

POLK COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
DECEMBER 31, 2013

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

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/13
<u>Department of Agriculture</u>						
Passed through Wisconsin Department of Health Services:						
Special Supplemental Food Program for						
Women, Infants and Children:						
2012	10.557	\$ (18,545)	\$ 18,545	\$ -	\$ -	\$ -
2013		-	-	104,392	120,571	(16,179)
WIC Infrastructure Grant:						
2012		1,351	-	-	1,351	-
WIC Peer Counseling:						
2012		2,898	-	-	2,898	-
2013		-	-	10,706	9,621	1,085
State Matching Grant for Food Stamp Program:						
Human Services Contract (SNAP Cluster)						
2012	10.561	(2,159)	2,159	-	-	-
2013		-	-	7,568	8,839	(1,271)
Passed through Wisconsin Department of Health Services and Great Rivers Income Maintenance Consortium:						
State Matching Grant for Food Stamp Program: (SNAP Cluster)						
Income Maintenance Contract:						
2012	10.561	37,530	-	-	37,530	-
2013		-	-	86,129	58,273	27,856
Total Department of Agriculture		21,075	20,704	208,795	239,083	11,491
<u>Department of Transportation</u>						
Passed through Wisconsin Department of Military Affairs:						
Hazmat Training						
2012	20.703	580	-	-	580	-
<u>Environmental Protection Agency</u>						
Passed Through Wisconsin Department of Health Services:						
Indoor Radon Program:						
1/1/12-12/31/12	66.032	(580)	580	-	-	-
1/1/13-12/31/13		-	-	7,054	7,054	-
Total Environmental Protection Agency		(580)	580	7,054	7,054	-

POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/13</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/13</u>
<u>Department of Education</u>						
Passed Through Wisconsin Department of Health Services:						
Special Education - Grants for Infants and Families (IDEA Cluster)	84.181					
2012		\$ (228)	\$ 228	\$ -	\$ -	\$ -
2013		-	-	40,711	38,910	1,801
<u>Department of Health and Human Services</u>						
Passed through Area Agency on Aging:						
Preventive Health - Title III-D:	93.043					
2012		2,519	-	-	2,519	-
2013		-	-	6,890	1,721	5,169
Supportive Services - Title III B: (Aging Cluster)	93.044					
2012		26,253	-	-	26,253	-
2013		-	-	63,262	60,952	2,310
Title III - Part C - Nutrition Services: (Aging Cluster)	93.045					
Congregate Nutrition - Title III C-1:						
2012		25,517	-	-	25,517	-
2013		-	-	62,694	61,157	1,537
Home Delivered Nutrition - Title III C-2: (Aging Cluster)	93.045					
2012		18,481	-	-	18,481	-
2013		-	-	48,848	44,763	4,085
Title III-E National Family Caregiver:	93.052					
2012		12,696	-	-	12,696	-
2013		-	-	22,631	9,935	12,696
NSiP III-C-1: (Aging Cluster)	93.053					
2012		4,419	-	-	4,419	-

POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/13</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/13</u>
Department of Health and Human Services (Continued)						
Passed through Area Agency on Aging: (Continued)						
Social Services Block Grant						
Congregate Nutrition - Title III C-1:						
2012	93.667	\$ 1,469	\$ -	\$ -	\$ 1,469	\$ -
2013		-	-	3,609	3,520	89
Medical Assistance Program: (Medicaid Cluster)						
Elderly Benefit Specialists						
2012		12,551	-	-	12,551	-
2013		-	-	87,324	74,733	12,591
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations						
Congregate Nutrition - Title III C-1:						
2012	93.779	21,767	-	-	21,767	-
2013		-	-	53,482	52,170	1,312
Ship Original						
2012		3,000	-	-	3,000	-
2013		-	-	3,000	-	3,000
Passed through Wisconsin Department of Health Services:						
Bioterrorism Focus A Planning:						
2012	93.069	-	-	123,439	85,389	38,050
2013		-	-	-	-	-
Childhood Immunization Grants: (Immunization Cluster)						
Consolidated Contract - Immunization:						
2012		(52)	52	-	-	-
2013		-	-	13,861	12,950	911
Strengthening Public Health Infrastructure for Improved						
Nutrition Education Grant						
2013	93.507	-	-	15,562	19,562	(4,000)
Health Care Infrastructure						
2012		6,820	-	-	6,820	-
2013		-	-	10,114	10,114	-

*Major Federal Program Awards.

** Major State Program Awards.

**POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/13</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/13</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Health Services (Continued):						
Affordable Care Act - Aging and Disability Resource Center:	93.517					
ADRC Special Projects						
2012		\$ 12,171	\$ -	\$ -	\$ 12,171	\$ -
Temporary Assistance for Needy Families: (TANF Cluster)	93.558					
Human Services Contract:						
Base Allocation:						
2013		-	-	67,355	67,355	-
Human Services Block Grant:	93.667					
Human Services Contract:						
Base Allocation:						
2013		-	-	131,973	131,973	-
Aging & Disability Recourse Center:						
2012		1,037	-	-	1,037	-
2013		-	-	9,829	5,337	4,492
Medical Assistance Program: (Medicaid Cluster)	93.778 (*) (**)					
ADRC Contract						
2012		162,904	-	-	162,904	-
2013	*	-	-	385,609	117,436	268,173
Human Services Contract**: (Medicaid Cluster)						
2012	*	9,791	-	-	9,791	-
2013		-	-	18,422	13,006	5,416
Personal Care Program**: (Medicaid Cluster)	*					
2012		7,885	-	-	7,885	-
2013		-	-	17,315	11,715	5,600
Wisconsin Medicaid Cost Reporting**: (Medicaid Cluster)	*					
2012		(96,717)	96,717	-	-	-
2013		-	-	486,406	486,406	-

*Major Federal Program Awards.

** Major State Program Awards.

**POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/13</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/13</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Health Services (Continued):						
Income Maintenance Outreach (Medicaid Cluster)	*					
2013		\$ -	\$ -	\$ 18,603	\$ 18,603	\$ -
Case Management**: (Medicaid Cluster)	*					
2012		17,619	-	-	17,619	-
2013		-	-	40,890	32,876	8,014
Block Grant - Prevention and Treatment:	93.959					
Human Services Contract:						
2012		3,182	-	-	3,182	-
2013		-	-	132,060	129,626	2,434
Maternal and Child Health Services Block Grant:	93.994					
Consolidated Contracts - MCH:						
2013		-	-	17,954	17,954	-
Reproductive Health:						
2013		-	-	23,210	23,210	-
Child Support Enforcement Program (Title IV-D):	93.563 (*)					
Regular Program:						
2012		101,823	-	-	101,823	-
2013		-	-	441,336	317,243	124,093

*Major Federal Program Awards.

** Major State Program Awards.

**POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/13</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/13</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Health Services and Great Rivers Income Maintenance Consortium:						
Temporary Assistance for Needy Families: (TANF Cluster)	93.558					
Income Maintenance Contract:						
2012		\$ 1,213	\$ -	\$ -	\$ 1,213	\$ -
2013		-	-	4,399	3,499	900
Children's Health Insurance Program	93.767					
Income Maintenance Contract:						
2012		7,023	-	-	7,023	-
2013		-	-	25,473	20,261	5,212
Medical Assistance (Medicaid Cluster)	93.778 (*) (**)					
Income Maintenance Contract:						
2012		52,046	-	-	52,046	-
2013		-	-	188,779	150,149	38,630
Passed through Wisconsin Department of Administration:						
Low-Income Home Energy Assistance:	93.568					
Crisis Grants:						
10/1/12-9/30/13		3,588	-	14,660	18,248	-
10/1/13-9/30/14		-	-	4,128	2,397	1,731
Operations:						
10/1/12-9/30/13		4,772	-	17,880	22,652	-
10/1/13-9/30/14		-	-	11,089	6,125	4,964
Child Welfare Services:	93.645					
Youth Aids Community:						
Non-CARS Reporting:						
2012		24	-	-	24	-
2013		-	-	4,231	3,813	418
Foster Care-Title IV-E:	93.658					
Youth Aids Community:						
Non-CARS Reporting:						
2012		39	-	-	39	-
2013		-	-	6,901	6,222	679

*Major Federal Program Awards.

** Major State Program Awards.

**POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/13	Prior Years Adjustments	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/13
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Children and Families:						
Promoting Safe and Stable Families:	93.556					
CW Promoting Safe and Stable Families						
2013		\$ -	\$ -	\$ 42,827	\$ 42,827	\$ -
Temporary Assistance to Needy Families: (TANF Cluster)	93.558					
Base Allocation: (TANF Cluster)						
2013		-	-	46,239	46,239	-
CW Kinship Care Program - Benefits: (TANF Cluster)						
2013		-	-	72,086	61,380	10,706
CW Kinship Care Program - Assessments: (TANF Cluster)						
2013		-	-	6,276	5,313	963
Fraud Prevention and Investigation: (TANF Cluster)						
2013		-	-	350	350	-
Child Care and Development Fund: (CCDF Cluster)	93.596					
2013		-	-	71,965	71,643	322
Chafee Education and Training Vouchers Program (ETV):	93.599					
Youth Independent Living:						
2013		-	-	430	430	-
Stephanie Tubbs Jones Child Welfare Services:	93.645					
Base Allocation:						
2013		-	-	149,752	149,752	-

**POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/13</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/13</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Children and Families (Continued):						
Foster Care - Title IV-E:	93.658					
Base Allocation						
2013		\$ -	\$ -	\$ 24,170	\$ -	\$ 24,170
CW Adam Walsh Foster/Adoptive Parents						
2013		-	-	214	158	56
CW Foster Parent Competency Based Training						
2013		-	-	1,549	-	1,549
CW TPR Adoption Services						
2013		-	-	895	688	207
Human Services Block Grant:	93.667					
Base Allocation:						
2013		-	-	66,206	66,206	-
Child Care Expansion:	93.674					
Youth Independent Living:						
2013		-	-	14,247	11,873	2,374
Total Department of Health and Human Services		<u>423,840</u>	<u>96,769</u>	<u>3,080,424</u>	<u>3,012,180</u>	<u>588,853</u>
<u>Department of Homeland Security</u>						
Passed Through Wisconsin Department of Military Affairs						
Emergency Food and Shelter Program	97.024					
01/01/2013-12/31/2013		-	-	3,658	3,658	-
Emergency Management Performance Grants:	97.042					
Emergency Government:						
10/1/12-9/30/13		22,044	-	-	22,044	-
10/1/13-9/30/14		-	-	46,506	46,506	-
Pre-Disaster Mitigation						
10/1/13-9/30/14	EMC-2009-PC-0003-POLK 97.047	-	-	-	-	-
Total Department of Homeland Security		<u>22,044</u>	<u>-</u>	<u>50,164</u>	<u>72,208</u>	<u>-</u>
TOTAL FEDERAL AWARDS		<u>\$ 466,731</u>	<u>\$ 118,281</u>	<u>3,387,148</u>	<u>\$ 3,369,435</u>	<u>\$ 602,145</u>
<u>Claims Paid to Providers Via Third Party Administrator</u>						
Medical Assistance: (Medicaid Cluster)	93.778 (A) (*) (**)			167,839		
TOTAL FEDERAL AWARDED EXPENDITURES				<u>\$ 3,554,987</u>		

*Major Federal Program Awards.

** Major State Program Awards. (A) See Note 4

**POLK COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2013</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2013</u>
<u>Department of Agriculture, Trade and Consumer Protection</u>						
Soil and Water Resource Management:						
Soil and Water Resource Management Program:						
Basic Allocation:	115.15					
2013		\$ -	\$ -	\$ 138,242	\$ 138,242	\$ -
LWRM Plan Implementation:	115.40					
2012		28,445	-	-	28,445	-
Total Department of Agriculture, Trade and Consumer Protection		28,445	-	138,242	166,687	-
<u>Department of Commerce</u>						
Environmental Aids - Private Sewage System:						
Private Sewage System Grants:						
2013		-	-	11,490	11,490	-
<u>Department of Natural Resources</u>						
Boating Enforcement Aids:						
2013	370.550	-	-	9,124	9,124	-
All-Terrain Vehicle Enforcement Aids:						
5/1/13-4/30/14	370.551	-	-	3,981	3,981	-
Snowmobile Enforcement Aids:						
5/1/13-4/30/14	370.552	-	-	4,222	4,222	-
Wildlife Damage Claims and Abatement:						
Wildlife Damage Program:						
2012		16,713	-	-	16,713	-
2013		-	-	78,376	59,791	18,585

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

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/2013	Prior Years Adjustments	Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/2013
<u>Department of Natural Resources (Continued)</u>						
Resource Aids:						
County Conservation Aids:	370.563					
2013		\$ -	\$ -	\$ 2,384	\$ 2,384	\$ -
County Forest Wildlife Habitat Improvement Program:	370.564					
2013		-	-	851	851	-
Urban and Community Forestry:	370.572					
2013		-	-	37,986	37,986	-
Supplemental Payable	370.575					
7/1/12-6/30/13 SAD 48.23		(42,925)	-	85,845	42,920	-
7/1/13-6/30/14 S-4158		-	-	98,748	98,748	-
All-Terrain Vehicles:	370.577					
7/1/12-6/30/13 ATV-2277		-	-	2,430	2,430	-
7/1/12-6/30/13 ATV-2163		(4,375)	-	4,375	-	-
7/1/12-6/30/13 ATV-2235		-	-	19,587	19,587	-
Lakes Management Grants:	370.663					
3/15/11-12/31/12 LPL-1341-10		5,962	-	5,051	14,948	(3,935)
3/15/11-12/31/12 AIRR-102-11		7,024	-	30,458	19,518	17,964
4/1/12-12/31/14 AEPP-352-12		(699)	-	5,547	4,848	-
4/1/12-6/30/13 LPL-1474-12		(288)	-	8,728	8,440	-
Total Department of Natural Resources		(18,588)	-	397,693	346,491	32,614

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

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2013</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2013</u>
<u>Department of Corrections</u>						
Community Intervention:	410.302					
7/1/11-6/30/12		\$ 1,028	\$ -	\$ 3,085	\$ 4,113	\$ -
7/1/12-6/30/12		-	-	2,715	1,810	905
Community Youth and Family Aids:	410.313					
2012		2,367	-	-	2,367	-
2013		-	-	434,132	376,301	57,831
Total Department of Corrections		<u>3,395</u>	<u>-</u>	<u>439,932</u>	<u>384,591</u>	<u>58,736</u>
<u>Department of Health Services</u>						
Fluoride Supplement:	435.151734					
2012		(541)	-	541	-	-
2013		-	-	2,163	1,449	714
Fluoride Mouthrinse:	435.151735					
2013		-	-	1,519	1,519	-
WIC Farmers Market:	435.154720					
2013		-	-	1,484	1,484	-
WWWP-GPR:	435.157000					
2012		(407)	-	407	-	-
2013		-	-	11,364	13,924	(2,560)
Consolidated Contract - CHHD LD:	435.157720					
2013		-	-	4,385	4,353	32
TPCP-Com. Interventions - LHD:	435.158125					
2012		(18,899)	-	18,899	-	-
2013		-	-	40,890	39,041	1,849
TCPC - Wisconsin Wins:	435.158127					
2012		3,701	-	-	3,701	-
2013		-	-	8,613	4,291	4,322
Consolidated Contract - MCH:	435.159320					
2013		-	-	1,308	1,308	-

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

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2013</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2013</u>
<u>Department of Health Services (Continued)</u>						
Reproductive Health:	435.159321					
2013		\$ -	\$ -	\$ 22,327	\$ 22,327	\$ -
Low Income Child Admin:	435.231					
2012		(1,508)	-	1,508	-	-
2013		-	-	6,033	6,033	-
FSET Transportation:	435.233					
2012		(662)	-	662	-	-
FSET Retention:	435.235					
2012		(178)	-	178	-	-
Adult Protective System:	435.312					
2013		-	-	37,856	37,856	-
Community Options Program:	435.367 (**)					
2012		2,961	-	-	2,961	-
2013		-	-	133,193	134,339	(1,146)
Alzheimer's Family Support:	435.381					
2012		694	-	-	694	-
2013		-	-	3,923	6,098	(2,175)

**Major State Financial Assistance Program.

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

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2013</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2013</u>
<u>Department of Health Services (Continued)</u>						
Certified Mental Health Program:	435.517 (**)					
2012		\$ 23,084	\$ -	\$ -	\$ 23,084	\$ -
2013		-	-	23,516	23,516	-
Nonresident:	435.531					
2013		-	-	1,462	1,462	-
Birth-to-three Initiative:	435.550					
2012		(272)	-	272	-	-
Basic County Allocation:	435.561 (**)					
2013		-	-	990,692	990,692	-
IDP Emergency Funds:	435.567					
2012		78,454	-	-	78,454	-
2013		-	-	82,744	-	82,744
Community Services and MH Services:						
IMD-OBRA Relocations:	435.571					
2012		15,798	-	-	15,798	-
2013		-	-	21,064	-	21,064

**Major State Financial Assistance Program.

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

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/2013	Prior Years Adjustments	Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/2013
<u>Department of Health Services (Continued)</u>						
Family Support Program:	435.577					
2012		\$ -	\$ -	\$ -	\$ -	\$ -
2013		-	-	22,578	27,022	(4,444)
State/County Match:	435.681 (**)					
2013		-	-	130,428	130,428	-
Elder Abuse Services:	435.560490					
2012		1,477	-	-	1,477	-
2013		-	-	18,024	15,891	2,133
Aging & Disability Resource Center	435.560100 (**)					
2012		48,344	-	-	48,344	-
2013		-	-	458,209	248,789	209,420
Children Long Term Support DD OTH CWA Admin	435.835 (**)					
2012		894	-	-	894	-
2013		-	-	5,230	3,574	1,656
Children Long Term Support MH AUT CWA Admin	435.838 (**)					
2012		1,433	-	-	1,433	-
2013		-	-	1,094	832	262
Children Long Term Support MH OTH CWA Admin	435.841 (**)					
2012		959	-	-	959	-
2013		-	-	1,996	1,613	383
Children Long Term Support PD OTH CWA Admin	435.847 (**)					
2012		217	-	-	217	-
2013		-	-	869	869	-
Passed thru Area Agency on Aging:						
State Senior Community Services:	435.560330					
2012		2,440	-	-	2,440	-
2013		-	-	13,907	5,456	8,451
III-C-1 Congregate Meal Program:	435.560350					
2012		42,477	-	-	42,477	-
2013		-	-	104,363	101,804	2,559
II-C-2 Home Delivered Program:	435.560360					
2012		1,976	-	-	1,976	-
2013		-	-	5,223	4,787	436
Total Department of Health Services		202,442	-	2,178,924	2,055,666	325,700

**Major State Financial Assistance Program.

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

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2013</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2013</u>
<u>Department of Children and Families</u>						
CW Adam Walsh Foster/Adoptive Parents 1/1/13-12/31/13	437.332	\$ -	\$ -	\$ 579	\$ 428	\$ 151
Basic County Allocation 2013	437.3561 (**)	-	-	239,077	239,077	-
Basic County Allocation 2013	437.3681 (**)	-	-	42,149	42,149	-
Total Department of Children and Families		-	-	281,805	281,654	151
<u>Department of Justice</u>						
DNA Sample Reimbursement: 2013	455.221	-	-	720	720	-
Law Enforcement Training: 2013	455.231	-	-	12,828	12,828	-
County Tribal Law Enforcement: 2013	455.263	-	-	15,706	15,706	-
Victim and Witness Assistance Program - A Program Cluster: 2012	455.532	28,577	-	-	28,577	-
2013		-	-	26,506	26,506	-
Total Department of Justice		28,577	-	55,760	84,337	-

**Major State Financial Assistance Program.

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

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2013</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2013</u>
<u>Department of Military Affairs</u>						
Emergency Planning Grant Program:	465.337					
LEPC Emergency Planning Grant:						
1/1/13-12/31/13		\$ 1,567	\$ -	\$ -	\$ 1,567	\$ -
10/1/12-9/30/13		4,822	-	-	4,822	-
10/1/12-9/30/13		-	-	9,396	9,396	-
Total Department of Military Affairs		<u>6,389</u>	<u>-</u>	<u>9,396</u>	<u>15,785</u>	<u>-</u>
<u>Department of Veteran Affairs</u>						
County Veterans Services Grant						
2012	485.001	5,036	-	-	5,036	-
2013		-	-	13,571	13,571	-
<u>Department of Administration</u>						
Utility Public Benefits - Low Income Assistance:	505.371					
10/1/11-9/30/12		3,264	-	5,503	8,767	-
10/1/12-9/30/13		-	-	1,769	1,028	741
Outreach:						
10/1/11-9/30/12		3,336	-	6,458	9,794	-
10/1/12-9/30/13		-	-	2,770	1,756	1,014
WX Operations						
10/1/11-9/30/12		4,506	-	10,109	14,615	-
10/1/12-9/30/13		-	-	3,539	2,055	1,484
Total Department of Administration		<u>11,106</u>	<u>-</u>	<u>30,148</u>	<u>38,015</u>	<u>3,239</u>
Total State Financial Assistance		<u>\$ 261,766</u>	<u>\$ -</u>	<u>3,556,961</u>	<u>\$ 3,384,716</u>	<u>\$ 420,440</u>
<u>Claims Paid to Providers Via Third Party Administrator</u>						
Children's Long Term Support	(A) (**)			167,839		
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				<u><u>\$ 3,724,800</u></u>		

**Major State Financial Assistance Program.

(A) See Note 4

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

NOTE 1 REPORTING ENTITY

Polk County (the 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 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 PASSED THROUGH TO SUBRECIPIENTS

During 2013, the County did not pass any federal awards through to subrecipients.

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

NOTE 4 CLAIMS PAID VIA THRID 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 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2013 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2013 and/or adjustment of accruals resulting from prior year audit findings.

NOTE 6 PASS-THROUGH GRANT NUMBERS

Pass-through grant numbers were not assigned by the pass-through agencies

**POLK COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013**

A. MAJOR FEDERAL PROGRAM AWARDS

None

B. MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

FINDING 2012-04 Claim made against State Community Options Program, Grant Year 2012, State ID = 435.367, Improper Eligibility Determination:

A county is not to bill the Community Options Program (COP) for services provided to a participant who is not eligible for COP service funding as determined by the COP Uniform Cost Sharing Plan tools. The County did not prepare an Individual Service Plan or complete a COP eligibility and cost sharing worksheet for one client receiving services during 2012. The net questioned cost was \$-0-. The County had billed and received \$1,745 during 2012 for the client in question. During preliminary compliance testing for the annual audit, it was found that the County had not prepared the Individual Service Plan or the eligibility and cost sharing worksheet. The County made an adjustment to its final claim report for 2012 to remove these costs from the claimed expenditures for 2012.

RESOLUTION:

During our 2013 testing of state programs, we noted the County now has policies and procedures in place to ensure all required documentation is completed and retained for payments made for individuals under the Community Options Program.

FINDING 2012-05 Required six-month individual service plan reviews were not conducted for the Children's Long Term Support Program, Grant Year 2012, State ID = 435.835, Improper Eligibility Determination:

A county is to review Individual Service Plans (ISP) for the Children's Long-Term Support (CLTS) every six months in a face-to-face meeting with the participant and his/her guardian. The County did not conduct a six month review for one client receiving CLTS services. The client had their annual rectification and ISP reviewed in February 2012. The ISP was again reviewed with the client and guardian in June 2012. No six month ISP review was conducted in December 2012 as required. The client remained a client of the County in January 2013, and any costs reported in 2013 would be questioned. However, because the period of ineligibility is in 2013, the questioned costs for 2012 are \$-0-.

RESOLUTION:

During our 2013 testing of state programs, we noted the County now has policies and procedures in place to ensure all ISPs are reviewed in the required time period before payments are made for individuals under the Children's Long-Term Support Program.

C. STATE GENERAL REQUIREMENTS

None

**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
Polk 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 Polk County, Wisconsin (County) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 24, 2014.

Internal Control over Financial Reporting

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

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002 and 2013-003 to be material weaknesses.

Honorable Members
of the Board of Supervisors
Polk County, Wisconsin

Compliance and Other Matters

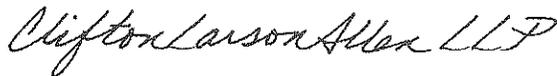
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Polk 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
June 24, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133 AND STATE SINGLE AUDIT GUIDELINES*

Honorable Members
of the Board of Supervisors
Polk County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Polk County, Wisconsin's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, *OMB Circular A-133* and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Honorable Members
of the Board of Supervisors
Polk County, Wisconsin

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the County's compliance.

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, 2013.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit 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 OMB Circular A-133 and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 OMB Circular A-133 and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Honorable Members
of the Board of Supervisors
Polk County, Wisconsin

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and
Schedule of State Financial Assistance Required by State Single Audit Guidelines**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Polk County as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Polk County's basic financial statements. We issued our report thereon dated June 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and State Single Audit Guidelines, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 24, 2014

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

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:		<u>Unmodified</u>
Internal control over financial reporting:		
• Material weakness(es) identified	<u> X </u> yes	<u> </u> no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> yes	<u> X </u> no
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> no

Type of auditors' report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u> </u> yes	<u> X </u> no

Identification of major Federal programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no
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POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2013

State Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? _____ yes X no

Identification of major State programs:

<u>CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
395.101	Elderly and Disabled Transportation Aids
435.283	Income Maintenance Available Allocation – State Share
435.367	Community Options Program
435.450	Children Long Term Support GPR
435.451	Children Long Term Support MH Non-Federal
435.460	Children Long Term Support DD Non-Federal
435.461	Children Long Term Support MH Non-Federal
435.462	Children Long Term Support PD Non-Federal
435.517	Children Long Term Support Certified Mental Health
435.560100	Aging and Disability Resource Center
435.561	Basic County Allocation
437.3561	Basic County Allocation

Federal Programs Tested as Major State Programs:	
93.778	Medical Assistance – Case Management
93.778	Medical Assistance – Wisconsin Medicare Cost Reporting
93.778	Medical Assistance – Income Maintenance
93.778	Medical Assistance – Aging and Disability Resource Center
93.778	Medical Assistance – Children Long Term Support

Dollar threshold used to distinguish between type A and type B programs: \$100,000

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

POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2013

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2013-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Criteria: It is the County's responsibility to have controls in place to prevent or detect a material misstatement in the annual financial statements, including footnote disclosures.

Condition: The County does not have an internal control policy in place over annual financial reporting that would enable management to conclude its annual financial statements and related footnote disclosures are complete and presented in accordance with Generally Accepted Accounting Principles (GAAP).

Context: The County has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff and expertise to prevent or detect a material misstatement in the annual financial statements including footnote disclosures.

Cause: The County relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, County management staff have reviewed and approved the annual financial statements and the related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Recommendation: The County should continue to evaluate its internal staff and expertise to determine if an internal control policy over the annual financial reporting is beneficial.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County will continue to rely upon the audit firm to prepare their financial statements in a format compatible with GAAP. Management will review the financial statements prior to issuance. The County Administrator is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Administrator will be monitoring this corrective action plan.

**POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2013**

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

FINDING: 2013-002 Material Audit Adjustments

- Criteria:** The County should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.
- Condition:** The audit firm proposed and the County posted to its general ledger accounts adjusting journal entries for correcting certain misstatements.
- Context:** The County has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.
- Cause:** The County has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.
- Effect:** The potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff.
- Recommendation:** The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Administrator will be monitoring this corrective action plan.

**POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2013**

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

FINDING: 2013-003 Limited Segregation of Duties

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

Condition: In some of the smaller County offices (i.e., register of probate, lime fund, zoning and aging) the available staff precludes a proper separation of duties to assure adequate internal control.

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

Cause: The condition is due to limited staff available.

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

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

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The County continues to work to achieve segregation of duties whenever cost effective. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The County Administrator will be monitoring this corrective action plan.

Compensating Controls and Mitigating Factors:

The cash disbursements process includes approval of the disbursement by the department head and approval of each voucher and coding by the finance department. The payroll disbursements process includes board approval of all contracts and hourly wage rates, supervisor approval of timesheets, and review of coding by payroll personnel. The receipts process includes pre-numbering, a restrictive endorsement stamp, and a reconciliation of departmental deposits performed by the Treasurer. In addition to the above, each department head and members of administration monitor budget to actual reports on a regular basis in order to identify unusual variances or activities.

**POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2013**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None

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

None

PART V: FINDINGS RELATED TO STATE GENERAL REQUIREMENTS:

None