

Douglas County, Wisconsin

Superior, Wisconsin

Federal and State Single Audit Reports

Year Ended December 31, 2015

Douglas County, Wisconsin

Federal and State Single Audit Reports

Year Ended December 31, 2015

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

County Board
Douglas County
Superior, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Douglas County, Wisconsin (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the Douglas County Revolving Loan Fund, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Douglas County Revolving Loan Fund, Inc.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated June 28, 2016.

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.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

June 28, 2016
Eau Claire, Wisconsin



Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance

County Board
Douglas County
Superior, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Douglas County, Wisconsin's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2015. Douglas County, Wisconsin's major federal and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Douglas County, Wisconsin'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; 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and the Uniform Guidance 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 Douglas County, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. The financial statements of the Douglas County Revolving Loan Fund, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

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 Douglas County, Wisconsin's compliance.

Opinion

In our opinion, Douglas County, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of Douglas County, Wisconsin 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 Douglas County, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 or federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin 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 Douglas County, Wisconsin'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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 results of that testing based on the requirements of the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Douglas County, Wisconsin as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Douglas County, Wisconsin's basic financial statements. We issued our report thereon dated June 28, 2016, 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 and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines* and is 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. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Wipfli LLP

Wipfli LLP

June 28, 2016, except for our report on the Schedule of Expenditures
of Federal and State Awards, for which the date is September 26, 2016.
Eau Claire, Wisconsin

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards

Year Ended December 31, 2015

Federal Grantor/Pass-through Grantor/ Program or Cluster	CFDA #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Federal Programs				
US Department of Agriculture				
Passed through WI Department of Health Services				
SNAP Cluster				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CARS Profile #284/293/298	\$ -	\$ 261,480
US Department of Agriculture				
Direct Program:				
Emergency Watershed Program	10.923		-	1,457,488
US Department of Agriculture			<u>-</u>	<u>1,718,968</u>
US Department of Commerce				
Passed through WI Department of Justice				
State and Local Implementation Grant Program	11.549	2013-SL-01X-10488	-	17,829
US Department of Commerce			<u>-</u>	<u>17,829</u>
US Department of Housing and Urban Development				
Passed through WI Department of Administration				
Community Development Block Grant	14.228	H 12-13-01	-	1,582,754
US Department of Housing and Urban Development			<u>-</u>	<u>1,582,754</u>
US Department of the Interior				
Direct Programs:				
Fish and Wildlife Management Assistance	15.608		-	4,039
Partners for Fish and Wildlife	15.631		-	(10,000)
US Department of the Interior			<u>-</u>	<u>(5,961)</u>
US Department of Justice				
Passed through WI Department of Justice				
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2014-OJ-01-11083	-	24,288
US Department of Justice			<u>-</u>	<u>24,288</u>
US Department of Transportation				
Passed through WI Department of Transportation				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2015-40-0SPT	-	1,099
US Department of Transportation			<u>-</u>	<u>1,099</u>
US Environmental Protection Agency				
Passed through WI Department of Health Services				
State Indoor Radon Grant	66.032	#27434	-	2,500
US Environmental Protection Agency			<u>-</u>	<u>2,500</u>
US Department of Education				
Passed through WI Department of Health Services				
Special Education-Grants for Infants and Families	84.181	CARS Profile #550	-	88,436
US Department of Education			<u>-</u>	<u>88,436</u>

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2015

Federal Grantor/Pass-through Grantor/ Program or Cluster	CFDA #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Federal Programs (Continued)				
US Department of Health and Human Services				
Passed through WI Department of Corrections				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	410 Youth Aids	\$ -	\$ 8,896
Passed through WI Department of Children and Families				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CFE00495A1	-	34,708
Total CFDA No. 93.645			-	43,604
Passed through WI Department of Health Services				
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	GWAAR #12315	-	16,398
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	GWAAR #12515	3,528	3,528
Aging Cluster				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	GWAAR #11615	44,350	44,350
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	GWAAR #13215	32,760	32,760
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	GWAAR #12015, 12115	149,738	149,738
Total CFDA No. 93.045			182,498	182,498
Total Aging Cluster			226,848	226,848
Passed through WI Department of Health Services				
National Family Caregiver Support	93.052	GWAAR #12215	18,076	18,076
Public Health Emergency Preparedness	93.069	#24154	-	39,832
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Coop	93.074	#27434	-	1,317
Immunization Cooperative Agreements	93.268	#27434	-	13,517
Empowering Older Americans and Adults with Disabilities	93.734	CARS Profile #560122	-	4,503
TANF Cluster				
Temporary Assistance for Needy Families	93.558	CARS Profile #561	-	159,919
Passed through WI Department of Children and Families				
Temporary Assistance for Needy Families	93.558	CFE00495A1	-	66,543
Temporary Assistance for Needy Families	93.558	CFE00495A1	-	246,699
Total CFDA No. 93.558 and TANF Cluster			-	473,161
Passed through WI Department of Health Services				
Social Services Block Grant	93.667	CARS Profile #560082,560085 560088, 560092, 560095	-	642
Social Services Block Grant	93.667	CARS Profile #561	-	294,565
Passed through WI Department of Children and Families				
Social Services Block Grant	93.667	CFE00495A1	-	95,277
Total CFDA No. 93.667			-	390,484
Passed through WI Department of Health Services				
Medicaid Cluster				
Medical Assistance Program ADRC, ADRC-NHR, MCH	93.778	CARS Profile #560081,560087 560091	-	198,922
Maternal and Child Health Services Block Grant	93.778	#27434	-	1,334
Income Maintenance Administration	93.778	CARS Profile #284/293/298	-	304,335
Medical Assistance Program	93.778	CARS Profile #967	-	7,964

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2015

Federal Grantor/Pass-through Grantor/ Program or Cluster	CFDA #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Federal Programs (Continued)				
US Department of Health and Human Services (Continued)				
Passed through WI Department of Children and Families				
Medical Assistance Program	93.778	CFE00495A1	\$ -	\$ 866
Total CFDA No. 93.778 and Medicaid Cluster			-	513,421
Passed through WI Department of Health Services				
Children's Health Insurance Program	93.767	CARS Profile #284/293/298	-	32,496
Block Grants for Community Mental Health Services	93.958	CARS Profile #569/515	-	88,542
Block Grant for Prevention and Treatment of Substance Abuse	93.959	CARS Profile #570	-	110,750
Preventive Health and Human Services Block Grant	93.991	#27434	-	7,215
Maternal and Child Health Services Block Grant	93.994	#27434	-	23,952
Passed through WI Department of Children and Family Services				
Promoting Safe and Stable Families	93.556	CFE00495A1	-	42,827
Family Support Payments to States	93.560	CFE00495A1	-	(3)
Child Support Enforcement	93.563	437	-	820,977
CCDF Cluster				
Child Care and Development Fund	93.596	CFE00495A1	-	125,813
Passed through WI Department of Corrections				
Foster Care Title IV-E	93.658	410 Youth Aids	-	13,345
Passed through WI Department of Children and Family Services				
Foster Care Title IV-E - BCA	93.658	CFE00495A1	-	215,507
Foster Care Title IV-E	93.658	CFE00495A1	-	5,800
Foster Care Title IV-E	93.658	CFE00495A1	-	1,367
Total CFDA No. 93.658			-	236,019
Chafee Foster Care Independence Program	93.674	CFE00495A1	-	503
Passed through WI Department of Administration				
Low Income Home Energy Assistance Program	93.568	AD1296173.16/ AD1599971.16	-	56,042
US Department of Health and Human Services			-	3,289,822
US Department of Homeland Security				
Passed through WI Department of Military Affairs				
Emergency Management Performance Grants	97.042	2014 EMPG/2015 EMPG	-	76,157
Passed through WI Department of Administration				
Homeland Security Grant Program	97.067	2013-HSW-05-10579/ 2014-HSW-05-10579	-	380,078
Homeland Security Grant Program	97.067	2014-HSW-05-10454	-	27,728
Total CFDA No. 97.067			-	407,806
US Department of Homeland Security			-	483,963
Total Federal Programs			\$ 248,452	\$ 7,203,698

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2015

State Grantor/Pass-through Grantor/ Program or Cluster	State I.D. Number	State Identifying Number	Passed Through to Subrecipients	State Expenditures
State Programs				
WI Department of Agriculture, Trade and Commerce				
County Staff & Support	115.150		\$ -	\$ 115,937
Land & Water Resources	115.400		-	14,249
WI Department of Agriculture, Trade and Commerce			-	130,186
WI Department of Natural Resources				
Aids in Lieu of Tax	370.503		-	3,123
Boat Patrol	370.550		-	6,472
Enforcement Aids - All Terrain Vehicles	370.551		-	59,479
Enforcement Aids - Snowmobile	370.552		-	14,824
Wildlife Damage Claims and Abatement	370.553		-	15,809
Resource Aids - County Conservation Aids	370.563		-	27,345
Knowles-Nelson Stewardship Program	370.TZ1		-	730,095
Resource Aids - Fish Wildlife and Forestry	370.564		-	13,150
Resource Aids - Forest Croplands and Manage Land Aids	370.566		-	58,212
Resource Aids - Urban Forestry/County Forests	370.572		-	25,161
Resource Aids - Urban Forestry/County Forests	370.572		-	43,759
Resource Aids - Snowmobile Trails	370.574		-	85,008
Resource Aids - All Terrain Vehicles	370.577		-	93,030
Environmental Aids - Lake Protection	370.663		-	35,737
Environmental Aids - County Recycling	370.670		-	55,896
WI Department of Natural Resources			-	1,267,100
WI Department of Transportation				
Forest Road Aid	395.000		-	30,518
Elderly and Handicapped County Aids	395.101		-	111,589
WI Department of Transportation			-	142,107
WI Department of Corrections				
Community Intervention Program	410.302		-	12,500
Community Youth Aids	410.313		-	867,408
WI Department of Corrections			-	879,908
WI Department of Health Services				
Income Maintenance Administration	435.283		-	179,632
Income Maintenance Administration	435.284		-	3,020
Income Maintenance Administration	435.292		-	16,598
Income Maintenance Administration	435.293		-	103
Income Maintenance Administration	435.297		-	35,905
Income Maintenance Administration	435.298		-	223
Adult Protection Services	435.312		-	59,197
Alzheimer's Family Support	435.381		-	17,661
State Elderly Benefits	435.560320		-	28,215
Nursing Home Relocation	435.560062		-	4
State Senior Community	435.560330		-	7,722
Aging and Disability Resource	435.560100		-	220,765
Community Options	435.367000		-	115,759
Basic County Allocation	435.561		-	1,724,252

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2015

State Grantor/Pass-through Grantor/ Program or Cluster	State I.D. Number	State Identifying Number	Passed Through to Subrecipients	State Expenditures
State Programs (Continued)				
WI Department of Health Services (Continued)				
Family Support Program	435.577		\$ -	\$ 24,188
Well Women Program	435.157010		-	4,657
Childhood Lead Program	435.157720		-	7,293
Maternal Child Health	435.159320		-	1,334
Certified Mental Health Program	435.517		-	21,618
IMD Continuation	435.559		-	87,132
IMD OBRA Relocation	435.571		-	26,473
Paid to Providers via Third-Party Administrator			-	
Children's Long-Term Support	DHS-SS		-	160,468
WI Department of Health Services			-	2,742,219
WI Department of Children and Families				
AFDC Agency Incentives	437.238		-	3,130
Basic County Allocation	437.3561		-	344,131
WI Department of Children and Families			-	347,261
WI Department of Justice				
DNA Sample Reimbursement	455.221		-	750
Law Enforcement	455.231		-	5,120
Crime and Victim Witness	455.532		-	63,938
WI Department of Justice			-	69,808
WI Department of Military Affairs				
Emergency Response Sara Hazmat	465.308		-	8,120
Emergency Planning Program	465.337		-	10,243
WI Department of Military Affairs			-	18,363
WI Department of Administration				
LIHEAP Public Benefits	505.371		-	42,511
Land Records Modernization	505.438		-	46,456
NACU Drug Program	505.630		-	16,806
WI Department of Administration			-	105,773
Total State Programs			\$ -	\$ 5,702,725
Total Federal and State			\$ 248,452	\$ 12,906,423

Douglas County, Wisconsin

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1 **Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Douglas County under programs of the federal and state government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Wisconsin *Single Audit Guidelines*. Because the Schedule presents only a selected portion of the operations of Douglas County, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Douglas County.

Note 2 **Significant Accounting Policies**

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

Note 3 **State Direct Payments (Unaudited)**

Benefits distributed by the State directly to residents of Douglas County were:

Food Share Benefits	\$7,986,064
Child Care Benefits	895,434

Note 4 **Wisconsin Medical Assistance Payments**

Wisconsin medical assistance payments to County operated health care providers were:

Public Health Department	\$4,386
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Douglas County, Wisconsin

Notes to the Schedule of Expenditures of Federal and State Awards

Note 5 Soil and Water Resource Management Activities

Detail of the sources and uses of the Soil and Water Resource Management (SWRM) Activities program for County Staff and Support and Land and Water Resource Management (LWRM) Plan Implementation for 2015 are as follows:

SWRM – County Staff and Support 115.150

Sources:

Receipts from state	\$ 115,873
Less - Beginning receivable	(115,873)
Plus ending receivable	<u>115,937</u>
Total state sources	115,937
Local share	<u>42,308</u>
Total sources	<u><u>\$ 158,245</u></u>

Uses:

Reimbursed staff and support	<u><u>\$ 158,245</u></u>
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LWRM – County Staff and Support 115.400

Sources:

Receipts from state	\$ -
Less - Beginning receivable	(5,000)
Plus ending receivable	<u>19,249</u>
Total sources	<u><u>\$ 14,249</u></u>

Uses:

Total cost share payments	<u><u>\$ 14,249</u></u>
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Note 6 Audit of State Adjustment Cut-Off Date

The schedule of expenditures of federal and state awards includes adjustments through March 1, 2016, by the Bureau of Aids Administration as reported in the CARS report with adjustments as reported on the March 1, 2016, final "600" Report.

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended December 31, 2015

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Noncompliance material to the financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal program:

CFDA Number	Name of Federal Program or Cluster
10.923	Emergency Watershed Program
Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	<u> X </u> yes <u> </u> no

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2015

I. Summary of Auditor's Results (Continued)

State Awards

Internal control over major state programs:

Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with <i>State of Wisconsin Single Audit Guidelines</i> ?	_____ yes	_____ <input checked="" type="checkbox"/> no
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Identification of major state programs:

State I.D. Number	Name of State Program
370.TZ1	Knowles-Nelson Stewardship Program
395.101	Elderly and Handicapped County Aids
410.313	Community Youth Aids
435.367	Community Options

Federal programs tested under *Wisconsin Single Audit Guidelines*:

10.561, 93.778, and 93.767	Income Maintenance Consortia
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II. Financial Statement Findings

None.

III. Federal and State Findings and Questioned Costs

None.

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2015

IV. Other Issues

Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? _____ yes X no

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Corrections	no
Department of Health Services	no
Department of Administration	no
Department of Agriculture, Trade, and Commerce	no
Department of Military Affairs	no
Department of Transportation	no
Department of Justice	no
Department of Natural Resources	no
Department of Children and Families	no

Was a management letter or other document conveying audit comments issued as a result of this audit? X yes _____ no

Name and Signature of Partner Rob Ganschow
Rob Ganschow

Date of report September 26, 2016

Douglas County, Wisconsin

Schedule of Prior Year's Findings and Questioned Costs

Year Ended December 31, 2015

Financial Statement Findings:

None.

Federal Award Findings and Questioned Costs:

2014-001 Internal Controls Over Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program Affected – Community Development Block Grants (CDBG): Department of Housing and Urban Development passed through the Wisconsin Department of Administration (CFDA No. 14.228).

Criteria – The County contracts with Northwest Regional Planning Commission for the administration of its CDBG program. It was noted in the administration plan that the Wisconsin Department of Administration requires the County to provide designated staff to manage the program and to ensure compliance with state and federal regulations. The Wisconsin Department of Administration will hold the County and not the Northwest Regional Planning Commission accountable for noncompliance.

Condition – We were unable to determine that adequate internal controls over compliance were in place at the County.

Current Year Condition – Corrective action was taken.

State Award Findings and Questioned Costs:

None.