

**POLK COUNTY, WISCONSIN**  
**FEDERAL AND STATE SINGLE AUDIT REPORTS**  
**DECEMBER 31, 2014**

POLK COUNTY, WISCONSIN  
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**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/14	Prior Years Adjustments	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/14
<u>Department of Agriculture</u>						
Passed through Wisconsin Department of Health Services:						
Special Supplemental Food Program for						
Women, Infants and Children:						
2013	10.557	\$ (16,179)	\$ 16,179	\$ -	\$ -	\$ -
2014		-	-	178,404	175,279	3,125
WIC Peer Counseling:						
2013		1,085	-	-	1,085	-
2014		-	-	10,213	3,724	6,489
State Matching Grant for Food Stamp Program:						
Human Services Contract (SNAP Cluster)						
2013	10.561	(1,271)	1,271	-	-	-
2014		-	-	8,339	8,717	(378)
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:						
2013	10.561	27,856	-	-	27,856	-
2014		-	-	174,131	124,608	49,523
Total Department of Agriculture		11,491	17,450	371,087	341,269	58,759
<u>Department of Justice</u>						
Passed Through Wisconsin Department of Justice:						
CEASE Performance Grants:						
2014	16.none	-	-	2,733	2,733	-
Jag Grant						
2014	16.738	-	-	11,335	11,335	-
Total Department of Justice		-	-	14,068	2,733	-

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/14</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/14</u>
<u>Department of Transportation</u>						
Passed through Wisconsin Department of Transportation: Motorcycle Enforcement Aids 2014	20.600	\$ -	\$ -	\$ 19,290	\$ 19,290	\$ -
Passed through Wisconsin Department of Military Affairs: Hazmat Training 2014	20.703	-	-	3,252	3,252	-
Passed through the Department of Natural Resources Gandy Dancer Trail Resurface 2014		-	-	14,219	14,219	-
Total Department of Transportation		-	-	36,761	19,290	-
<u>Environmental Protection Agency</u>						
Passed Through Wisconsin Department of Health Services: Indoor Radon Program: 1/1/14-12/31/14 Total Environmental Protection Agency	66.032	-	-	7,635	7,014	621
		-	-	7,635	7,014	621
<u>Department of Energy</u>						
Passed through Wisconsin Department of Administration: Conservation Research and Development 2014	81.086	-	-	600	600	-
State Energy Program 2014	81.041	-	-	7,421	7,421	-
Total Department of Energy		-	-	8,021	8,021	-
<u>Department of Education</u>						
Passed Through Wisconsin Department of Health Services: Special Education - Grants for Infants and Families 2013	84.181	1,801	-	-	1,801	-
2014		-	-	40,483	40,483	-

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/14</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/14</u>
<u>Department of Health and Human Services</u>						
Passed through Greater Wisconsin Agency on Aging Resources, Inc. (GWAAR):						
Preventive Health - Title III-D:	93.043					
2013		\$ 5,169	\$ -	\$ -	\$ 5,169	\$ -
2014		-	-	5,909	2,206	3,703
Supportive Services - Title III B: (Aging Cluster)	93.044					
2013		2,310	-	-	2,310	-
2014		-	-	76,869	34,631	42,238
Title III - Part C - Nutrition Services: (Aging Cluster)	93.045					
Congregate Nutrition - Title III C-1:						
2013		1,537	-	-	1,537	-
2014		-	-	103,803	55,218	48,585
Home Delivered Nutrition - Title III C-2: (Aging Cluster)	93.045					
2013		4,085	-	-	4,085	-
2014		-	-	45,397	28,662	16,735
Title III-E National Family Caregiver:	93.052					
2013		12,696	-	-	12,696	-
2014		-	-	30,518	9,492	21,026
NSIP III-C-1: (Aging Cluster)	93.053					
2014		-	-	38,423	38,423	-
Social Services Block Grant						
Congregate Nutrition - Title III C-1:	93.667					
2013		89	-	275	364	-
Medical Assistance Program: (Medicaid Cluster)	93.778 (*) (**)					
Elderly Benefit Specialists						
2013		12,591	-	-	12,591	-
2014		-	-	31,803	19,325	12,478
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations						
Congregate Nutrition - Title III C-1:	93.779					
2013		1,312	-	-	1,312	-
2014		-	-	5,725	5,725	-
Ship Original						
2013		3,000	-	-	3,000	-

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/14</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/14</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Health Services:						
Bioterrorism Focus A Planning:	93.069					
2013		\$ 38,050	\$ -	\$ -	\$ 38,050	\$ -
2014		-	-	130,421	130,421	-
Substance Abuse and MH Services (SBIRT-WIPHL):	93.243					
2014		-	-	112,898	110,986	1,912
Childhood Immunization Grants:	93.268					
Consolidated Contract - Immunization:						
2013		911	-	-	911	-
2014		-	-	12,564	11,943	621
Chronic Disease Self-Management Education Programs	93.734					
Empowering Older Adults and Adults with Disabilities						
2014		-	-	6,750	6,750	-
Nutrition Education Grant	93.507					
2013		(4,000)	4,000	-	-	-
Health Care Infrastructure						
2014		-	-	26,200	26,200	-
Affordable Care Act - Aging and Disability Resource Center:	93.517					
ADRC Special Projects						
2014		-	-	5,000	-	5,000
Temporary Assistance for Needy Families: (TANF Cluster)	93.558					
Human Services Contract:						
Base Allocation:						
2014		-	-	67,061	67,061	-
Human Services Block Grant:	93.667					
Human Services Contract:						
Base Allocation:						
2014		-	-	131,396	131,396	-
Aging & Disability Resource Center:						
2014		4,492	-	-	4,492	-
2014		-	-	7,819	7,298	521

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/14</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/14</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Health Services (Continued):						
Medical Assistance Program: (Medicaid Cluster)	93.778 (*) (**)					
ADRC Contract						
2013		\$ 268,173	\$ -	\$ -	\$ 268,173	\$ -
2014	*	-	-	306,528	191,757	114,771
Human Services Contract**: (Medicaid Cluster)						
2013	*	5,416	-	-	5,416	-
2014		-	-	14,039	9,905	4,134
Personal Care Program**: (Medicaid Cluster)	*					
2013		5,600	-	-	5,600	-
Wisconsin Medicaid Cost Reporting**: (Medicaid Cluster)	*					
2013		-	-	-	-	-
2014		-	-	277,124	277,124	-
Consolidated Contract - MCH**: (Medicaid Cluster)	*					
2014		-	-	1,299	1,161	138
Income Maintenance Outreach (Medicaid Cluster)	*					
2014		-	-	13,287	13,287	-
Case Management**: (Medicaid Cluster)	*					
2013		8,014	-	-	8,014	-
2014		-	-	48,761	43,895	4,866
Block Grant for Community Health:	93.958					
Human Services Contract:						
2014		-	-	17,164	17,164	-
Block Grant - Prevention and Treatment:	93.959					
Human Services Contract:						
2013		2,434	-	-	2,434	-
2014		-	-	128,628	128,628	-
Preventive Health and Health Service Block Grant:	93.991					
2014		-	-	2,836	-	2,836

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/14</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/14</u>
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Health Services (Continued):						
Maternal and Child Health Services Block Grant:	93.994					
Consolidated Contracts - MCH:						
2014		\$ -	\$ -	\$ 17,799	\$ 15,910	\$ 1,889
Reproductive Health:						
2014		-	-	23,210	23,210	-
Child Support Enforcement Program (Title IV-D):	93.563 (*)					
Regular Program:						
2013		124,093	-	-	124,093	-
2014		-	-	496,732	361,122	135,610
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:						
2013		900	-	-	900	-
2014		-	-	5,627	4,027	1,600
Children's Health Insurance Program	93.767					
Income Maintenance Contract:						
2013		5,212	-	-	5,212	-
2014		-	-	32,584	23,317	9,267
Medical Assistance (Medicaid Cluster)	93.778 (*) (**)					
Income Maintenance Contract:						
2013		38,630	-	-	38,630	-
2014		-	-	241,478	172,802	68,675
Passed through Wisconsin Department of Administration:						
Low-Income Home Energy Assistance:	93.568					
Crisis Grants:						
10/1/12-9/30/13		1,731	(1,079)	20,346	20,998	-
10/1/13-9/30/14		-	-	7,366	7,366	-
Operations:						
10/1/12-9/30/13		4,964	(9,180)	17,143	12,927	-
10/1/13-9/30/14		-	-	4,610	4,610	-

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2014**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred) Reimbursements 1/1/14	Prior Years Adjustments	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/14
<u>Department of Health and Human Services (Continued)</u>						
Passed through Wisconsin Department of Administration (Continued):						
Child Welfare Services:	93.645					
Youth Aids Community:						
Non-CARS Reporting:						
2013		\$ 418	\$ -	\$ -	\$ 418	\$ -
2014		-	-	6,247	3,763	2,484
Foster Care-Title IV-E:	93.658					
Youth Aids Community:						
Non-CARS Reporting:						
2013		679	-	-	679	-
2014		-	-	10,144	6,090	4,054
Passed through Wisconsin Department of Children and Families:						
Promoting Safe and Stable Families:	93.556					
CW Promoting Safe and Stable Families						
2014		-	-	38,966	38,966	-
Temporary Assistance to Needy Families: (TANF Cluster)	93.558					
Base Allocation: (TANF Cluster)						
2014		-	-	46,632	46,632	-
CW Kinship Care Program - Benefits: (TANF Cluster)						
2013		10,706	-	-	10,706	-
2014		-	-	77,518	65,088	12,430
CW Kinship Care Program - Assessments: (TANF Cluster)						
2013		963	-	-	963	-
2014		-	-	6,570	5,475	1,095
Child Care and Development Fund: (CCDF Cluster)	93.596					
2013		322	-	-	322	-
2014		-	-	112,575	110,845	1,730
Chafee Education and Training Vouchers Program (ETV):	93.599					
Youth Independent Living:						
2014		-	-	626	626	-
Stephanie Tubbs Jones Child Welfare Services:	93.645					
Base Allocation:						
2014		-	-	151,025	151,025	-

\*Major Federal Program Awards.

\*\* Major State Program Awards.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor Agency/Pass-Through Agency/ Program Title and Year</u>	<u>Federal CFDA #</u>	<u>Accrued (Deferred) Reimbursements 1/1/14</u>	<u>Prior Years Adjustments</u>	<u>Federal Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/14</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	\$ -
2014		-	-	24,376	24,376	-
CW Adam Walsh Foster/Adoptive Parents						
2013		56	-	-	56	-
2014				84	65	19
CW Foster Parent Competency Based Training						
2014		1,549	-	75	1,583	41
CW TPR Adoption Services						
2014		207	-	2,365	1,535	1,037
Human Services Block Grant:	93.667					
Base Allocation:						
2014		-	-	66,769	66,769	-
Child Care Expansion:	93.674					
Youth Independent Living:						
2014		2,374	-	19,198	18,373	3,199
Total Department of Health and Human Services		588,853	(6,259)	3,078,562	3,138,462	522,695
<u>Department of Homeland Security</u>						
Passed Through Wisconsin Department of Military Affairs						
Emergency Food and Shelter Program	97.024					
01/01/2014-12/31/2014		-	-	2,700	2,700	-
Emergency Management Performance Grants:	97.042					
Emergency Government:						
10/1/13-9/30/14		-	-	44,706	46,008	(1,302)
Total Department of Homeland Security		-	-	47,406	48,708	(1,302)
TOTAL FEDERAL AWARDS		\$ 602,145	\$ 11,191	\$ 3,604,023	\$ 3,597,627	\$ 580,772
<u>Claims Paid to Providers Via Third Party Administrator</u>						
Medical Assistance: (Medicaid Cluster)	93.778 (A) (*) (**)			174,733		
TOTAL FEDERAL AWARDED EXPENDITURES				\$ 3,778,756		

\*Major Federal Program Awards.

\*\* Major State Program Awards

(A) See Note 4

**POLK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2014</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2014</u>
<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					
2014		\$ -	\$ -	\$ 16,183	\$ 16,183	\$ -
Basic Allocation:	115.15					
2014		-	-	149,713	149,713	-
LWRM Plan Implementation:	115.40					
2014		-	-	21,388	21,388	-
Total Department of Agriculture, Trade and Consumer Protection		-	-	187,284	187,284	-
<u>Department of Natural Resources</u>						
Boating Enforcement Aids:	370.550					
2014		-	-	9,124	9,124	-
All-Terrain Vehicle Enforcement Aids:	370.551					
5/1/13-4/30/14		-	-	2,642	2,642	-
Snowmobile Enforcement Aids:	370.552					
5/1/13-4/30/14		-	-	1,686	1,686	-
Wildlife Damage Claims and Abatement:	370.553					
Wildlife Damage Program:						
2013		18,585	-	-	18,585	-
2014		-	-	58,539	23,269	35,270
Resource Aids:						
County Conservation Aids:	370.563					
2014		-	-	2,388	2,388	-
Hunter Parking Lot						
2014		-	-	1,045	1,045	-
Motorcycle Enforcement Aids						
2014		-	-	19,290	19,290	-
County Forest Wildlife Habitat Improvement Program:	370.564					
2014		-	-	811	811	-
County Forest Loans:	370.567					
2014		-	-	28,241	28,241	-
Urban and Community Forestry:	370.572					
2014		-	-	39,126	39,126	-

**POLK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2014</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2014</u>
<u>Department of Natural Resources (Continued)</u>						
Supplemental Payable	370.575					
7/1/13-6/30/14    SAD 48.23		\$ -	\$ 42,925	\$ -	\$ 42,925	\$ -
7/1/14-6/30/15    S-4158		-	-	112,857	112,857	-
All-Terrain Vehicles:	370.577					
7/1/13-6/30/14    ATV-3073		-	-	18,609	18,609	-
7/1/13-6/30/14    ATV-3110		-	-	750	750	-
7/1/13-6/30/14    UTV-14015		-	-	864	864	-
7/1/14-6/30/15    UTV-15018		-	-	-	1,565	(1,565)
Targeted Runoff Management Program	370.602					
7/1/13-6/30/14    TRC-SC07-48000-09 B		-	-	62,850	62,850	-
Lakes Management Grants:	370.663					
3/15/12-12/31/13    LPL-1341-10		(3,935)	8,986	-	5,051	-
3/15/12-12/31/13    AIRR-102-11		17,964	(17,964)	-	-	-
4/1/12-12/31/14    AEPP-352-12		-	30,458	12,491	42,949	-
4/1/14-6/30/15    SLP-337-14		-	-	1,964	1,473	491
Municipal and County Recycling Grants: 2014	370.670	-	-	159,565	159,565	-
Total Department of Natural Resources		<u>32,614</u>	<u>64,405</u>	<u>532,842</u>	<u>595,665</u>	<u>34,196</u>
<u>Department of Transportation</u>						
Elderly and Handicapped County Aids:	395.101 (**)					
Elderly and Handicapped Transportation: 2014		-	-	114,699	114,699	-
<u>Department of Corrections</u>						
Community Intervention:	410.302					
7/1/13-6/30/14		905	-	2,715	3,620	-
7/1/14-6/30/15		-	-	1,867	934	933
Community Youth and Family Aids:	410.313					
2013		57,831	-	-	57,831	-
2014		-	-	663,381	397,482	265,899
Total Department of Corrections		<u>58,736</u>	<u>-</u>	<u>667,963</u>	<u>459,867</u>	<u>266,832</u>

**POLK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2014</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2014</u>
<u>Department of Health Services</u>						
Fluoride Supplement:	435.151734					
2013		\$ 714	\$ -	\$ -	\$ 714	\$ -
2014		-	-	2,163	2,163	-
Fluoride Mouthrinse:	435.151735					
2014		-	-	1,519	568	951
WIC Farmers Market:	435.154720					
2014		-	-	1,484	1,484	-
WWWP-GPR:	435.157000					
2013		(2,560)	2,560	-	-	-
2014		-	-	30,318	25,459	4,859
Consolidated Contract - CHHD LD:	435.157720					
2013		32	-	-	32	-
2014		-	-	4,409	4,409	-
TPCP-Com. Interventions - LHD:	435.158125					
2013		1,849	-	-	1,849	-
TCPC - Wisconsin Wins:	435.158127					
2013		4,322	-	-	4,322	-
2014		-	-	15,680	15,680	-
Consolidated Contract - MCH:	435.159320					
2014		-	-	1,297	1,159	138
Reproductive Health:	435.159321					
2014		-	-	22,327	22,327	-
Low Income Child Admin:	435.231					
2014		-	-	6,033	6,033	-
FSET Transportation:	435.233					
2014		-	-	(1)	661	(662)
FSET Retention:	435.235					
2014		-	-	-	178	(178)
2014		-	-	-	-	-
IM Available Allocation State Share:	435.283 (**)					
2014		-	-	140,140	140,140	-
Adult Protective System:	435.312					
2014		-	-	37,066	36,743	323
Community Options Program:	435.367 (**)					
2014		(1,146)	1,146	-	-	-
2014		-	-	183,208	176,072	7,136

**POLK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2014</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2014</u>
<b><u>Department of Health Services (Continued)</u></b>						
Alzheimer's Family Support:	435.381					
2013		\$ (2,175)	\$ 2,175	\$ -	\$ -	\$ -
2014		-	-	8,540	9,264	(724)
Certified Mental Health Program:	435.517 (**)					
2014		-	-	23,516	23,516	-
Nonresident:	435.531					
2014		-	-	748	-	748
Birth-to-three Initiative:	435.550					
2014		-	-	48,354	48,354	-
Basic County Allocation:	435.561 (**)					
2014		-	-	986,360	986,360	-
IDP Emergency Funds:	435.567					
2013		82,744	-	-	82,744	-
2014		-	-	82,941	-	82,941
Community Services and MH Services:						
IMD-OBRA Relocations:	435.571					
2013		21,064	-	-	21,064	-
2014		-	-	21,064	21,064	-
Family Support Program:	435.577					
2013		(4,444)	4,444	-	-	-
2014		-	-	36,534	27,280	9,254
State/County Match:	435.681 (**)					
2014		-	-	129,117	129,117	-
Elder Abuse Services:	435.560490					
2013		2,133	-	-	2,133	-
2014		-	-	18,024	13,856	4,168
Aging & Disability Resource Center	435.560100 (**)					
2013		209,420	-	-	209,420	-
2014		-	-	364,520	340,237	24,283
Children Long Term Support DD OTH CWA Admin	435.835 (**)					
2013		1,656	-	-	1,656	-
2014		-	-	-	-	-
Children Long Term Support MH AUT CWA Admin	435.838 (**)					
2013		262	-	-	262	-
2014		-	-	3,712	2,672	1,040
Children Long Term Support MH OTH CWA Admin	435.841 (**)					
2013		383	-	-	383	-
Children Long Term Support PD OTH CWA Admin	435.847 (**)					
2014		-	-	10,311	7,212	3,099

\*\*Major State Financial Assistance Program.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/2014	Prior Years Adjustments	Expenditures	Receipts Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/2014
<u>Department of Health Services (Continued)</u>						
Passed thru Greater Wisconsin Agency on Aging Resources, Inc. (GWAAR):						
Elderly Benefit Specialist Program:	435.560320					
2014		\$ -	\$ -	\$ 56,430	\$ 32,462	\$ 23,968
Benefit Specialist Program OCI Assistance Activities:	435.560327					
2014		-	-	7,729	7,729	-
State Senior Community Services:	435.560330					
2013		8,451	-	-	8,451	-
2014		-	-	13,907	13,907	-
III-C-1 Congregate Meal Program:	435.560350					
2013		2,559	-	-	2,559	-
2014		-	-	97,561	51,897	45,664
II-C-2 Home Delivered Program:	435.560360					
2013		436	-	-	436	-
2014		-	-	5,417	3,421	1,996
Alzheimers Grant	435.560381					
2014		-	-	5,406	1,141	4,265
Total Department of Health Services		325,700	10,325	2,365,834	2,488,590	213,269
<u>Department of Children and Families</u>						
CW Adam Walsh Foster/Adoptive Parents	437.332					
1/1/14-12/31/14		151	-	227	327	51
Basic County Allocation	437.3561 (**)					
2014		-	-	-	-	-
Basic County Allocation	437.3681 (**)					
2014		-	-	42,491	42,491	-
CW Children and Families Allocation	437.35610					
2014		-	-	241,111	241,111	-
CW WSACWIS Annual Op Maint Fee	437.3604					
2014		-	-	(5,619)	(5,619)	-
Child Support Enforcement	437.7502					
2014		-	-	41,158	41,158	-
Total Department of Children and Families		151	-	319,368	319,468	51

\*\*Major State Financial Assistance Program.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/2014</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Receipts Grant Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/2014</u>
<u>Department of Justice</u>						
DNA Sample Reimbursement: 2014	455.221	\$ -	\$ -	\$ 820	\$ 820	\$ -
Law Enforcement Training: 2014	455.231	-	-	13,791	9,280	4,511
County Tribal Law Enforcement: 2014	455.263	-	-	15,706	15,706	-
Victim and Witness Assistance Program - A Program Cluster: 2014	455.532	-	-	69,055	69,055	-
Total Department of Justice		-	-	99,372	94,861	4,511
<u>Department of Military Affairs</u>						
Emergency Planning Grant Program: LEPC Emergency Planning Grant: 10/1/13-9/30/14	465.337	-	-	9,582	9,582	-
<u>Department of Veteran Affairs</u>						
County Veterans Services Grant 2014	485.001	-	-	14,647	14,647	-
<u>Department of Administration</u>						
<u>Land Information Grants:</u>						
Land Information Training: 2014	505.118	-	-	1,000	1,000	-
Utility Public Benefits - Low Income Assistance: 10/1/13-9/30/14	505.371	741	(3,747)	11,660	8,654	-
10/1/14-9/30/15		-	-	5,379	5,379	-
<u>Outreach:</u>						
10/1/13-9/30/14		1,014	(4,960)	10,211	6,265	-
10/1/14-9/30/15		-	-	6,299	6,299	-
<u>WX Operations</u>						
10/1/13-9/30/14		1,484	(2,527)	14,424	13,381	-
10/1/14-9/30/15		-	-	6,299	6,299	-
Total Department of Administration		3,239	(11,234)	55,272	47,277	-
Total State Financial Assistance		\$ 420,440	\$ 63,496	\$ 4,366,863	\$ 4,307,711	\$ 518,859
<u>Claims Paid to Providers Via Third Party Administrator</u>						
Children's Long Term Support	(A) (**)			120,823		
<b>TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES</b>				<b>\$ 4,487,686</b>		

\*\*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, 2014**

**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 2014, 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, 2014**

**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, 2014 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2014 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, 2014**

**A. MAJOR FEDERAL PROGRAM AWARDS**

None

**B. MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS**

None

**C. STATE GENERAL REQUIREMENTS**

None



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**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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 27, 2015.

**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 2014-001 through 2014-005 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  
July 27, 2015



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**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, 2014. 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, 2014.

### **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, 2014, and the related notes to the financial statements, which collectively comprise Polk County's basic financial statements. We issued our report thereon dated July 27, 2015, 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  
July 27, 2015

**POLK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2014**

**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	Medicaid Cluster
93.563	Child Support Enforcement
93.667	Social Services Block Grant
10.561	SNAP Grant Cluster

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

Auditee qualified as low-risk auditee?        yes   X   no

**POLK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2014**

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

**State Awards**

Internal control over major programs:

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

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

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

Identification of major State programs:

<u>CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
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
435.561	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, 2014**

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

**FINDING: 2014-001    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 to prevent or detect a material misstatement in the annual financial statements including footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

**Cause:**                      The County relies on the audit firm to prepare the annual financial statements and 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, 2014**

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

**FINDING: 2014-002 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, 2014**

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

**FINDING: 2014-003 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, 2014**

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

**FINDING 2014-004    Monthly Cash and Investments Balance Reconciliations**

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

**Condition:**                During our interim testing performed in February 2015, it was noted that bank balances had not been reconciled to book balances for a significant time period dating back to March of 2014. Previously, material weaknesses for untimely bank reconciliations were reported as part of the 2007 and 2011 audits. Testing of the reconciliations also revealed errors in preparation which impacted fiscal years 2011 through 2014.

**Context:**                    While efforts were made to reconcile cash and investments through December 31, 2014, it is important to note that reconciliations were not complete for a period of nine months until requested for audit testing. Recording transactions in the general ledger for bank transfers between checking and investment accounts also had not been performed in over six months. The errors noted in the reconciliations were the result of erroneously including checks in the outstanding checks list that had already previously cleared.

**Cause:**                      Policies and procedures established by the County over the reconciliation of cash and investments are not being followed. County policy requires the timely completion of bank reconciliations through utilization of the finance system. The errors noted in the completed reconciliations are due to completion via a manual spreadsheet based system.

**Effect:**                      The potential exists that financial statements of the County may include inaccurate information which is not detected or prevented by County staff. Financial fraud occurs most commonly as a result of a lack of controls. A preventive control over cash and investments includes timely account reconciling. A detective control over cash and investments includes the review of reconciliation documentation by a party not involved in the reconciliation or transaction cycle process. Fraud exposure risk for the County due to current cash and investment reconciling practices include but are not limited to: check tampering, fictitious vendor payments, skimming (theft before activity is recorded in the County books) and larceny (theft after activity is recorded in the County books).

**Recommendation:** Standard best practice is to complete a reconciliation of cash and investments within 10 days of receiving the statements from the bank. The cash and investment reconciliation functionality of the finance system should also be utilized and implemented immediately by the Treasurer's Office to ensure accuracy of the County's financial records.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2014**

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

**FINDING 2014-004 Monthly Cash and Investments Balance Reconciliations (Continued)**

**Recommendation (Continued):**

Strong internal controls will segregate the day to day cash and investment activities (receipting, processing disbursements and recording transfer activity) from a reconciliation and review function. Therefore, we recommend that the Treasurer's Office forward the monthly reconciliation materials (listing of outstanding checks, deposits in transit and other reconciling items) prepared from the finance system to the Department of Administration/Finance. Transitioning the final reconciliation responsibility will ensure timely completion and separate personnel with banking access from the reconciliation process.

Additionally, we noted that the outstanding checks list included many checks greater than one year outstanding. The County must implement a procedure to monitor the listing for all checks remaining unclaimed or uncashed for a period greater than 6 months. Protocol should be developed for contacting these payees either through a form letter or verbal contact to request action. Resolution should be identified for each item as: intent to cash, stop payment and reissue, or stop payment and non-reissue. Addressing these very old checks will mitigate the risk of additional errors in the reconciliation.

While implementing these recommendations, consider the following keys to developing strong internal controls:

The following should be considered to mitigate situational pressures of fraud:

- Assess the workload of those involved in the reconciliation process and re-assign responsibilities as appropriate.
- Establish clear and reasonable expectations for completion and review of the reconciliations.
- Document specific instructions which include a no exception clause.

The following should be considered to mitigate the opportunities to commit fraud:

- Maintain accurate and complete cash and investment records.
- Delegate authority to monitor the reconciliation process.
- Segregate accounting functions.
- Ensure policy enforcement.

**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 proper cash reconciliation procedures. 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, 2014**

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

**FINDING 2014-005 Cash Receipting**

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

**Condition:** During testing of the receipting activity in the Treasurer's Department, we identified various opportunities to strengthen controls over the receipting process as explained below in the recommendation section. Currently, controls are not in place to properly segregate incompatible functions nor are controls in place to prevent manual overrides to the system.

**Context:** The County has numerous locations and activities that process receipts. Taxes processed by the Treasurer's Department represent one of the most individually significant and complex.

**Cause:** Controls over tax receipts are not adequately designed to prevent or detect a material misstatement in the financial statements or to prevent manual overrides during day to day processing.

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

**Recommendation:** The following must be addressed to ensure accountability and transparency of financial transactions processed by the Treasurer's Department:

- Review of Deposits: We found no documented review of deposits by an individual that is not involved in the receipting process. We recommend implementation of an independent review of daily deposit activity and supporting information which must include reviewer authorization documentation (signature or initials and time stamp).
- Daily cash report: We found no documented review of the daily cash report. We recommend implementation of an independent review of the daily cash report. The review should verify that the daily receipts match the cash count, the daily deposit, the postings to GCS Software tax module and the postings to the general ledger.
- GCS Software tax module receipt batch closing: We found that receipt batches in the GCS Software tax module were left open which allows for modification of that batch at a later date. It was noted that this issue complicated the bank reconciliation process. Closing the batch is a manual process and we found that no batches had been closed dating back to 2011. Closing a receipt batch is a simple matter of clicking on a related menu option in the GCS Software system. All batches have now been properly closed. We recommend that the County continue to close receipt batches timely and implement a process to periodically review for compliance.
- Voided transactions: During review of GCS Software tax module activity we noted a large number of voided receipts. While there are legitimate reasons voids will occur, voids are problematic. Currently, there is no documentation for voids retained or reviewed. We recommend implementation of a process to document and authorize all void activity. Further, additional training and controls should be provided to reduce the number of user errors being incurred during the receipting process.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2014**

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

**FINDING 2014-005 Cash Receipting (Continued)**

**Recommendation (Continued):**

- General ledger comparison to the GCS Software tax module: We found it very difficult to reconcile activity between the GCS Software tax module and the general ledger due to the level of activity and lack of controls over the tax receipting process. Controls must be put in place to; ensure activity is recorded in the same period on both systems, eliminate errors, establish a complete and traceable record and establish a system of review by someone who is not involved in the tax receipting or reconciling process.
- Employee Training: We noted little to no cross-training of staff such that nearly all Treasurer Department knowledge lies within one person. The County's ability to maintain service is at risk in the event that one person is unable to perform duties. Additionally, there is no mitigating control of another person periodically picking up those responsibilities. Benefits of training and cross utilizing the office staff outweigh the cost to train. We recommend not only cross-training staff but required rotation of responsibilities for purposes of fraud mitigation and accuracy control.
- User login for receipts processed at the counter in the Treasurer's office: A default user ID named "Counter" is utilized by multiple different staff for convenience and is left open (not logged out). Use of the "Counter" ID is problematic as it does not identify the person processing the transaction. The password is known by multiple users. All activity should be traceable to an individual just like any other register based business. We recommend that use of default of community user ID's be discontinued.
- Other GCS user login ID accounts: We noted multiple user ID's for a single person being utilized through January 2015 which have now been deleted in the system. It is unclear why four user accounts were needed or why they were deleted. We recommend that authority to create and change user ID's be restricted to individuals who are not users of the system such as the IT Department.
- Cash management posting: This is a manual receipting process that functions like a journal entry. Common use of this would be to post electronic transfers or other direct bank account activity that is not processed through the normal on-site cash receipting process. "Cash Receipt" as identified in the general ledger is generated by the normal cash receipting process. When an individual manually posts a receipt it is identified in the system as "Cash Management". These items are often posted to a prior month or period causing problems with the reconciling process. We recommend that staff discontinue posting cash receipts back to a prior month or period. Further, staff should utilize the functionality of the system to close cash management transactions so they are not open and subject to modification at a later date.
- Timing of receipt postings: We found that it is challenging to follow the accounting trail from the point of receipt at the counter, to the related deposit, to the recording of the activity in GCS, the general ledger and the bank. Timing of receipt postings the County's systems and the bank should be in agreement which will make the month-end cutoff and reconciliation process easier.

**POLK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2014**

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

**FINDING 2014-005 Cash Receipting (Continued)**

**Recommendation (Continued):**

- Processing tax overpayments: County policy dictates that overpayments greater than \$3 is refunded to the payer. Current practice followed by the Treasure's Department does not record the overpayment in the GCS Software tax module but it is recorded in the general ledger. Therefore, there is an inconsistency between the two systems. The GCS Software has a field to handle overpayments and it should be utilized. We recommend that the County process overpayment activity consistently in the general ledger and the GCS Software.

**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 make the necessary changes to policies and procedures over receipting during 2015 to address each of the issues identified above. 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, 2014**

**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