 283, 284   | -  | 35,271                          |

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, 2018**

| <u>Federal Grantor Agency/Program</u>                         | <u>Federal<br/>CFDA #</u> | <u>Pass-Through<br/>Entity</u> | <u>Pass-Through Entity<br/>Identifying<br/>Number</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Federal<br/>Expenditures</u> |
|---|---------------------------|--------------------------------|---|--|---------------------------------|
| <u>Department of Health and Human Services (Continued)</u>    |                           |                                |   |  |                                 |
| Medicaid Cluster  | 93.778                    |                                |   |  |                                 |
| State Elderly Benefit Specialist                              |                           | WI DHS / GWAAR                 | CARS 560021, 56024                                    | \$ -   | \$ 24,052                       |
| State Pharmaceutical Assistance Program                       |                           | WI DHS / GWAAR                 | CARS 560030, 560029                                   | -  | 5,524                           |
| Reproductive Health   |                           | WI DHS                         | CARS 159322   | -  | 1,651                           |
| Social Services and Community Programs Contract               |                           | WI DHS                         | CARS 878, 881   | -  | 31,236                          |
| Human Services Contract:                                      |                           |                                |   |  |                                 |
| CLTS DD Autism Federal  |                           | WI DHS                         | CARS 831  | -  | 24,083                          |
| CLTS DD Federal Other   |                           | WI DHS                         | CARS 834  | -  | 92,876                          |
| CLTS MH Federal Other   |                           | WI DHS                         | CARS 840  | -  | 42,462                          |
| CLTS PD Federal Other   |                           | WI DHS                         | CARS 846  | -  | 36,029                          |
| Case Management   |                           | WI DHS                         | 43070900 MCD  | -  | 34,519                          |
| Comprehensive Community Services                              |                           | WI DHS                         | 100044114   | 1,588,972                                      | 10,802,535                      |
| Wisconsin Medicaid Cost Reporting Program                     |                           | WI DHS                         | Final 2017  | -  | 294,674                         |
| Aging and Disability Resource Center                          |                           | WI DHS                         | CARS 560061, 560081,<br>560087, 560091, 560097        | -  | 347,466                         |
| Maternal and Child Health Services                            |                           | WI DHS                         | CARS 159320   | -  | 1,500                           |
| IM Outreach   |                           | WI DHS                         | CARS 75   | -  | 12,777                          |
| Income Maintenance Contract                                   |                           | WI DHS / GRIM                  | CARS 283, 284   | -  | 348,890                         |
| <u>Claims Paid to Providers Via Third Party Administrator</u> |                           |                                |   |  |                                 |
| Medical Assistance  |                           | (A)                            |   | -  | 305,330                         |
| Total 93.778  |                           |                                |   | 1,588,972                                      | 12,405,604                      |
| Block Grant for Community Mental Health Services              | 93.958                    | WI DHS                         | CARS 512, 569   | -  | 53,605                          |
| Block Grant - Prevention and Treatment of Substance Abuse     | 93.959                    | WI DHS                         | CARS 570, 515   | -  | 100,733                         |
| Preventive Health and Health Service Block Grant              | 93.991                    | WI DHS                         | CARS 159220   | -  | 9,292                           |
| Maternal and Child Health Services Block Grant                | 93.994                    | WI DHS                         | CARS 159332, 159321,                                  | -  | 184,772                         |
| Total Department of Health and Human Services                 |                           |                                |   | 1,588,972                                      | 15,006,841                      |
| <u>Department of Homeland Security</u>                        |                           |                                |   |  |                                 |
| Emergency Management Performance Grants                       | 97.042                    | WI DMA                         | FFY-18 EMPG, FF-19 EMPG                               | -  | 54,040                          |
| Homeland Security Training                                    | 97.067                    | WI DMA                         | 2017-HSW-04-10991                                     | -  | 8,829                           |
| Total Department of Homeland Security                         |                           |                                |   | -  | 62,869                          |
| <b>TOTAL FEDERAL AWARDS</b>                                   |                           |                                |   | <b>\$ 1,588,972</b>                            | <b>\$ 16,935,785</b>            |

(A) = See Note 4

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, 2018**

| <u>State Grantor Agency/<br/>Program Title and Year</u>           | <u>State<br/>I.D. Number</u> | <u>Grant<br/>Expenditures</u> |
|---|------------------------------|-------------------------------|
| <u>Department of Agriculture, Trade and Consumer Protection</u>   |                              |                               |
| Clean Sweep Program   | 115.040                      | \$ 10,415                     |
| Soil and Water Resource Management<br>County Staff and Support    | 115.15                       | 148,883                       |
| Land and Water Resource Management Projects                       | 115.40                       | 135,018                       |
| Total Department of Agriculture, Trade and Consumer<br>Protection |                              | 294,316                       |
| <u>Public Service Commission</u>                                  |                              |                               |
| Broadband Expansion Grant   | 155.362                      | 32,550                        |
| <u>Department of Natural Resources</u>                            |                              |                               |
| Venison Processing  | 370.549                      | 1,388                         |
| Boating Enforcement Aids  | 370.550                      | 22,504                        |
| All-Terrain Vehicle Enforcement Aids                              | 370.551                      | 18,489                        |
| Snowmobile Enforcement Aids                                       | 370.552                      | 18,458                        |
| Wildlife Damage Claims and Abatement                              | 370.553                      | 31,953                        |
| Recreational Aids - Fish, Wildlife and Forestry                   | 370.564                      | 14,305                        |
| County Forest Administration                                      | 370.572                      | 34,405                        |
| Snowmobile Trails Aids  | 370.574                      | 157,594                       |
| All-Terrain Vehicle Aids  | 370.576**                    | 468,613                       |
| Municipal and County Recycling Grants                             | 370.670**                    | 218,538                       |
| Total Department of Natural Resources                             |                              | 986,247                       |
| <u>Department of Transportation</u>                               |                              |                               |
| Elderly and Handicapped County Aids                               | 395.101                      | 158,295                       |
| <u>Department of Health Services</u>                              |                              |                               |
| Fluoride Supplement Program                                       | 435.151734                   | 2,040                         |
| WIC Farmers Market Grant  | 435.154720                   | 2,440                         |
| WWWP - GPR  | 435.157000                   | 208                           |
| Consolidated Contract - CHHD LD                                   | 435.157720                   | 6,963                         |
| Maternal and Health Services Block Grant                          | 435.159320                   | 1,500                         |
| Reproductive Health   | 435.159321                   | 5,884                         |
| Reproductive Health - LPHD  | 435.159322                   | 1,647                         |
| TPCP - Wisconsin WINS   | 435.181005                   | 5,110                         |
| IM Available Allocation   | 435.283                      | 61,238                        |
| Adult Protective Services   | 435.312                      | 55,548                        |
| Kinship Care Base Benefit   | 435.377                      | 107,862                       |
| Coordinated Services - CTY  | 435.515                      | 149,040                       |
| Certified Mental Health Program                                   | 435.517                      | 135,032                       |
| IMD Rebalancing Initiative  | 435.518                      | 10,520                        |
| Birth-to-Three Initiative   | 435.550                      | 48,746                        |
| Aging and Disability Resource Center<br>MFP-MH RELOCATION         | 435.560065                   | 26,230                        |
| Aging and Disability Resource Center                              | 435.560100                   | 409,391                       |
| Basic County Allocation - State Funded                            | 435.561**                    | 1,413,221                     |
| State/County Match  | 435.681**                    | 189,656                       |
| CLTS DD Non-Federal   | 435.832**                    | 16,805                        |
| CLTS DD Non-Federal Other   | 435.838**                    | 64,808                        |
| CLTS MH Non-Federal Other   | 435.841**                    | 29,630                        |
| CLTS PD Non-Federal Other   | 435.847**                    | 25,141                        |
| CLTS Other CWA Admin GPR  | 435.877**                    | 26,816                        |
| CLTS Autism CWA Admin GPR   | 435.880**                    | 4,421                         |

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, 2018**

| <u>State Grantor Agency/<br/>Program Title and Year</u>       | <u>State<br/>I.D. Number</u> | <u>Grant<br/>Expenditures</u>     |
|---|------------------------------|-----------------------------------|
| <u>Department of Health Services (Continued)</u>              |                              |                                   |
| Passed through Area Agency on Aging                           |                              |                                   |
| Elderly Benefit Specialist Program                            | 435.560024                   | \$ 24,052                         |
| State Senior Community Services                               | 435.560330                   | 8,288                             |
| Congregate Nutrition  | 435.560350                   | 20,788                            |
| Special Programs for the Aging - Title III, Part C            | 435.560360                   | 686                               |
| Alzheimer's Family Caregiver Support                          | 435.560381                   | 17,544                            |
| Special Programs for the Aging - Programs for Prevention      | 435.560490                   | 23,961                            |
| Total Department of Health Services                           |                              | <u>2,895,216</u>                  |
| <u>Department of Children and Families</u>                    |                              |                                   |
| CW Adam Walsh Foster/Adoptive Parent Fingerprinting           | 437.3324                     | 211,825                           |
| CW Kinship Care Program - Benefits                            | 437.3377                     | 8,400                             |
| JJ Community Intervention Prog                                | 437.3410                     | 9,630                             |
| JJ AODA   | 437.3411                     | 11,562                            |
| JJ Youth Aids   | 437.3413                     | 490,712                           |
| Basic Children and Families Allocation                        | 437.3561**                   | 411,310                           |
| CW Children and Families Allocations                          | 437.3681**                   | 32,872                            |
| CW WiSACWIS Annual Operation Maintenance Fee                  | 437.3935                     | (7,573)                           |
| PDS Partnership Fees  | 437.3940                     | (2,856)                           |
| Child Support - Medical Support Liability (MSL) Incentive     | 437.7332                     | 27,819                            |
| Child Support - State Share                                   | 437.7502                     | 83,972                            |
| Child Support - Medical Support GPR                           | 437.7606                     | 5,574                             |
| Food Stamp Agency Incentives                                  | 437.9650                     | 11,743                            |
| AFDC Agency Incentives  | 437.9750                     | 243                               |
| Medicaid Agency incentives                                    | 437.9800                     | 8,303                             |
| Total Department of Children and Families                     |                              | <u>1,303,536</u>                  |
| <u>Department of Justice</u>                                  |                              |                                   |
| Treatment Alternatives and Diversion                          | 455.271                      | 115,327                           |
| Victim and Witness Assistance Program                         | 455.532                      | 80,807                            |
| Total Department of Justice                                   |                              | <u>196,134</u>                    |
| <u>Department of Military Affairs</u>                         |                              |                                   |
| Emergency Planning Grant Program                              |                              |                                   |
| LEPC Emergency Planning Grant                                 | 465.337                      | 17,902                            |
| Emergency Management  |                              |                                   |
| Computer and Hazmat Equipment                                 | 465.308                      | 8,077                             |
| Total Department of Military Affairs                          |                              | <u>25,979</u>                     |
| <u>Department of Administration</u>                           |                              |                                   |
| Utility Public Benefits                                       | 505.371                      | 52,599                            |
| Land Information Board Grants                                 | 505.166 / 505.173            | 57,064                            |
| Total Department of Administration                            |                              | <u>109,663</u>                    |
| Subtotal State Financial Assistance                           |                              | 6,001,936                         |
| <u>Claims Paid to Providers Via Third Party Administrator</u> |                              |                                   |
| Children's Long Term Support                                  | (A) **                       | 213,057                           |
| <b>TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES</b>          |                              | <b><u><u>\$ 6,214,993</u></u></b> |

(A) See Note 4

\*\* Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
DECEMBER 31, 2018**

**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.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
DECEMBER 31, 2018**

**NOTE 3 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, 2018 are summarized as follows:

|                               |    |             |
|-------------------------------|----|-------------|
| Balance January 1, 2018       | \$ | 225,712     |
| Grant Revenue                 |    | 1,125,844   |
| Loan Repayments               |    | 372,508     |
| Interest Accrued to Fund      |    | 6,065       |
| Loans Made from Fund          |    | (1,326,078) |
| Administration Paid from Fund |    | (164,639)   |
| Balance December 31, 2018     | \$ | 239,412     |

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

**NOTE 4 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 5 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, 2018, 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 22, 2019.

**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 2018-001 to be a material weakness.

The County Board  
Chippewa County, Wisconsin

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 the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002 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 22, 2019



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**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, 2018. 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

### **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 Uniform Guidance and Schedule of State Financial Assistance Required by State Single Audit Guidelines**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chippewa County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Chippewa County's basic financial statements. We issued our report thereon dated July 22, 2019, 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**

Eau Claire, Wisconsin  
July 22, 2019

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2018**

**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?   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?        yes   X   none reported  
 Type of auditors' report issued on compliance for major programs Unmodified  
 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

Identification of major Federal programs:

| <b><u>CFDA Number(s)</u></b> | <b><u>Name of Federal Program or Cluster</u></b> |
|------------------------------|--|
|------------------------------|--|

|        |                            |
|--------|----------------------------|
| 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, 2018**

**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? \_\_\_\_\_ 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:

**State ID Number(s)**

**Name of State Program or Cluster**

|   |   |
|---|---|
| 370.576   | All-Terrain Vehicle Aids  |
| 370.670   | Municipal and County Recycling Grants                                 |
| 435.832, 435.838, 435.841,<br>435.847, 435.877, 435.880 | Children's Long-Term Support  |
| 435.561, 437.3561                                       | Basic County Allocation   |
| 435.681, 437.3681                                       | State/County Match  |
| Federal Programs Tested as Major State Programs:        |   |
| 93.778  | Medical Assistance Program – Claims Paid by Third Party Administrator |

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, 2018**

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

**FINDING: 2018-001 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, 2018**

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

**FINDING: 2018-002 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, 2018**

**PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:**

None.

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

None.

**PART V: OTHER ISSUES**

- |  |    |
|--|----|
| 1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?  | No |
| 2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : |    |
| Department of Agriculture, Trade and Consumer Protection   | No |
| Department of Justice  | No |
| Department of Military Affairs   | No |
| Department of Veterans Affairs   | No |
| Department of Natural Resources  | No |
| Department of Transportation   | No |
| Department of Administration   | No |
| Department of Corrections  | No |
| Department of Health Services  | No |
| Department of Children and Families  | No |
| 3. Was a management letter or other document conveying audit comments issued as a result of this audit?  | No |

4. Name and signature of Principal

  
\_\_\_\_\_  
April Anderson, CPA

5. Date of Report

July 22, 2019