

CHIPPEWA COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2019



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**CHIPPEWA COUNTY, WISCONSIN
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**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

<u>Federal Grantor Agency/Program</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of Agriculture</u>					
Special Supplemental Nutrition Assistance Program for Women, Infants and Children	10.557	WI DHS	CARS 154710, 154760	\$ -	\$ 254,240
State Matching Grant for Food Stamp Program (SNAP Cluster)	10.561				
Nutritional Ed Grant		WI DHS	CARS 154661	-	37,304
Income Maintenance Contract		WI DHS / GRIM	CARS 283, 284	-	318,928
Total SNAP Cluster				-	356,232
WIC Grants To States	10.578	WI DHS	CARS 561	-	8,086
Total Department of Agriculture				-	618,558
<u>Department of Housing and Urban Development</u>					
Community Development Block Grant	14.228	*	WI DOA	H 14-15-07, HSG 18-07	- 822,716
<u>Department of Justice</u>					
Juvenile Justice and Delinquency Prevention	16.540	WI OJA	2016-DC-BX-0006	-	93,109
Bulletproof Vest Partnership Program	16.607	Direct	n/a	-	10,292
Public Safety Partnership and Community Policing Grants	16.710	Eau Claire County	2019 Drug Task Force	-	4,444
Edward Byrne Memorial Justice Assistance	16.738	Eau Claire County	2019 Drug Task Force	-	4,536
Total Department of Justice				-	112,381
<u>Department of Transportation</u>					
State and Community Highway Safety	20.600	WI DOT	#3950959-25-11	-	27,031
<u>Department of Education</u>					
Grants for Infants and Toddlers	84.181	WI DHS	CARS 550	-	50,193

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

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

<u>Federal Grantor Agency/Program</u>	<u>Federal CFDA #</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of Health and Human Services</u>					
Special Programs for the Aging - Title III, Part D Aging Cluster	93.043	WI DHS / GWAAR	CARS 560510	\$ -	\$ 5,487
Special Programs for the Aging - Title III, Part B	93.044	WI DHS / GWAAR	CARS 560340	-	62,765
Special Programs for the Aging - Title III, Part C	93.045	WI DHS / GWAAR	CARS 560350, 560360	-	122,838
Nutrition Services Incentive Program	93.053	WI DHS / GWAAR	CARS 560422	-	33,010
Total Aging Cluster				-	218,613
National Family Caregivers Support Program	93.052	WI DHS / GWAAR	CARS 560520	-	43,561
Public Health Emergency Preparedness	93.069	WI DHS	CARS 155775	-	46,030
Family Planning Services	93.217	WI DHS	CARS 561	-	17,778
Newborn Hearing Screen Outreach	93.251	WI DHS	CARS 115002	-	37,488
Childhood Immunization Grants	93.268	WI DHS	CARS 155020	-	14,818
State Health Insurance Assistance Program	93.324	WI DHS / GWAAR	CARS 560432	-	4,308
Public Health Crisis Response Awards	93.354	WI DHS	CARS 560110	-	4,800
Medicare Improvements for Patients and Providers	93.518	WI DHS / GWAAR	CARS 75019	-	4,129
Promoting Safe and Stable Families	93.556	WI DCF	CORe 3306	-	42,827
Temporary Assistance for Needy Families (TANF Cluster)	93.558				
Basic County Allocation		WI DHS	CARS 561, 3561	-	111,817
Children and Families Contract		WI DCF	CORe 852	-	9,556
Total TANF Cluster				-	121,373
Child Support Enforcement Program (Title IV-D)	93.563	WI DCF	CORe 7332, 7477, 7482, 7506, 7606, 7616, 7903	-	640,313
Low-Income Home Energy Assistance	93.568	WI DOA	AD1599973.09, AD159974.09	-	54,157
Child Care and Development Block Grant (CCDF Cluster)	93.575	WI DCF	CORe 831, 840, 852	-	112,751
Child Welfare Services Program	93.645	WI DCF	CORe 3561	-	43,702
Foster Care - Title IV-E	93.658	WI DCF	CORe 3561	-	452,983
Adoption Assistance	93.659	WI DCF	CORe 3574	-	2,671
Social Services Block Grant	93.667	WI DHS	CARS 561, 3561	-	236,537
State Children's Insurance Program	93.767	WI DHS / GRIM	CARS 283, 284	-	41,667

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

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Federal Grantor Agency/Program	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>					
Medicaid Cluster	93.778	*			
State Elderly Benefit Specialist		WI DHS / GWAAR	CARS 560021, 560327	\$ -	\$ 25,851
Social Services and Community Programs Contract		WI DHS	CARS 878, 881	-	439,739
Human Services Contract:					
CLTS DD Autism Federal		WI DHS	CARS 831	-	3,984
CLTS DD Federal Other		WI DHS	CARS 834	-	41,964
CLTS MH Federal Other		WI DHS	CARS 840	-	57,422
CLTS PD Federal Other		WI DHS	CARS 846	-	75,909
Case Management		WI DHS	43070900 MCD	-	26,838
Comprehensive Community Services		WI DHS	100044114 MCD	1,433,352	12,546,309
Crisis Care		WI DHS	100049018 MCD	-	239,937
Wisconsin Medicaid Cost Reporting Program		WI DHS	Final 2018	-	518,897
Income Maintenance Contract		WI DHS / GRIM	CARS 283, 284	-	412,931
<u>Claims Paid to Providers Via Third Party Administrator</u>					
Medical Assistance		(A)		-	480,862
Total 93.778				1,433,352	14,870,643
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	WI DHS	CARS 1008	-	(22,812)
Block Grant for Community Mental Health Services	93.958	WI DHS	CARS 512, 569	-	64,246
Block Grant - Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS 570, 515	-	147,883
Preventive Health and Health Service Block Grant	93.991	WI DHS	CARS 159220	-	7,516
Maternal and Child Health Services Block Grant	93.994	WI DHS	CARS 159332, 159321, 159320	-	233,157
Total Department of Health and Human Services				1,433,352	17,446,626
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	97.042	WI DMA	FFY-19 EMPG, FF-20 EMPG	-	56,514
TOTAL FEDERAL AWARDS				\$ 1,433,352	\$ 19,134,019

(A) = See Note 4

* Major Federal Program

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

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019**

State Grantor Agency/ Program Title and Year	State I.D. Number	Grant Expenditures
<u>Department of Agriculture, Trade, and Consumer Protection</u>		
Clean Sweep Program	115.040	\$ 10,114
Soil and Water Resource Management	115.15	173,220
County Staff and Support		
Land and Water Resource Management Projects	115.40	<u>76,729</u>
Total Department of Agriculture, Trade, and Consumer Protection		260,063
<u>Department of Administration</u>		
Environmental Aids - Private Sewage System	143.110	10,136
<u>Department of Natural Resources</u>		
Venison Processing	370.549	715
Boating Enforcement Aids	370.550	33,316
All-Terrain Vehicle Enforcement Aids	370.551	22,370
Snowmobile Enforcement Aids	370.552	13,796
Wildlife Damage Claims and Abatement	370.553	22,905
Recreational Aids - Fish, Wildlife, and Forestry	370.564	1,385
County Forest Administration	370.572	46,685
Snowmobile Trails Aids	370.574	179,451
Snowmobile Trails and Areas (Transp. Fd.)	370.575	439
All-Terrain Vehicle Aids	370.576	19,378
Municipal and County Recycling Grants	370.670	218,278
Knowles-Nelson Stewardship Program	370.TA1	<u>91,594</u>
Total Department of Natural Resources		650,312
<u>Department of Transportation</u>		
Elderly and Handicapped County Aids	395.101	165,036
<u>Department of Health Services</u>		
Fluoride Supplement Program	435.151734	2,040
WIC Farmers Market Grant	435.154720	1,985
Communicable Disease Control & Prevention	435.155800	10,600
Consolidated Contract - CHHD LD	435.157720	6,963
WH/FP RH 253.07 GPR	435.159317	2,597
Reproductive Health - LPHD	435.159322	3,084
	435.181004	3,812
IM Available Allocation	435.283**	104,276
IM Available Allocation Federal Share	435.284**	5,296
Adult Protective Services	435.312	55,548
Kinship Care Base Benefit	435.377	28,578
Coordinated Services - CTY	435.515	151,758
Birth-to-Three Initiative	435.550	48,224
Aging and Disability Resource Center		
MFP-MH RELOCATION	435.560065	27,763
Aging and Disability Resource Center	435.560100**	388,068
Basic County Allocation - State Funded	435.561**	1,360,605
State/County Match	435.681**	189,656
CLTS DD Non-Federal	435.832	2,727
CLTS DD Non-Federal Other	435.838	28,730
CLTS MH Non-Federal Other	435.841	39,313
CLTS PD Non-Federal Other	435.847	51,970
CLTS Other CWA Admin GPR	435.877	36,235
CLTS Autism CWA Admin GPR	435.880	6,258

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

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Grant Expenditures</u>
<u>Department of Health Services (Continued)</u>		
Passed through Area Agency on Aging		
Elderly Benefit Specialist Program	435.560024	\$ 16,693
State Elderly Benefit Services - Other	435.560025	13,002
Elderly Benefit Specialist Program	435.560327	6,065
State Senior Community Services	435.560330	8,288
Congregate Nutrition	435.560350	90,953
Special Programs for the Aging - Title III, Part C	435.560360	3,025
Alzheimer's Family Caregiver Support	435.560381	38,374
Special Programs for the Aging - Programs for Prevention	435.560490	23,961
Total Department of Health Services		<u>2,756,447</u>
<u>Department of Children and Families</u>		
Child Support Fingerprint	437.0961	396
Food Stamp Agency Incentives	437.0965	17,705
AFDC Agency Incentives	437.0975	49
Medicaid Agency Incentives	437.0980	12,119
Family Foundations Comprehensive Home Visitation Program	437.1008	(2,851)
CW Kinship Care Program - Benefits	437.3377	235,541
CW Kinship Care Program - Assessment	437.3380	10,783
JJ Community Intervention Prog	437.3410	5,424
JJ AODA	437.3411	11,562
JJ Youth Aids	437.3413	529,306
Basic Children and Families Allocation	437.3561**	414,098
CW Children and Families Allocations	437.3681**	33,184
CW WiSACWIS Annual Operation Maintenance Fee	437.3935	(7,573)
PDS Partnership Fees	437.3940	(2,856)
CW Youth Specific Case Management Systems Fee	437.3945	(38,000)
TMJ Drug Testing	437.516	135,032
Child Support - State Share	437.7502	83,787
Child Support - Medical Support GPR	437.7606	3,965
Total Department of Children and Families		<u>1,441,671</u>
<u>Department of Justice</u>		
Treatment Alternatives and Diversion	455.271	115,327
Victim and Witness Assistance Program	455.532	79,574
Total Department of Justice		<u>194,901</u>
<u>Department of Military Affairs</u>		
Emergency Planning Grant Program		
LEPC Emergency Planning Grant	465.337	17,989
Emergency Management		
Computer and Hazmat Equipment	465.308	7,475
Total Department of Military Affairs		<u>25,464</u>
<u>Department of Administration</u>		
Utility Public Benefits	505.371	48,668
Land Information Board Grants	505.166 / 505.173	66,928
Total Department of Administration		<u>115,596</u>
Subtotal State Financial Assistance		5,619,626
<u>Claims Paid to Providers Via Third Party Administrator</u>		
Children's Long Term Support	(A)	329,216
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES		<u><u>\$ 5,948,842</u></u>

(A) See Note 4

** Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2019**

NOTE 1 REPORTING ENTITY

Chippewa County is governed by a board of supervisors consisting of 15 elected members.

The financial reporting entity for the County is based upon criteria set forth in generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial reporting entity is defined by GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the County.

NOTE 2 BASIS OF PRESENTATION

The schedules of expenditures of federal awards and state financial assistance have been presented on a basis to reflect the flow of available funds in the individual programs as follows:

Expenditures – Expenditures are presented on the modified accrual basis of accounting. Grant expenditures represent the amount of program funds expended during the year.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2019**

NOTE 3 CDBG PROGRAM REVOLVING LOAN FUND

Housing Rehabilitation

The County was awarded Community Development Block Grants (CDBG) in prior years for financing housing rehabilitation loans. Repayments received on the loans are recorded in a separate revolving loan fund by the County and are used to finance similar loans in accordance with the original grant agreements. Transactions of the revolving loan fund for the year ending December 31, 2019 are summarized as follows:

Balance January 1, 2019	\$ 239,412
Grant Revenue	818,838
Loan Repayments	423,350
Interest Accrued to Fund	7,374
Loans Made from Fund	(1,152,343)
Administration Paid from Fund	<u>(195,999)</u>
Balance December 31, 2019	<u><u>\$ 140,632</u></u>

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

NOTE 4 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR

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

NOTE 5 INDIRECT COSTS

The County has not elected to use the 10% de minimis indirect cost rate.



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

The County Board
Chippewa County, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Chippewa County, Wisconsin (County) as of and for the year ended December 31, 2019, 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 24, 2020.

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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

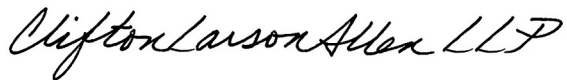
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Chippewa County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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
September 14, 2020



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

The County Board
Chippewa County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Chippewa County, Wisconsin's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on to each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2019.

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 2019-002. Our opinion on each major state program is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County'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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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 identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002 that we consider to be a significant deficiency.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chippewa County as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Chippewa County's basic financial statements. We issued our report thereon dated July 24, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Guidelines, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
September 14, 2020

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2019**

PART I: SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- | | | |
|---|-------------------|------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> X </u> yes | <u> </u> no |

Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no
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Federal Awards

Internal control over major programs:

- | | | |
|---|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> yes	<u> X </u> no
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Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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14.228	Community Development Block Grant
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no
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**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2019**

PART I: SUMMARY OF AUDITORS' RESULTS (CONTINUED)

State Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes none reported

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

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

Identification of major State programs:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
435.561, 437.3561	Basic County Allocation
435.681, 437.3681	State/County Match
435.283, 435.284	Income Maintenance
435.560100	ADRC

Federal Programs Tested as Major State Programs:
93.778 Medical Assistance Program – Income Maintenance

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? yes X no

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2019**

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

FINDING: 2019-001 Limited Segregation of Duties

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting.

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

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

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

Cause: The condition is due to limited staff available.

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

Repeat Finding: This finding is a repeat of a finding in the immediate prior year. The prior year finding number was 2018-002.

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 Finance Director is the official responsible for ensuring corrective action of the deficiency.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2019**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

FINDING: 2019-002 State General Requirement – Third Party Provider Audits

State agency: Department of Health Services, Department of Children and Families

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters.

Criteria: Counties are required to monitor amounts paid to third party providers and if the provider receives funding over the State's threshold (\$100,000), the County is required to obtain an audited financial statement and perform a review to verify the accuracy of the report.

Condition: Three providers who received over \$100,000 in County funding in 2018 did not submit audit reports to the County and no waivers were issued for these providers.

Context: The County was not monitoring funding levels for their third party providers and did not request audited financial statements from their providers who exceeded the State's threshold. A statistically valid sample of five was tested for compliance.

Cause: The County lacks a formal policy for monitoring funding levels and reviewing providers' audited financial statements.

Effect: The potential exists that providers are not using County funds for their intended purposes.

Recommendation: The County should implement a policy and process for monitoring provider funding levels and notify providers that an audited financial statement is required.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with the finding and will implement the above recommendation. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2019**

PART V: OTHER ISSUES

1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection	No
Department of Justice	No
Department of Military Affairs	No
Department of Veterans Affairs	No
Department of Natural Resources	No
Department of Transportation	No
Department of Administration	No
Department of Corrections	No
Department of Health Services	Yes
Department of Children and Families	Yes

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal



April Anderson, CPA

5. Date of Report

September 14, 2020