

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

**POLK COUNTY, WISCONSIN
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**POLK COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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
Department of Agriculture					
Special Supplemental Food Program for Women, Infants and Children:	10.557	WI DHS	CARS #154710	\$ -	\$ 175,525
WIC Peer Counseling:	10.557	WI DHS	CARS #154760	-	10,828
Total WIC				-	186,353
State Matching Grant for Food Stamp Program: Human Services Contract (SNAP Cluster)	10.561	WI DCF	CARS #154661	-	18,512
State Matching Grant for Food Stamp Program: (SNAP Cluster) Income Maintenance Contract (SNAP Cluster)	10.561	WI DHS / GRIM	FY 2018	-	345,425
Total SNAP Cluster				-	363,937
Total Department of Agriculture				-	550,290
Department of Transportation					
BOTS - Impaired Driver Total Highway Safety Cluster	20.616	WI DOT	FG-2018-POLK CO-04098	\$ -	\$ 24,631
				-	24,631
Hazmat Training	20.703	WI DMA	2017-HMEP-FED-01-11052, 17-HMEP-FED-01-011052-JL-01	-	1,180
Total Department of Transportation				-	25,811
Environmental Protection Agency					
Indoor Radon Program:	66.032	WI DHS	CARS # 150321	\$ -	\$ 8,430
Nonpoint Source Implementation Grants	66.460	WI DNR	TMD49000AY18	-	122,113
Total Environmental Protection Agency				-	130,543
Department of Education					
Special Education - Grants for Infants and Families	84.181	WI DHS	CARS #550	\$ -	\$ 44,836
Department of Health and Human Services					
Preventive Health - Title III-D:	93.043	WI DHS / GWAAR	CARS # 560510	\$ -	\$ 7,301
Supportive Services - Title III B: (Aging Cluster)	93.044	WI DHS / GWAAR	CARS # 560340	-	81,282
Title III - Part C - Nutrition Services: (Aging Cluster) Congregate Nutrition - Title III C-1:	93.045	WI DHS / GWAAR	CARS # 560350	-	148,568
Home Delivered Nutrition - Title III C-2: (Aging Cluster)	93.045	WI DHS/GWAAR	CARS # 560360	-	62,759
NSIP III-C-1: (Aging Cluster)	93.053	WI DHS / GWAAR	CARS # 560422	-	38,711
Total Aging Cluster				-	331,320
Title III-E National Family Caregiver:	93.052	WI DHS / GWAAR	CARS # 560520	-	35,905
Bioterrorism Focus A Planning: Total Preparedness Programs	93.074	WI DHS	CARS # 155015	-	188,053
				-	188,053
Childhood Immunization Grants: Consolidated Contract - Immunization:	93.268	WI DHS	CARS # 155020	-	11,189
Health Insurance Program	93.324	WI DHS / GWAAR	CARS # 560432	-	6,075
Promoting Safe and Stable Families: CW Promoting Safe and Stable Families	93.556	WI DCF	CORE # 3306	-	42,827
Temporary Assistance for Needy Families: (TANF Cluster) Basic Allocation:	93.558	WI DHS	CARS # 561	-	86,503
CW Kinship Care Program - Benefits:	93.558	WI DCF	CORE # 3377	-	129,581
Total Temporary Assistance for Needy Families: (TANF Cluster)				-	216,084

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

**POLK 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
Department of Health and Human Services (Continued)					
Child Support Enforcement Program:	93.563 (*)	WI DHS	CORE # 7332, 7477, 7482, 7506	\$ -	\$ 444,241
Low-Income Home Energy Assistance:	93.568	WI DOA	AD1599972.48, AD1599973.48		
Crisis Grants:				-	24,088
Operations:				-	17,682
Total Low-Income Home Energy Assistance:				-	41,770
Child Care Development Block Grant					
CC Certification	93.575	WI DCF	CORE # 831	-	10,308
Child Care Admin	93.575	WI DCF	CORE # 852	-	72,529
Total Child Care Development Block Grant				-	82,837
Total Child Care and Development Fund: (CCDF Cluster)				-	82,837
CW Children & Families Allocations	93.645	WI DCF	CORE # 3681	-	2,004
CW Children and Families Allocation	93.645	WI DCF	CORE # 3561	-	25,219
Youth Aids	93.645	WI DCF	CORE # 3413	-	3,352
Total Child Welfare Services:				-	30,575
Foster Care-Title IV-E:	93.658				
Base Allocation	93.658	WI DCF	CORE # 3561	-	283,029
CW Foster Parent Competency Based Training	93.658	WI DCF	CORE # 3396	-	959
Youth Aids	93.658	WI DCF	CORE # 3413	-	6,010
CW CHIPS Legal Reporting Line	93.658	WI DCF	CORE # 3554	-	2,520
CW Children & Families Allocations	93.658	WI DCF	CORE # 3681	-	22,491
Total Foster Care-Title IV-E:				-	315,009
CW TPR Adoption Services	93.659	WI DCF	CORE # 3574	-	1,175
Social Services Block Grant:					
Human Services Contract:					
Basic Allocation:	93.667	WI DHS	CARS # 561	-	161,457
Total Human Services Block Grant				-	161,457
Consolidated Contracts - PHHS	93.758	WI DHS	CARS #159220	-	12,326
Children's Health Insurance Program	93.767	WI DHS / GRIM	FY 2018	-	44,485
State Pharmaceutical Assistance Program	93.768 (*)	WI DHS	CARS # 560327	-	4,100
Medical Assistance Program: (Medicaid Cluster)					
ADRC Contract (Medicaid Cluster)	93.778 (*) (**)	WI DHS	CARS # 560071, 560074, 560081, 560087, 560091	\$ -	\$ 433,076
Elderly Benefit Specialists (Medicaid Cluster)	93.778 (*)	WI DHS	CARS # 560021	-	16,720
I & A OCI Replacement (Medicaid Cluster)	93.778 (*)	WI DHS	CARS # 560029	-	
Comprehensive Community Services	93.778 (*)	Chippewa County	FY 2017	-	240,434
Human Services Contract**: (Medicaid Cluster)	93.778 (*)	WI DHS	CARS # 878, 881, 883	-	12,121
Wisconsin Medicaid Cost Reporting**: (Medicaid Cluster)	93.778 (*)	WI DHS	Contract 43070200, 43430200, 42218400, 32977700, 43070200	-	505,278
Consolidated Contract - MCH**: (Medicaid Cluster)	93.778 (*)	WI DHS	CARS # 159320	-	32,357
Income Maintenance Contract: (Medicaid Cluster)	93.778 (*)	WI DHS	FY 2018	-	440,040
Case Management**: (Medicaid Cluster)	93.778 (*)	WI DHS	FY 2018	-	19,574
CLTS (Medicaid Cluster)	93.778 (*)	WI DHS	CARS # 881, 878, 883	-	261,990
Total Medicaid Cluster				-	1,961,590

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

**POLK 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>					
Block Grant for Community Health:					
Human Services Contract:	93.958	WI DHS	CARS # 515, 569	\$ -	\$ 26,020
Block Grant - Prevention and Treatment:					
Human Services Contract:	93.959	WI DHS	CARS # 515, 570, 544	-	130,088
Total Block Grant - Prevention and Treatment:				-	130,088
Maternal and Child Health Services Block Grant to the States					
Consolidated Contracts - MCH:	93.994	WI DHS	CARS # 159320	-	16,189
Reproductive Health:	93.994	WI DHS	CARS #159321	-	27,404
Total Maternal and Child Health Services Block Grant				-	43,593
Total Department of Health and Human Services				-	4,138,020
<u>Department of Homeland Security</u>					
Pre-Disaster Mitigation (PDM) Grant	97.039	WI DMA	FY 2018	\$ -	\$ 30,000
Emergency Food and Shelter Program	97.024	WI DMA	921400-004	-	2,358
Emergency Management Performance Grants	97.042	WI DMA	EMPG-WI-2017-C8348 EMPG-WI-2018-C8348	-	45,943
Total Department of Homeland Security				-	78,301
Total Federal Awards				\$ -	\$ 4,967,801

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

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

State Grantor Agency/ Program Title and Year	State I.D. Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Expenditures
<u>Department of Agriculture, Trade and Consumer Protection</u>				
Soil and Water Resource Management:				
Soil and Water Resource Management Program:				
Agricultural Clean Sweep:	115.04	WI DOA	FY 2018	\$ 16,210
SWRM:	115.15 (**)	WI DOA	FY 2018	156,214
LWRM:	115.40 (**)	WI DOA	LWRD-17-173, 18-179, 17-174, 18-177, 18-178	<u>100,971</u>
Total Department of Agriculture, Trade and Consumer Protection				273,395
<u>Department of Safety and Professional Services</u>				
Environmental Aids - Private Sewage System:	143.110	WI DOA	201848	\$ 9,550
<u>Department of Natural Resources</u>				
All-Terrain Vehicle Enforcement Aids:	370.551	WI DNR	FY 2018	6,153
Snowmobile Enforcement Aids:	370.552	WI DNR	FY 2018	7,240
Wildlife Damage Claims and Abatement:	370.553	WI DNR	FY 2018	41,433
Resource Aids:				
County Conservation Aids:	370.563	WI DNR	FY 2018	2,375
County Forest Wildlife Habitat Improvement Program:	370.564	WI DNR	FY 2018	805
Resource Aids	370.566	WI DNR	FY 2018	19,279
Urban and Community Forestry:	370.572	WI DNR	FY 2018	25,618
Snowmobile	370.575	WI DNR	S-5048	140,861
All-Terrain Vehicles:				
Summer ATV	370.577	WI DNR	ATV - 3623	23,010
Winter Maintenance	370.577	WI DNR	ATV - 3668	5,330
Targeted Runoff Management Program	370.602	WI DNR	TMD-SC04-48000-15	144,912
Lakes Management Grants:				
Aquatic Invasive Species	370.663	WI DNR	AEPP-545-18	12,500
Long Trade Management Plan Data Collection	370.663	WI DNR	LPL-160316, LPL-159816	29,608
Municipal and County Recycling Grants:	370.670	WI DNR	RU# 48000	<u>159,423</u>
Total Department of Natural Resources				618,546
<u>Department of Transportation</u>				
Elderly and Handicapped County Aids:				
Elderly and Handicapped Transportation:	395.101	WI DOT	FY 2018	\$ 116,528

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

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

State Grantor Agency/ Program Title and Year	State I.D. Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Expenditures
<u>Department of Health Services</u>				
Fluoride Supplement:	435.151734	WI DHS	CARS # 151734	\$ 3,682
WIC Farmers Market:	435.15472	WI DHS	CARS # 154720	1,781
Consolidated Contract - CHHD LD:	435.15772	WI DHS	CARS # 157720	4,593
Consolidated Contract - MCH:	435.15932	WI DHS	CARS # 159320	860
WWWP- GPR CC	435.15701	WI DHS	CARS # 157010	60,422
Reproductive Health:	435.159321	WI DHS	CARS # 159321	21,133
TPCP-WIS-WINS	435.181005	WI DHS	CARS # 181005	19,345
TPCP-COM-INTRVN-LHD	435.181012	WI DHS	CARS # 181012	108,332
IM Available Allocation State Share:	435.283	WI DHS	CARS # 283	90,308
Adult Protective System:	435.312	WI DHS	CARS # 312	37,856
Kinship Care Benefit	435.377	WI DHS	CARS # 377	65,186
Alzheimer's Family Support:	435.381	WI DHS	CARS # 381	21,560
Coordinated Services-CTY	435.515	WI DHS	CARS # 515	49,680
Community Mental Health	435.516	WI DHS	CARS # 516	137,286
Birth-to-three Initiative:	435.55	WI DHS	CARS # 550	44,001
Basic County Allocation:	435.561 (**)	WI DHS	CARS # 561	930,560
IDP Emergency Funds	435.567	WI DHS	CARS # 567	41,000
CLTS PD OTH CWA ADMIN GPR	435.877	WI DHS	CARS # 877	12,086
CLTS MH AUT CWA ADMIN GPR	435.880	WI DHS	CARS # 880	572
Community Services and MH Services:				
State/County Match:	435.681 (**)	WI DHS	CARS # 681	\$ 129,117
Elder Abuse Services:	435.56049	WI DHS	CARS # 560490	18,024
Aging & Disability Resource Center	435.560100 (**)	WI DHS	CARS # 560100	479,029
Passed thru Greater Wisconsin Agency on Aging Resources, Inc. (GWAAR):				
Elderly Benefit Specialist Program:	435.560324	GWAAR	CARS # 560024	56,245
Benefit Specialist Program OCI Assistance Activities:	435.560327	GWAAR	CARS # 560327 / 560030	7,729
State Senior Community Services:	435.56033	GWAAR	CARS # 560330	13,907
III-C-1 Congregate Meal Program:	435.560350	GWAAR	CARS # 560350	54,532
III-C-2 Home Delivered Program:	435.560360	GWAAR	CARS # 560360	6,896
Alzheimer's Grant	435.560381	GWAAR	CARS # 560381	11,164
Total Department of Health Services				2,426,886

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

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

State Grantor Agency/ Program Title and Year	State I.D. Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Expenditures
<u>Department of Children and Families</u>				
CW Kinship Care Program - Benefits	437.3380	WI DCF	CORE ID # 3380	\$ 8,074
Basic County Allocation	437.3561 (**)	WI DCF	CORE ID # 3561	289,364
Basic County Allocation	437.3681 (**)	WI DCF	CORE ID # 3935 & 3681	22,995
JJ Community Invention Program	437.3410	WI DCF	CORE ID # 3410	7,494
LL AODA	437.3411	WI DCF	CORE ID # 3411	3,236
JJ Youth Aids	437.3413	WI DCF	CORE ID # 3413	375,869
CW WiSACWIS Annual Operation Maintenance Fee	437.3935	WI DCF	CORE ID # 3935	(5,619)
PDS Partnership Fees	437.3940	WI DCF	CORE ID # 3940	(1,955)
CS MSL Incentive (Even FFY pmts)	437.7332	WI DCF	CORE ID # 7332	37
Child Support Enforcement	437.7502	WI DCF	CORE ID # 7502	40,355
CS Medical Support GPR Earned	437.7606	WI DCF	CORE ID # 7606	119
Food Stamp Agency Incentives	437.965	WI DCF	CORE ID # 965	4,879
AFDC Agency Incentives	437.975	WI DCF	CORE ID # 975	26
Medicaid Agency Incentives	437.980	WI DCF	CORE ID # 980	14,613
Total Department of Children and Families				759,487
<u>Department of Justice</u>				
DNA Sample Reimbursement:	455.221	WI DOJ	FY 2018	\$ 2,270
Law Enforcement Training:	455.231	WI DOJ	FY 2018	17,754
County Tribal Law Enforcement:	455.263	WI DOJ	FY 2018	21,688
TAD	455.271	WI DOJ	#11984	66,300
Victim and Witness Assistance Program	455.532	WI DOJ	FY 2018	70,583
Total Department of Justice				178,595
<u>Department of Military Affairs</u>				
Emergency Planning Grant Program:				
LEPC Emergency Planning Grant:	465.337	WI DMA	FY 2018	8,822
Total Department of Military Affairs				8,822
<u>Department of Veteran Affairs</u>				
County Veterans Services Grant	485.001	WI DVA	FY 2018	10,000
Transportation Grant	485.001	WI DVA	FY 2018	5,495
Total Department of Veteran Affairs				15,495

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

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

State Grantor Agency/ Program Title and Year	State I.D. Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Expenditures
<u>Department of Administration</u>				
Land Information Grants:				
Land Info Program Grant	505.118	WI DOA	AD179100	\$ 58,488
WHEAP	505.371	WI DOA	AD1599972.48, AD1599973.48	
Public Benefits - Operations:				9,903
Outreach:				11,074
WX - Operations				15,817
Total Department of Administration				<u>95,282</u>
 Total State Financial Assistance				 4,502,586
 <u>Claims Paid to Providers Via Third Party Administrator</u>				
Children's Long Term Support				182,815
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				<u><u>\$ 4,685,401</u></u>

* Major Federal Program Awards

** Major State Program Awards

See accompanying Notes to Schedules of Expenditures of Federal Awards and Statement Financial Assistance.

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

NOTE 1 REPORTING ENTITY

Polk County, Wisconsin (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.

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedules are reported on the 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 schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR

Amounts shown as paid via third party administrator (TPA) are payments made by a TPA for County authorized services. The TPA makes payments directly to service providers, and receives reimbursement for these services directly from the Wisconsin Department of Health Services (DHS). The activity between the TPA and service providers is not recorded in the County's financial accounting system; however, DHS guidance dictates that these transactions are to be included in the schedules of expenditures of federal awards and state financial assistance.



**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 the auditing standards generally accepted in the United States of America and the 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 (the 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 September 27, 2019.

Internal Control over Financial Reporting

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

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider 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

Hudson, Wisconsin
September 27, 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
Polk County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Polk County, Wisconsin's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and 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; and 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.

Honorable Members
of the Board of Supervisors
Polk County, Wisconsin

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions 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 of 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 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the State Single Audit Guidelines and which are described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal and state program is not modified with respect to these matters.

Polk County, Wisconsin's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Polk County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Honorable Members
of the Board of Supervisors
Polk County, Wisconsin

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-003, that we consider to be a significant deficiency.

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.

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 Polk County, Wisconsin 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. We issued our report thereon dated September 27, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and *State Single Audit Guidelines*, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures 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

Hudson, Wisconsin
September 27, 2019

**POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

CFDA Number(s)

93.778
93.563

Name of Federal Program or Cluster

Medicaid Cluster
Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes no

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

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? x yes _____ no

Identification of Major State Projects

CSFA Number(s)	Name of State Program
115.150	SWRM
115.400	LWRM
435.561, 435.681	Basic County Allocation
437.3561, 437.3681	Basic County Allocation
435.560100	Aging & Disability Resource Center

Federal Programs Tested as Major State Programs:

93.778 Medical Assistance – ADRC Contract

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 250,000

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

POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Section II – Financial Statement Findings

2018-001 Material Audit Adjustments, Material Weakness

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 adjusting journal entries for correcting certain misstatements.

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

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.

Effect: The potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff.

Cause: The County has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Repeat finding: This finding is a repeat of the 2017 audit finding, 2017-001.

Recommendation: The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Views of responsible officials and planned corrective actions: The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review, approve, and accept responsibility for the entries prior to recording them in the finance system. The County Administrator is the official responsible for ensuring corrective action of the deficiency.

POLK COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Section II – Financial Statement Findings (Continued)

2018-002 Limited Segregation of Duties, Material Weakness

Type of Finding: Material Weakness in Internal Control over Financial Reporting

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

Criteria or specific requirement: 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 number 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.

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.

Cause: The condition is due to limited staff available.

Repeat Finding: This finding is a repeat of the 2017 audit finding, 2017-002.

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 County is pursuing staff training to address receipting controls. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

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

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – State Financial Assistance Programs

None

Section V – Findings and Questioned Costs – State General Requirements

FINDING: 2018-003 **Department of Children and Families General Requirement – 2.6 Random Moment Sampling, Child Support and Economic Support Enforcement Program**

Criteria: WI DCF requires Child Support employees to report the program, activity, and other details at a given moment in time during the work day. Responses are required within a specified timeframe and require accurate responses to verify time being claimed for reimbursement.

Condition: The County's Child Support and Economic Support departments did not maintain support for the Random Moment Sampling (RMS) responses due to lack of case notes entered by employees to verify responses.

Context: Supporting documentation such as case notes or other proof of activity was requested from each department for the sample selected. No supporting document was able to verify the responses for the three deviations noted in our testing. Two deviations were noted in the Child Support department out of twenty-five samples and one deviation was noted in the Economic Support department out of the twenty samples selected.

Cause: The condition is due to case notes not being entered when employees are reviewing cases or during administrative duties related to specific cases.

Effect: The potential exists that the Child Support department is submitting inaccurate RMS responses and claiming non-reimbursable time.

Recommendation: The County's Human Resource manager should investigate the cause of the inaccurate reporting and work with the Child Support manager to enforce the current time reporting policies. The Child Support and Economic Support directors should update policy and procedures to verify case notes are being entered or tracked for any case specific work, including review and administrative tasks.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with the finding and will implement the above recommendation. In addition, the County will follow-up with previously reported time and RMS responses to determine if adjustments to claims need to be made. The Human Services Director will hold an in-service to instruct staff on proper RMS reporting and reinforce the importance of proper time reporting. The Human Services Director is the official responsible for ensuring corrective action of the deficiency.