

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

**BARRON COUNTY, WISCONSIN  
TABLE OF CONTENTS  
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 FINANCIAL ASSISTANCE</b>	<b>8</b>
<b>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></b>	<b>10</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND <i>STATE SINGLE AUDIT GUIDELINES</i></b>	<b>12</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>15</b>

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

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of Agriculture</u>					
Special Supplemental Nutrition Assistance Program for Women, Infants and Children: WIC Program	10.557	WI DHS	CARS Line # 154710, 154760	\$ -	\$ 208,266
State Matching Grant for Food Stamp Program (SNAP Cluster): SNAP Nutrition Education Grant	10.561	WI DHS	CARS Line # 154661	-	11,576
Income Maintenance Contract		WI DHS / GRIM	FY 2018	-	262,562
Total SNAP Cluster				-	274,138
Total Department of Agriculture				-	482,404
<u>Department of Justice</u>					
State Criminal Alien Assistance Program	16.606	Bureau of Justice Assistance	2018-H0281-WI-AP	-	1,831
Bulletproof Vest Partnership Program	16.607	WI DOJ	FY 2018	-	2,239
COPS - Anti-Methamphetamine Task Force	16.710	WI DOJ	455COPSMETH16	-	15,610
Total Department of Justice				-	19,680
<u>Department of Transportation</u>					
Highway Safety Cluster: National Priority Safety Programs:	20.616				
Child Safety Seat Grant		WI DOT	WGSCPSGRANT4144Feb2018	-	1,968
Safe Ride Program		WI DOT	FG-2018-Barron C-04400	-	2,406
Total National Priority Safety Programs				-	4,374
<u>Department of Education</u>					
Special Education Grants for Infants and Families: Birth to Three Initiative	84.181	WI DHS	CARS Line #550	-	47,274

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

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>Department of Health and Human Services</b>					
Preventative Health - Title III D	93.043	WI DHS / GWAAR	CARS Line #560510	\$ -	\$ 6,249
Aging Cluster:					
Supportive Services - Title III B	93.044	WI DHS / GWAAR	CARS Line #560340	-	60,761
Title III-Part C-Nutrition Services:					
Congregate Nutrition - Title III C-1	93.045	WI DHS / GWAAR	CARS Line #560350	-	162,928
Home Delivered Nutrition - Title III C-2		WI DHS / GWAAR	CARS Line #560360	-	40,281
Total Title III, Part C Nutrition Services				-	203,209
Nutrition Services Incentive Program:	93.053	WI DHS / GWAAR	CARS Line #560422	-	52,938
Total Aging Cluster				-	316,908
National Family Caregivers Support Program	93.052	WI DHS / GWAAR	CARS Line #560520	-	36,111
PHEP ZIKA Planning	93.069	WI DHS	CARS Line #155115	-	50,897
Medicare Enrollment Assistance Program (MIPPA)	93.071	WI DHS	CARS Line #560620	-	5,890
Drug Free Community	93.276	WI DHS	40830622	-	110,257
State Health Insurance Program	93.342	WI DHS / GWAAR	CARS Line #560432	-	3,383
Immunization Cooperative Agreements	93.539	WI DHS	CARS Line #150180	-	11,365
Promoting Safe and Stable Families	93.556	WI DCF	COfE Line #3306	-	42,827
477 Cluster:					
Child Care and Development Block Grant:	93.575				
Child Care Admin		WI DCF	COfE Line #831	-	10,011
Child Care Admin		WI DCF	COfE Line #852	-	61,654
Subtotal CFDA 93.575				-	71,665
Temporary Assistance for Needy Families:	93.558				
Children and Families Basic Allocation		WI DCF	CARS Line #561	-	94,382
DSP In-Home Safety Services		WI DCF	COfE Line #3612	-	36,636
Income Maintenance Contract		WI DHS / GRIM	FY 2018	-	8,485
Subtotal CFDA 93.558				-	139,503
Total 477 Cluster				-	211,168
Child Support Enforcement	93.563	** WI DCF	CORE # 7332, 7477, 7506, 7606, 7614	-	545,639
Low-Income Home Energy Assistance	93.568	WI DOA	AD1599971.03	-	57,695
Stephanie Tubbs Jones Child Welfare Services Program:					
JJ AODA	93.645	WI DCF	COfE Line #3413	-	3,811
JJ Youth Aids		WI DCF	COfE Line #3561	-	27,269
CW Children & Families Allocations		WI DCF	COfE Line #3681	-	2,178
Total Stephanie Tubbs Jones Child Welfare Services Program				-	33,258
Foster Care-Title IV-E:					
Adoption and Legal Guardianship Incentive Payments	93.658	WI DCF	COfE Line #3394A	-	1,369
Basic Children and Families Allocation		WI DCF	COfE Line #3396, 3413, 3554, 3561,	-	355,287
Total Foster Care - Title IV-E				-	356,656
Adoption Assistance	93.659	WI DCF	COfE Line #3574	-	11,400
Social Services Block Grant:					
Social Services and Community Programs Contract	93.667	WI DHS	CARS Line #561	-	176,162

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

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Department of Health and Human Services (Continued)</u>					
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	WI DHS	CARS Line #155790	\$ -	\$ 25,000
Preventive Health and Health Service Block Grant	93.758	WI DHS	CARS Line #159220	-	6,721
Income Maintenance	93.767	WI DHS / GRIM	FY 2018	-	49,132
Medicaid Cluster:	93.778	**			
I & A EBS Replacement - Fed Match		WI DHS / GWAAR	CARS Line #560021	-	22,111
Pharmaceutical Assistance Program		WI DHS / GWAAR	CARS Line #560028, 560031	-	3,263
Case Management		WI DHS	FY 2018	-	37,407
Wisconsin Medicaid Cost Reporting Program		WI DHS	FY 2018	-	84,417
Aging and Disability Resource Center (ADRC)	##	WI DHS	CARS Line #560061, 560071 560081, 560087, 560091, 560097, 560152, 560155	-	544,949
Medical Assistance		WI DHS	CARS Line #159322	-	1,129
Comprehensive Community Services		Chippewa County	FY 2017 and 2018	-	232,877
Income Maintenance		WI DHS / GRIM	FY 2018	-	364,111
<u>Claims Paid to Providers Via Third Party Administrator</u>					
Medical Assistance - WPS	93.778	**		-	320,697
Total Medicaid Cluster				-	1,610,961
Centers for Medicare and Medicaid Services (CMS):	93.779				
Research, Demonstrations and Evaluations:					
CARA Local Drug Crises			FY 2018	-	19,253
Block Grants for Community Mental Health Services	93.958	WI DHS	CARS Line #569, 515	-	26,817
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS Line #515, 544, 570	-	140,829
Maternal and Child Health Services Block Grant	93.994	WI DHS	CARS Line #159320, 159321	-	43,273
Total Department of Health and Human Services				-	3,897,851
<u>Department of Homeland Security</u>					
Emergency Food and Shelter Program	97.024	WI DMA	FY 2018	-	6,337
Emergency Management Performance Grant	97.042	WI DMA	FY 2018 EMPG	-	47,120
Total Department of Homeland Security				-	53,457
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>				<b>\$ -</b>	<b>\$ 4,505,040</b>

\*\* Major Federal Program

## Tested as a Major State Program

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

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/18	Prior Years Adjustments	Grant Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/18
<u>Department of Agriculture, Trade and Consumer Protection</u>						
Soil and Water Resource Management:						
Basic Annual Staffing Grant	115.15	\$ 112,849	\$ -	\$ 120,822	\$ 112,849	\$ 120,822
LWRM Plan Implementation	115.40	39,169	-	73,461	100,322	12,308
Total Department of Agriculture, Trade and Consumer Protection		152,018	-	194,283	213,171	133,130
<u>Department of Commerce</u>						
Environmental Aids - Private Sewage System	143.110	-	-	13,250	13,250	-
<u>Department of Natural Resources</u>						
Boating Enforcement Aids	370.550	-	-	6,224	6,224	-
All-Terrain Vehicle Enforcement Aids	370.551	-	-	13,290	13,290	-
Snowmobile Enforcement Aids	370.552	-	-	8,945	8,945	-
Wildlife Damage Claims and Abatement	370.553	22,014	-	28,163	22,014	28,163
Urban and Community Forestry	370.572	(2,500)	2,500	8,379	8,379	-
Knowles-Nelson Stewardship Program	370.TZ1	-	-	39,220	39,220	-
Recreation Aids:						
Snowmobile Trails and Areas:						
7/1/17-6/30/18	#S-5044	370.574	(42,061)	111,468	61,196	8,211
7/1/18-6/30/19	#S-5244	370.574	-	21,387	46,455	(25,068)
1/11/16-6/30/17	#ATV-3221	370.575	(35,261)	21,017	-	(14,244)
7/1/17-6/30/18	#ATV-3601	370.575	17,973	10,542	28,515	-
7/1/17-6/30/18	#ATV-3602	370.575	(1,745)	(2,547)	802	-
7/1/17-6/30/18	#ATV-3651	370.575	(106)	3,590	3,484	-
9/26/2017-6/30/2019	#ATV-3720	370.575	(113,786)	(1)	151,716	-
10/2/2017-6/30/2019	#ATV-3733	370.575	(71,559)	-	-	(71,559)
11/14/2017-6/30/2020	#ATV-3734	370.575	(10,625)	-	-	3,541
10/2/2017-6/30/2019	#ATV-3735	370.575	(93,039)	-	-	2,090
	#ATV-Storm Damage	370.575	4,125	-	4,125	-
7/1/2018-6/30/2019	#ATV-3801	370.575	-	38,895	28,515	10,380
7/1/2018-6/30/2019	#ATV-3841	370.575	-	-	3,485	(3,485)
7/1/2018-6/30/2019	#ATV-3833	370.575	-	2,804	1,760	1,044
						-
						-
Municipal and County Recycling Aids	370.670	-	-	88,220	88,220	-
Total Department of Natural Resources		(326,570)	(48)	668,249	402,558	(60,927)
** Major State Financial Assistance Program						

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

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/18	Prior Years Adjustments	Grant Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/18
<u>Department of Transportation</u>						
Elderly and Handicapped County Aids	395.101	** \$ -	\$ -	\$ 131,862	\$ 131,862	\$ -
<u>Department of Corrections</u>						
AODA Group Intensive	410.411	915	-	21,425	7,973	14,368
<u>Department of Children and Families</u>						
Child Support-State Share	437.202	-	-	64,947	64,947	-
BFI - SABG Barron County	437.1401A	-	-	43,716	10,096	33,620
CW Kinship Care Program - Benefits	437.3377	-	-	168,677	145,311	23,366
CW Alternative Response Initiative	437.3380	-	-	11,419	11,102	317
Food Stamp Agency Incentives	437.965	1,312	-	11,318	11,215	1,415
Medicaid Agency Incentives	437.980	555	-	8,007	6,788	1,774
Brighter Futures Initiative	437.3540	36,764	-	-	36,764	-
Basic County Allocation	437.3561	** -	-	312,877	312,877	-
State/County Match	437.3681	-	-	24,986	24,986	-
PDS Partnership Fees	437.3940	-	-	(2,045)	(2,045)	-
CW Domestic Abuse Program	437.5103	-	-	50,000	50,000	-
CW Wisacwis Annual Op Maint Fee	437.3935	-	-	(5,902)	(5,902)	-
JJ Community Intervention Program	437.3410	6,080	-	5,010	6,080	5,010
JJ AODA	437.3411	-	-	7,704	2,324	5,380
Youth Aids Community	437.3413	** -	-	427,346	314,178	113,168
Total Department of Children and Families		44,711	-	1,128,060	988,721	184,050
<u>Department of Health Services</u>						
Fluoride Rinse Program	435.151735	-	-	2,387	1,058	1,329
WIC Farmers Market Grant	435.154720	-	-	2,150	2,150	-
Comm Disease Control and Prevention	435.155800	-	-	4,481	4,481	-
Lead Poisoning - Consolidated Contract	435.157720	3,435	-	6,687	10,122	-
Consolidated Contract	435.159322	259	-	1,129	259	1,129
Maternal and Child Health Services Block Grant - Reproductive Health	435.159321	-	-	20,973	20,973	-
Income Maintenance Contract: Available Allocation State Share	435.283	-	-	190,206	190,206	-
Adult Protective Services	435.312	-	-	41,501	41,501	-

\*\* Major State Financial Assistance Program

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

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/18	Prior Years Adjustments	Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/18
<b>Department of Health Services (Continued)</b>						
Kinship Care Base Benefit:	435.377	\$ 23,895	\$ -	\$ 63,547	\$ 74,367	\$ 13,075
Community Mental Health	435.516	30,977	-	94,627	109,780	15,824
Coordinated Services-CTY	435.515	18,924	-	37,872	47,292	9,504
Birth-to-Three Initiative	435.550	35,010	-	46,394	50,736	30,668
Aging and Disability Resource Center	435.560100	** 70,397	-	592,578	642,288	20,687
Aging and Disability Resource Center MFP - NH Relocation	435.560065	** 784	-	12,131	10,301	2,614
Aging and Disability Resource Center Prevention-Elder Abuse	435.560490	** -	-	22,579	22,579	-
Aging and Disability Resource Center Dementia Care Project	435.560158	** 24,848	-	79,553	83,908	20,493
Basic County Allocation	435.561	** 94,681	-	1,015,309	1,109,990	-
Children Long Term Support PF BCA Matched	435.883	(399)	-	-	(399)	-
Human Services Contract	435.681	** 141,407	-	141,407	176,087	106,727
Passed through Area Agency on Aging:						
State Senior Community Services	435.560330	99	-	8,861	8,960	-
Congregate Nutrition III C-1	435.560350	6,880	-	23,488	22,444	7,924
Nutrition Revitalization Project	435.560351	7,544	-	1,623	9,167	-
Home Delivered III C-2	435.560360	-	-	609	609	-
Alzheimer's Family Support	435.560381	19,909	-	24,819	42,237	2,491
I & A EBS Replacement	435.560324	-	-	22,111	22,111	-
I & A EBS Replacement-Other	435.560325	-	-	6,104	6,104	-
I & A OCI Replacement	435.560327	-	-	5,329	5,329	-
Total Department of Health and Family Services		478,650	-	2,468,455	2,714,640	232,465

\*\* Major State Financial Assistance Program

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

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/18	Prior Years Adjustments	Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/18
<b>Department of Justice</b>						
County-Tribal Local Assistance	455.263	\$ -	\$ -	\$ 15,498	\$ 15,498	\$ -
Law Enforcement Program	455.226	-	-	20,210	20,210	-
TAD Grant	455.271	8,261	270	26,962	28,997	6,496
Victim and Witness Assistance Program-A Program Cluster	455.503, 532, 539	20,523	-	40,568	41,104	19,987
Total Department of Justice		28,784	270	103,238	105,809	26,483
<b>Department of Military Affairs</b>						
Computer and Hazmat Equipment	465.308	6,481	-	12,882	12,922	6,441
Emergency Response Training: Hazmat Training	465.310	-	-	3,837	3,837	-
Emergency Planning Grant Program: LEPC Emergency Planning Grant	465.337	1,154	-	7,515	1,154	7,515
Total Department of Military Affairs		7,635	-	24,234	17,913	13,956
<b>Department of Administration</b>						
Public Benefits	505.371	12,763	-	36,602	35,428	13,937
Land Information Board Grants: Total Department of Administration	505.116	-	-	77,880	77,880	-
		12,763	-	114,482	113,308	13,937
Subtotal State Financial Assistance		\$ 398,906	\$ 222	4,867,538	\$ 4,709,205	\$ 557,462
<b>Claims Paid to Providers via Third Party Administrator</b>						
Children's Long Term Support	^^			230,518		
<b>TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES</b>				<b>\$ 5,098,056</b>		

^^ See Note 6

\*\* Major State Financial Assistance Program

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

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

**NOTE 1 REPORTING ENTITY**

Barron County (County) is governed by a board of supervisors consisting of twenty-nine 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.

Barron County is presented in the basic financial statements as the primary government. The Barron County Housing Authority is considered a component unit of the County. Federal awards received directly by the Barron County Housing Authority are not included in this report.

**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. Receipts recorded under the Local Share category represent the amounts of local funds used to finance the County's share of program expenditures.

**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.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Barron County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

**NOTE 4 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT**

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2018 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2018 and/or adjustment of accruals resulting from prior year audit findings.

**NOTE 5 CDBG REVOLVING LOAN FUND**

**Housing Rehabilitation**

The County was awarded Community Development Block Grants (CDBG) for financing housing rehabilitation loans. Repayments received on the loans are recorded in separate revolving loan funds by the County and are used to finance similar loans in accordance with the original grant agreements. At December 31, 2018 the revolving loan fund had a balance of \$174,760 and outstanding loans at that date as described below:

**Owner Occupied Loans.** The County had fifty-one (51) owner-occupied mortgage loans outstanding at December 31, 2018 totaling \$393,928. These notes become due and payable in full only "in the event that the maker:

- a. No longer continues to occupy the premises securing this note as a full-time residence, or
- b. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

Transactions of the revolving loan fund for the year ending December 31, 2018 are summarized as follows:

Balance January 1, 2018	\$	457,653
Loan Repayments		(63,725)
Loans Made		-
Administration Costs and Bankruptcy/Foreclosure Adjustments		-
Balance December 31, 2018	\$	393,928

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

**NOTE 6 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR**

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



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

Honorable Members  
of the Board of Supervisors  
Barron County, Wisconsin, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of Barron County, Wisconsin, 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 25, 2019. Our report includes a reference to other auditors who audited the financial statements of the County of Barron Housing Authority, as described in our report on Barron County, Wisconsin, Wisconsin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify 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 entity'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 2018-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 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*.

### **Barron County's Response to Findings**

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

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin  
July 25, 2019



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

Honorable Members  
of the Board of Supervisors  
Barron County, Wisconsin, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

We have audited Barron 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.

**Component Unit**

Barron County's basic financial statements include the operations of the Barron County Housing Authority, which expended \$860,010 in federal awards that is not included in the schedule of expenditures of federal awards during the year ended December 31, 2018.

**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 the State guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on

a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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.

### ***Opinions 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, 2018.

### **Report on Internal Control over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Barron County, Wisconsin as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Barron County, Wisconsin's basic financial statements. We issued our report thereon dated July 25, 2019, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the County of Barron Housing Authority, as described in our report on Barron County, Wisconsin, Wisconsin's financial statements. This report does not include expenditures of federal awards or a schedule of state financial assistance for the County of Barron Housing Authority. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Auditing procedures with respect to the audited financial statements were not performed subsequent to the auditors' report on those financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Guidelines, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin

September 23, 2019, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is July 25, 2019

**BARRON 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        none reported  
 • Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   none reported

**Federal Awards**

Internal control over major federal programs:  
 • Material weakness(es) identified?        yes   X   none reported  
 • Significant deficiency(ies) identified?        yes   X   none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
93.778	Medical Assistance Program Cluster

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

Auditee qualified as low-risk auditee?        yes   X   no

**BARRON 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 state programs:

- Material weakness(es) identified?  yes  none reported
- Significant deficiency(ies) identified?  yes  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  none reported

Identification of major State programs:

<b><u>State ID Number(s)</u></b>	<b><u>Name of State Program or Cluster</u></b>
395.101	Elderly and Handicapped Transportation
437.3413	Youth Aids
435.560065	Aging and Disability Resource Center MFP - NH Relocation
435.560100	Aging and Disability Resource Center
435.560158	Aging and Disability Resource Center Dementia Care Project
435.560490	Aging and Disability Resource Center Prevention-Elder Abuse
435.561	Basic County Allocation
435.681	Human Services Contract
437.3561	Basic County Allocation

Federal Programs on Schedule of Expenditures of Federal Awards Tested as Major State Programs:

93.778	Medical Assistance Program - Human Services Contract
93.778	Medical Assistance Program - 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  no

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2018**

**PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:**

**FINDING: 2018-001 Limited Segregation of Duties**

**Type of Finding:** Significant deficiency in internal control over financial reporting

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

**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.

**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.

**Repeat Finding:** The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2017-001.

**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.

**BARRON COUNTY, WISCONSIN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**DECEMBER 31, 2018**

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

**FINDING: 2018-002 Material Audit Adjustments**

**Type of Finding:** Material weakness in internal control over financial reporting

**Condition:** The audit firm proposed and the County posted to its general ledger accounts an adjusting journal entry to correct the recording of Spillman software reimbursements and payments to receivable accounts as well as a related multi-year maintenance contract to prepaid expense. This adjustment was considered to be material for the fair presentation of the financial statements.

**Criteria:** The County should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

**Context:** Only one audit entry was proposed during the 2018 audit. However, the amount of the adjustment is material to the financial statements.

**Cause:** The proposed adjusting journal entry is the result of a department head's (County Sheriff) failure to follow all of the County's contract approval process. In addition, the debt portion of the Spillman contract was not provided to the County Administrator as part of the contract approval process. The contract and related debt was only brought to the attention of the County Administrator after the County's monitoring procedures identified the contract in question during 2019. Because the County's control system identified the issue, there is no separate procurement internal control or compliance finding. However, a material audit entry was required to properly account for the financial impact of the contract.

**Effect:** The potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff. The following is a list of potential internal control and compliance issues the County could have faced in addition to the material audit adjustments finding had monitoring procedures not identified the Spillman contract:

- Possible violation of County budget policy: The County Administrator shall work with each department and oversight committee to identify department and committee budget requests.
- Possible violation of County budget policy: The County maintains a 5-year capital improvement program so that capital outlay requirements can be prioritized and properly funded. The Spillman software outlay was not included in the budget or capital requests of the Sheriff Department.
- Possible funding shortfall: The contract obligation and repayment may not have been identified as general obligation debt. Therefore, the debt repayment could not have been identified for adjustment to the Wisconsin Department of Revenue's levy limit calculations. No other revenue source had been identified to fund the debt repayments.
- Possible violation of County contract approval policy: Prior to identification through the County's monitoring procedures, required approval of the Spillman contract was not obtained by the County Administrator or Corporation Counsel.

**BARRON COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2018**

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

**FINDING: 2018-002 Material Audit Adjustments (Continued)**

**Type of Finding:** Material weakness in internal control over financial reporting (Continued)

- Possible control deficiency for proper level of authorization: Prior to identification through the County's monitoring procedures, the Spillman contract had not been approved by the County Board. Material obligations of long-term debt should be authorized by governance either through action of the County Board or a committee delegate.
- Possible violation of County contracting policy: Prior to identification through the County's monitoring procedures, the Spillman contract was not properly executed. Long-term debt contracts made on behalf of the County are required to be signed and acknowledged by the County Clerk along with the County seal to be valid and binding. In addition, required execution of the Spillman contract was not performed by the Chairperson of the County Board or the County Clerk.
- Possible violation of County debt issuance policy: Prior to identification through the County's monitoring procedures, the Spillman contract did not meet any of the allowable conditions to issue debt defined by policy.
- Possible violation of County accounting policy: The County requires a debt service fund to be established in accordance with Generally Accepted Accounting Principles for any long-term obligation of the County. The Spillman contract was not properly recorded on the County's books until identified through the County's monitoring procedures.

**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. The finding outlined above is the result of an individual not following policies and procedures. Therefore, we also recommend that the County provide education to personnel which not only outlines the requirements of established policy and procedure, but also the potential financial and disciplinary consequences for failure to comply.

**Views of responsible officials and planned corrective actions:** The County is enacting a corrective action plan which includes a modification to the contract approval process as well as staff training. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**BARRON 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: FINDINGS RELATED TO STATE GENERAL REQUIREMENTS:**

None.