

**WASHINGTON COUNTY**

West Bend, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2018

# WASHINGTON COUNTY

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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*

INDEPENDENT AUDITORS' REPORT

To the Members of the County Board  
Washington County  
West Bend, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Wisconsin as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements, and have issued our report thereon dated June 17, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Washington 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 Washington County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington 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 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 Washington 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*.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
June 17, 2019

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE  
*STATE SINGLE AUDIT GUIDELINES*

INDEPENDENT AUDITORS' REPORT

To the Members of the County Board  
Washington County  
West Bend, Wisconsin

**Report on Compliance for Each Major Federal and Major State Program**

We have audited Washington County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Washington County's major federal and major state programs for the year ended December 31, 2018. Washington County's major federal and major state programs are identified in the summary of auditors' 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 Washington County's major federal and major 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*. Those standards, the Uniform Guidance and the *State Single Audit 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 a major state program occurred. An audit includes examining, on a test basis, evidence about Washington 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 major state program. However, our audit does not provide a legal determination of Washington County's compliance.

## **Opinion on Each Major Federal and Major State Program**

In our opinion, Washington County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2018.

## **Report on Internal Control Over Compliance**

Management of Washington 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 Washington County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *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 Washington County's internal control over compliance.

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

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 items 2018-001 and 2018-002, that we consider to be significant deficiencies.

## **Washington County's Response to Findings**

Washington County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Washington 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.

## **Purpose of this Report**

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 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 the *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 Washington County, Wisconsin as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements. We issued our report thereon dated June 17, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State 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 of America. 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.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
July 30, 2019

**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS</b>					
<b>U. S. Department of Agriculture</b>					
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FDL Co	61, 284	\$ 411,191	\$ -
Total SNAP Cluster				<u>411,191</u>	<u>-</u>
Conservation Technician for Milwaukee River Watershed	10.902	MMSD	2004.17.058526	<u>15,124</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>426,315</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block Grant/State's Program ana Non-Entitlement Grants in Hawaii	14.228	DOA	N/A	<u>128,341</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development				<u>128,341</u>	<u>-</u>
<b>U.S. Fish and Wildlife Service</b>					
Aquatic Invasive Species Education and Prevention Program	15.608	DNR	AEPP-519-17	<u>32,369</u>	<u>-</u>
Total U.S. Fish and Wildlife Service				<u>32,369</u>	<u>-</u>
<b>U.S. Department of Justice</b>					
State Criminal Alien Assistance Program	16.606	DOJ	2019-AP-BX-0374	15,958	-
COPS Anti-Heroin	16.710	DOJ	N/A	19,904	-
COPS Anti-Methamphetamine	16.710	DOJ	N/A	<u>2,332</u>	<u>-</u>
Subtotal				<u>22,236</u>	<u>-</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOA	2015-DJ-01-12786	<u>32,198</u>	<u>-</u>
Total U.S Department of Justice				<u>70,392</u>	<u>-</u>
<b>U.S. Department of Transportation</b>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205	DOT	2709-06-00	<u>52,976</u>	<u>-</u>
Total Highway Planning and Construction Cluster				<u>52,976</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal and state awards.



**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS (cont.)</b>					
<b>U.S. Department of Transportation (cont.)</b>					
Federal Transit Cluster					
Federal Transit Formula Operating Assistance Grants	20.507	DOT	WI-2018-013-00	\$ 976,910	\$ -
Federal Transit Formula Capital Assistance Grants	20.507	DOT	WI-2018-014-00	32,493	-
Congestion Mitigation and Air Quality (CMAQ) Improvement Program	20.507	DOT	WI-95-X036-00	8,797	-
Congestion Mitigation and Air Quality (CMAQ) - Local Marketing	20.507	DOT	WI-2017-031-00	8,656	-
Subtotal				<u>1,026,856</u>	<u>-</u>
Bus and Bus Facilities Formula Program	20.526	DOT	WI-2018-014-00	102,573	-
Total Federal Transit Cluster				<u>1,129,429</u>	<u>-</u>
Interagency Hazardout Materials Public Sector Training and Planning Grants	20.703	DMA	2017-HMEP-02-10995	6,400	-
Total U.S. Department of Transportation				<u>1,188,805</u>	<u>-</u>
<b>U.S. Environmental Protection Agency</b>					
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	Direct	00E01347	89,920	-
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	Direct	00E02304	129,865	-
Subtotal				<u>219,785</u>	<u>-</u>
Total U.S. Environmental Protection Agency				<u>219,785</u>	<u>-</u>
<b>U.S. Department of Education</b>					
Special Education-Grants for Infants and Families	84.181	DHS	550	91,751	-
Total U.S. Department of Education				<u>91,751</u>	<u>-</u>
<b>U. S. Department of Health and Human Services</b>					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	GWAAR	560510	6,124	-
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	GWAAR	560340	104,338	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	560350, 560360	239,275	-
Nutrition Services Incentive Program	93.053	GWAAR	506422	48,889	-
Total Aging Cluster				<u>392,502</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal and state awards.

**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS (cont.)</b>					
<b>U. S. Department of Health and Human Services (cont.)</b>					
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	560520	\$ 46,210	\$ -
State Health Insurance Assistance Program	93.324	GWAAR	560432	5,542	-
Promoting Safe and Stable Families	93.556	DCF	3306	57,103	-
Low-Income Home Energy Assistance	93.568	DOA	AD1599973.66	43,693	-
Low-Income Home Energy Assistance	93.568	DOA	WHEAP19.66	19,590	-
Subtotal				<u>63,283</u>	<u>-</u>
TANF Cluster					
Temporary Assistance for Needy Families	93.558	DCF	561, 3612A	271,268	-
Total TANF Cluster				<u>271,268</u>	<u>-</u>
Child Support Enforcement	93.563	DCF	7477, 7482, 7506, 7615, 7903	957,717	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	831,840, 852	211,932	-
Total CCDF Cluster				<u>211,932</u>	<u>-</u>
Grants to States for Access and Visitation Programs	93.597	DCF	7332	32,350	-
Adoption and Legal Guardianship Incentive Payments	93.603	DCF	3394A	6,392	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	3413, 3561, 3681	59,229	-
Foster Care - Title IV-E	93.658	DCF	3354A, 3413, 3561, 3681	558,584	-
Adoption Assistance	93.659	DCF	3574	5,041	-
Social Services Block Grant	93.667	DHS	561	295,868	-
Children's Health Insurance Program	93.767	FDL Co	284	51,945	-
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	872, 875, 560058, 560061, 560071, 560081, 560087, 560091, 560097	1,333,829	-
Medical Assistance Program	93.778	DHS	N/A	484,514	-
Medical Assistance Program-WIMCR	93.778	DHS	N/A	128,782	-
Medical Assistance Program	93.778	GWAAR	560029	8,078	-
Medical Assistance Program	93.778	FDL Co	62, 284	521,668	-
Total Medicaid Cluster				<u>2,476,871</u>	<u>-</u>
Block Grants for Community Mental Health Services	93.958	DHS	515, 569	66,325	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	515, 570	133,393	-
Total U.S. Department of Health and Human Services				<u>5,697,679</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal and state awards.

**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Pass- Through Agency ID	Expenditures	Payments to Subrecipients
<b>FEDERAL PROGRAMS (cont.)</b>					
<b>U. S. Department of Homeland Security</b>					
Emergency Management Performance Grants	97.042	DMA	EMG-WI-2018-C8366	\$ 56,505	\$ -
Emergency Management Performance Grants	97.042	DMA	EMG-WI-2019-C8366	<u>18,250</u>	<u>-</u>
Subtotal				<u>74,755</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>74,755</u>	<u>-</u>
<b>TOTAL FEDERAL PROGRAMS</b>				<u>\$ 7,930,192</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal and state awards.

**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass-Through Agency/State ID No.	Expenditures	Payments to Subrecipients
<b>STATE PROGRAMS</b>					
<b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b>					
Clean Sweep	115.04	Direct	N/A	\$ 13,995	\$ -
County Staff and Support	115.15	Direct	9214-18-67-00	123,757	-
Land and Water Resource Management	115.40	Direct	9214-18-67-00	<u>23,303</u>	-
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection				<u>161,055</u>	-
<b>Wisconsin Department of Safety and Professional Services</b>					
Wisconsin Fund Private Sewage System Replacement or Rehabilitation Project	143.110	Direct	2019201, 2019202, 2019203, 2019204	<u>20,052</u>	-
Total Wisconsin Department of Safety and Professional Services				<u>20,052</u>	-
<b>Wisconsin Department of Natural Resources</b>					
County Snowmobile Enforcement	370.552	Direct	N/A	5,838	-
Wildlife Damage Claims and Abatement	370.553	Direct	N/A	29,155	-
Recreational Aids - Snowmobile Trail and Area	370.485	Direct	S-5071	55,560	-
Recreational Aids - ATV Maintenance	370.576	Direct	ATV-3675	660	-
Nonpoint Source Pollution Grant	370.658	Direct	USP67000Y16	<u>6,674</u>	-
Total Wisconsin Department of Natural Resources				<u>97,887</u>	-
<b>Wisconsin Department of Transportation</b>					
Elderly and Handicapped County Aids	395.101	Direct	N/A	300,607	-
Transit Operating Aids	395.104	Direct	N/A	<u>1,004,987</u>	-
Total Wisconsin Department of Transportation				<u>1,305,594</u>	-
<b>Wisconsin Department of Health Services</b>					
IMAA State Share	435.283	FDL Co	283	302,321	-
Adult Protective Services	435.312	Direct	312	69,758	-
Children's COP	435.377	Direct	377	37,922	-
Coordinated Services County	435.515	Direct	515	49,679	-
Community Mental Health	435.516	Direct	516	229,643	-
Birth to Three Initiative	435.550	Direct	550	90,044	-
Basic County Allocation	435.561	Direct	561	1,705,070	-
FPI NON-FED	435.600	FDL Co	60	15,674	-
CLTS Other GPR	435.871	Direct	871	342,792	-
CLTS Autism GPR	435.874	Direct	874	213,579	-
I&A EBS Ben Spec GPR	435.560024	GWAAR	560024	18,338	-

See accompanying notes to schedule of expenditures of federal and state awards.

**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass-Through Agency/State ID No.	Expenditures	Payments to Subrecipients
<b>STATE PROGRAMS (cont.)</b>					
<b>Wisconsin Department of Health Services (cont.)</b>					
Base County Allocation - State Match	435.681	Direct	681	\$ 237,468	\$ -
ADRC MFP-NH Relocation	435.560065	Direct	560065	40,000	-
Aging & Dis Resource Ctr	435.560100	Direct	560100	655,725	-
Adult Protective Services	435.560312	GWAAR	560312	69,758	-
Benefit Specialist County	435.560320	GWAAR	560320	28,215	-
EBS OCI Replacement	435.560327	GWAAR	560327	8,078	-
Senior Community Svs Prog	435.560330	GWAAR	560330	7,290	-
Title 3C-1 Cong Meal Prog	435.560350	GWAAR	560350	23,032	-
Title 3C-2 Home Meals	435.560360	GWAAR	560360	1,207	-
ALZH Family Support Aging	435.560381	GWAAR	560381	39,033	-
Elder Abuse Service	435.560490	GWAAR	560490	23,633	-
Total Wisconsin Department of Health Services				<u>4,208,259</u>	<u>-</u>
<b>Wisconsin Department of Children and Families</b>					
Food Stamp Agency Incentives	437.0965	Direct	965	3,375	-
AFDC Agency Incentives	437.0975	Direct	975	172	-
Medicaid Agency Incentives	437.098	Direct	980	7,287	-
BFI - SABG	437.1401	Direct	1401	91,133	-
CW Kinship Care Program - Benefits	437.3377	Direct	3377	121,179	-
CW Kinship Care Program - Assessment	437.338	Direct	3380	6,062	-
Grants for Foster Parents - Foster Parent Retention	437.339	Direct	3390A	9,359	-
JJ Youth Justice Innovation Grants	437.3407	Direct	3407	13,515	-
JJ Community Intervention Program	437.341	Direct	3410	103,520	-
JJ AODA	437.3411	Direct	3411	22,122	-
JJ Early Intervention	437.3412	Direct	3412	28,900	-
JJ Youth Aids	437.3413	Direct	3413	1,216,508	-
Brighter Future Initiative	437.354	Direct	3540	39,807	-
Basic County Allocation	437.3561	Direct	3561	514,129	-
CW Children & Families Allocations	437.3681	Direct	3681	41,002	-
CW WSACWIS Annual Op Maint Fee	437.3935	Direct	3935	(16,248)	-
PDS Partnership Fees	437.394	Direct	3940	(5,996)	-
CS State GPR Funding/PR Funding Allocation	437.7502	Direct	7502	104,547	-
CS Medical Support GPR Earned Federal Match	437.7606	Direct	7606	4,704	-
Total Wisconsin Department of Children and Families				<u>2,305,077</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal and state awards.

**WASHINGTON COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2018

Grantor Agency / Program Title	State ID Number	Pass- Through Agency	Pass-Through Agency/State ID No.	Expenditures	Payments to Subrecipients
<b>STATE PROGRAMS (cont.)</b>					
<b>Wisconsin Department of Justice</b>					
DNA Sampling	455.221	Direct	N/A	\$ 6,560	\$ -
Treatment Alternatives and Diversion (TAD)	455.279	Direct	2018-TD-01-12730	96,720	-
Victim and Witness Assistance Program- A Program Cluster	455.532	Direct	455-53200	79,045	-
Total Wisconsin Department of Justice				<u>182,325</u>	<u>-</u>
<b>Wisconsin Department of Military Affairs</b>					
Emergency Government Response Equipment	465.308	Direct	2018-EPCRA-01-11094	8,077	-
Emergency Planning Grant	465.337	Direct	N/A	28,225	-
Total Wisconsin Department of Military Affairs				<u>36,302</u>	<u>-</u>
<b>Wisconsin Department of Administration</b>					
Land Information Program - Strategic Initiative Grant	505.166	Direct	N/A	1,000	-
Land Information Program - Land Information Grants	505.166	Direct	AD189117	25,000	-
				<u>26,000</u>	<u>-</u>
Public Benefits	505.371	Direct	AD1599973.66	21,929	-
Public Benefits	505.371	Direct	WHEAP19.66	20,235	-
				<u>42,164</u>	<u>-</u>
Total Wisconsin Department of Administration				<u>68,164</u>	<u>-</u>
<b>TOTAL STATE PROGRAMS</b>				<u>\$ 8,384,715</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal and state awards.

## WASHINGTON COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2018

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#### **NOTE 1 – BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state award activity of Washington County under programs of the federal and state government for the year ended December 31, 2018. 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* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Washington County, it is not intended to and does not present the financial position, changes in net position or cash flows of Washington County.

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Expenditures reported on the schedule are reported on the accrual or modified 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. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

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#### **NOTE 3 – CARS/SPARC REPORT DATES**

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The schedule of expenditures of federal and state awards includes adjustments through the June 1, 2019 Community Aids Reporting System (CARS) reports and the December 31, 2018 SPARC report.

## WASHINGTON COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2018

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#### **NOTE 4 – INDIRECT COST RATE**

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Washington County has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

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#### **NOTE 5 – PASS-THROUGH AGENCIES**

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Washington County received federal or state awards from the following pass-through agencies:

DHS	Wisconsin Department of Health Services
DCF	Wisconsin Department of Children and Families
DOA	Wisconsin Department of Administration
DOT	Wisconsin Department of Transportation
FDL Co	Fond du Lac County, Wisconsin
GWAAR	Greater Wisconsin Agency on Aging Resources, Inc.
DMA	Wisconsin Department of Military Affairs
DNR	Wisconsin Department of Natural Resources
DOJ	Wisconsin Department of Justice
MMSD	Milwaukee Metropolitan Sewerage District



# WASHINGTON COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

### SECTION I – SUMMARY OF AUDITORS’ RESULTS

#### *FINANCIAL STATEMENTS*

Type of report the auditor issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?             yes        X   no

#### *FEDERAL OR STATE AWARDS*

Internal control over major programs:

	Federal Programs	State Programs
> Material weakness(es) identified?	<u>      </u> yes <u>  X  </u> no	<u>      </u> yes <u>  X  </u> no
> Significant deficiencies identified that are not considered to be material weakness(es)?	<u>  X  </u> yes <u>      </u> none reported	<u>  X  </u> yes <u>      </u> none reported

Type of auditor’s report issued on compliance for major programs:

	<i>Unmodified</i>	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the <i>State Single Audit Guidelines</i> ?	<u>  X  </u> yes <u>      </u> no	<u>  X  </u> yes <u>      </u> no
Auditee qualified as low-risk auditee?	<u>      </u> yes <u>  X  </u> no	<u>      </u> yes <u>  X  </u> no

	Federal	State
Dollar threshold used to distinguish between type A and type B programs:	<u>  \$  750,000  </u>	<u>  \$  250,000  </u>

**WASHINGTON COUNTY**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2018

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS (cont.)**

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***FEDERAL OR STATE AWARDS (cont.)***

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
93.778	Medical Assistance Program

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
395.104	Transit Operating Aids
435.560100	Aging & Disability Resource Center
435.561	Basic County Allocation
437.7502	CS State GPR Funding/PR Funding Allocation

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**SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

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None reported.

# WASHINGTON COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

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### SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

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#### *FINDING 2018-001*

**Federal CFDA Number and Title:** 93.778 Medical Assistance Program  
**Pass-Through Agency ID:** Wisconsin Department of Health Services  
**Pass-Through Agency 10 Numbers:** 872, 875, 560058, 560061, 560071, 560081, 560087, 560091, 560097  
**Federal Grantor:** U.S. Department of Health and Human Services  
**State ID Numbers and Titles:** 435.561 Basic County Allocation, 435.560100 Aging and Disability Resource Center  
**State Award Numbers:** 561, 560100  
**State Grantor:** Wisconsin Department of Health Services

**Criteria:** The Uniform Guidance and *State Single Audit Guidelines* require that local entities receiving federal and state awards establish and maintain internal control designed to reasonably ensure compliance with laws, regulations, and program compliance requirements. The Uniform Guidance and *State Single Audit Guidelines* further require auditors to obtain an understanding of the local entity's internal control over federal and state programs. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the preparation and submission of monthly reports, which should be reviewed and approved by a responsible party other than the original preparer.

**Condition/Context:** During our testing of monthly CARS reports, we noted they were not consistently reviewed and approved by an independent person other than the preparer before submission for reimbursement. Following is a summary of the exceptions noted for the programs: For Medical Assistance Program, we tested three reports and found one report not reviewed. For Basic County Allocation, we tested three reports and found one report not reviewed. For Aging and Disability Resource Center, we tested four reports and found four reports not reviewed. Our samples were not statistically valid.

**Cause:** The county did not have procedures in place ensuring an independent person reviewed the reports before submission during a time of turnover and change in responsibilities in the Finance Department.

**Questioned Costs:** None noted.

**Effect:** Reports could be submitted with errors that go undetected.

**Recommendation:** We recommend the county formalize the monthly reporting process and assign the functions of preparation and review of those reports to separate people to ensure review and approval controls are in place for the CARS reports submitted to the state.

**Management's Response:** Finance department staff will review the monthly CARS reports to the financial ledgers to ensure accurate reimbursement request submissions. Finance department staff will begin reviewing monthly submissions starting with the July 2019 reports.

## WASHINGTON COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

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#### SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

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##### *FINDING 2018-002*

**State ID Number and Title:** 395.104 Transit Operating Aids

**State Award Number:** N/A

**State Grantor:** Wisconsin Department of Transportation

**Criteria:** The Uniform Guidance and *State Single Audit Guidelines* require that local entities receiving federal and state awards establish and maintain internal control designed to reasonably ensure compliance with laws, regulations, and program compliance requirements. The Uniform Guidance and *State Single Audit Guidelines* further require auditors to obtain an understanding of the local entity's internal control over federal and state programs. To minimize the risk of errors, internal controls should be in place for all program compliance requirements, including the preparation and submission of monthly reports, which should be reviewed and approved by a responsible party other than the original preparer.

**Condition/Context:** During our testing it was noted that the 85.20 reports relating to 2018 expenditures were not reviewed by an independent person other than the preparer before submission for reimbursement. Our sample was not statistically valid.

**Cause:** The county did not have procedures in place ensuring an independent person reviewed the reports before submission.

**Questioned Costs:** None noted.

**Effect:** Reports could be submitted with errors that go undetected.

**Recommendation:** We recommend the county formalize the reporting process and assign the functions of preparation and review of those reports to separate people to ensure review and approval controls are in place for reports submitted to the state.

**Management's Response:** Finance department staff will review the 85.20 reports relating to expenditures to ensure accurate reimbursement request submissions. Finance department staff will begin reviewing 85.20 report submissions starting with the 2019 report.

