

Douglas County, Wisconsin

Superior, Wisconsin

Federal and State Single Audit Reports

Year Ended December 31, 2021

Douglas County, Wisconsin

Federal and State Single Audit Reports

Year Ended December 31, 2021

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Independent Auditor's 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*

County Board
Douglas County
Superior, Wisconsin

We have audited, in accordance with 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, 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, 2021, 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 29, 2022. 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.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Report on 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 financial statements. 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 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 black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

June 29, 2022
Eau Claire, Wisconsin

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines

County Board
Douglas County
Superior, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Douglas County, Wisconsin's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Douglas County, Wisconsin and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Douglas County, Wisconsin's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Douglas County, Wisconsin's federal and state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Douglas County, Wisconsin's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the *State Single Audit Guidelines*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Douglas County, Wisconsin's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the *State Single Audit Guidelines*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Douglas County, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Douglas County, Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Douglas County, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Single Audit Guidelines* which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance (Continued)

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 *State Single Audit Guidelines*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining funds information of Douglas County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Douglas County's basic financial statements. We issued our report thereon dated June 29, 2022, which contained unmodified opinions on those financial statements. Our audit was performed 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 the purposes of additional analysis as required by the Uniform Guidance and *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 or 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

September 29, 2022
Eau Claire, Wisconsin

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	AL or State ID #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State 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	435	\$ -	\$ 263,501
US Department of Agriculture			-	263,501
US Department of Housing and Urban Development				
Passed through WI Department of Administration				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG H-14-15-01, HSB 18-01	-	551,084
US Department of Housing and Urban Development			-	551,084
US Department of the Interior				
Direct Programs				
Great Lakes Restoration	15.662		-	8,240
US Department of the Interior			-	8,240
US Department of Justice				
Passed through WI Department of Justice				
Bulletproof Vest Partnership Program	16.607	455	-	3,209
Edward Byrne Memorial Justice Assistance Grant Program	16.738	455	-	6,825
US Department of Justice			-	10,034
US Department of the Treasury				
Direct Programs				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027		-	25,426
US Department of the Treasury			-	25,426
US Department of Education				
Passed through WI Department of Health Services				
Special Education-Grants for Infants and Families	84.181	435	-	44,969
US Department of Education			-	44,969
US Election Assistance Commission				
Passed through WI Elections Commission				
COVID-19- County CARES for Elections Subgrant Reimbursement Program	90.404	510	-	8,162
US Election Assistance Commission			-	8,162
US Department of Health and Human Services				
Passed through WI Department of Children and Families				
Child Support Enforcement	93.563	437	-	684,401
US Department of Health and Human Services				
Passed through WI Department of Children and Families				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	437	-	10,738
Stephanie Tubbs Jones Child Welfare Services Program	93.645	437	-	22,936
Total AL No. 93.645			-	33,674
Passed through WI Department of Health Services				
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	435	4,373	4,373
Aging Cluster:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	435	52,624	52,624
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	435	151,705	151,705
Nutrition Services Incentive Program	93.053	435	17,770	17,770
Total Aging Cluster			222,099	222,099

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	AL or State ID #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
Federal Programs (Continued)				
US Department of Health and Human Services (continued)				
Passed through WI Department of Health Services				
National Family Caregiver Support, Title III, Part E	93.052	435	\$ 30,219	\$ 30,219
Public Health Emergency Preparedness	93.069	435	-	28,963
Immunization Cooperative Agreements	93.268	435	-	18,935
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	435	-	17,800
Public Health Crisis Response Awards	93.354	435	-	398,774
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	435	-	140,604
Passed through WI Department of Children and Families				
Temporary Assistance for Needy Families-DSP Targeted Safety Support Funds	93.558	437	-	15,843
Total AL No. 93.558			-	156,447
Passed through WI Department of Health Services				
Social Services Block Grant	93.667	435	-	263,951
Medicaid Cluster:				
Medical Assistance Program	93.778	435	-	344,674
Medical Assistance Program	93.778	435	-	354,091
Total AL No. 93.778			-	698,765
Opioid STR	93.788	435	-	33,612
Preventative Health and Health Services Block Grant	93.991	435	-	11,938
Children's Health Insurance Program	93.767	435	-	34,464
Block Grants for Community Mental Health Services	93.958	435	-	25,572
Block Grants for Community Mental Health Services	93.958	435	-	8,862
Total AL No. 93.958			-	34,434
Block Grant for Prevention and Treatment of Substance Abuse	93.959	435	-	1,296
Block Grant for Prevention and Treatment of Substance Abuse	93.959	435	-	71,701
Total AL No. 93.959			-	72,997
Maternal and Child Health Services Block Grant to the States	93.994	435	-	7,966
Passed through WI Department of Children and Families				
Promoting Safe and Stable Families	93.556	437	-	58,219
Adoption Incentive	93.603	437	-	3,505
CCDF Cluster:				
Child Care and Development Block Grant	93.575	437	-	54,001
Foster Care Title IV-E	93.658	437	-	19,254
Foster Care Title IV-E	93.658	437	-	517,326
Foster Care Title IV-E	93.658	437	-	357
Total AL No. 93.658			-	536,937
Adoption Assistance	93.659	437	-	4,345
US Department of Health and Human Services			256,691	3,410,819
US Department of Homeland Security				
Passed through WI Department of Military Affairs				
Emergency Management Performance Grants	97.042	465	-	93,276
US Department of Homeland Security			-	93,276
Total Federal Programs			\$ 256,691	\$ 4,415,511

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	AL or State ID #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
State Programs				
WI Department of Agriculture, Trade and Commerce				
County Staff & Support	115.150		\$ -	\$ 115,000
Land & Water Resources	115.400		-	22,698
WI Department of Agriculture, Trade and Commerce			-	137,698
WI Department of Natural Resources				
Clean Boats, Clean Waters (CBCW) Surface Water Grant	370.419		-	29,064
Aids in Lieu of Tax	370.503		-	4,555
Boat Patrol	370.550		-	25,216
Enforcement Aids - All Terrain Vehicles	370.551		-	62,567
Enforcement Aids - Snowmobile	370.552		-	23,808
Wildlife Damage Claims and Abatement	370.553		-	20,917
Resource Aids - Fish Wildlife and Forestry	370.564		-	23,083
Resource Aids - Forest Croplands and Manage Land Aids	370.566		-	108,780
Resource Aids - Urban Forestry/County Forests	370.572		-	19,860
Resource Aids - Snowmobile Trails	370.574		-	129,100
Resource Aids - All Terrain Vehicles	370.577		-	177,270
Environmental Aids - County Recycling	370.670		-	56,013
Aquatic Invasive Species CBCW Grant	370.678		-	6,959
WI Department of Natural Resources			-	687,192
WI Department of Transportation				
Forest Road Aid	395.000		-	33,518
Elderly and Handicapped County Aids	395.101		131,431	131,431
WI Department of Transportation			131,431	164,949
WI Department of Health Services				
Communicable Disease Control and Prevention	435.1558		-	4,500
Income Maintenance Administration	435.283		-	191,866
Income Maintenance Administration	435.284		-	4,398
Adult Protection Services	435.312		-	59,197
Alzheimer's Family Support	435.381		-	23,150
Coordinated Services - CST County	435.515		-	49,842
State Elderly Benefits	435.560320		-	28,215
Nursing Home Relocation	435.560065		-	759
State Senior Community	435.560330		-	7,722
Aging and Disability Resource	435.560100		-	277,818
Special Programs for the Aging, Title VII, Chapter 3, Prevention of Elder Abuse, Neglect, and Exploitation	435.560490		-	20,248
Basic County Allocation	435.561		-	1,556,446
Children's COP	435.377		-	139,646
Childhood Lead Program	435.157720		-	7,120
Certified Mental Health Program	435.516		-	138,272
Birth to Three Initiative	435.550		-	51,656
BCA State/County Match	435.681		-	215,420
Special Programs for the Aging, Title III, Part C-1 Grants for Supportive Services and Senior Centers	435.560350		-	16,935
Special Programs for the Aging, Title III, Part C-2 Grants for Supportive Services and Senior Centers	435.560360		-	5,377
Children's Long-Term Support (Note 7)	DHS-SS		-	2,171,780
WI Department of Health Services			-	4,970,367

Douglas County, Wisconsin

Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	AL or State ID #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
State Programs (Continued)				
WI Department of Children and Families				
Food Stamp Agency Incentives	437.0965		\$ -	\$ 7,994
Medicaid Agency Incentives	437.0980		-	7,378
CW Kinship Care Program - Benefits	437.3377		-	212,899
CW Kinship Care Program - Assessment	437.3380		-	21,900
Youth Justice Innovation Grants	437.3407		-	79,762
JJ Community Intervention Program	437.3410		-	60,143
JJ AODA	437.3411		-	821
JJ Youth Aids	437.3413		-	1,204,267
Basic County Allocation	437.3561		-	618,104
CS State GPR/PR Funding Allocation	437.7502		-	78,580
CS Medical Support GPR Earned	437.7606		-	1,546
WI Department of Children and Families			-	2,293,394
WI Department of Justice				
DNA Sample Reimbursement	455.221		-	1,910
Law Enforcement	455.231		-	14,729
Treatment Alternative & Diversion	455.287		-	108,031
Crime and Victim Witness	455.532		-	61,558
WI Department of Justice			-	186,228
WI Department of Military Affairs				
Emergency Response Sara Hazmat	465.308		-	7,470
Emergency Planning Program	465.337		-	10,000
WI Department of Military Affairs			-	17,470
WI Department of Administration				
Comprehensive Planning Grant	505.110		-	6,459
LIHEAP Public Benefits	505.371		-	42,721
Land Records Modernization	505.438		-	88,728
NACU Drug Program	505.630		-	7,621
WI Department of Administration			-	145,529
Total State Programs			\$ 131,431	\$ 8,602,827
Total Federal and State			\$ 388,122	\$ 13,018,338

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, 2021. 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 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. 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.

Note 2 **Significant Accounting Policies**

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	\$16,617,512
Child Care Benefits	748,546

Note 4 **Wisconsin Medical Assistance Payments**

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

Public Health Department	\$1,415
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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 2021 are as follows:

SWRM Plan Implementation 115.150

Sources:

Receipts from state	\$ 110,336
Less - Beginning receivable	(110,336)
Plus ending receivable	<u>115,000</u>
Total state sources	115,000
Local share	<u>45,078</u>
Total sources	<u>\$ 160,078</u>

Uses:

Reimbursed staff and support	<u>\$ 160,078</u>
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LWRM Plan Implementation 115.400

Sources:

Receipts from state	\$ 13,315
Less - Beginning receivable	-
Plus ending receivable	<u>9,383</u>
Total state sources	22,698
Local share	<u>1,448</u>
Total sources	<u>\$ 24,146</u>

Uses:

Total cost share payments	<u>\$ 24,146</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 25, 2022, by the Bureau of Aids Administration as reported in the CARS report with adjustments as reported on the March 25, 2022, final "600" Report.

Douglas County, Wisconsin

Notes to the Schedule of Expenditures of Federal and State Awards

Note 7 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 the service providers and receives reimbursement for these services directly from the Wisconsin Department of Health Services (DHS). DHS guidance dictates that these transactions are to be included in the schedules of expenditures of federal awards and state financial assistance. The activity between the TPA and service providers is recorded in the County's financial accounting system.

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

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 none reported

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:

AL Number	Name of Federal Program or Cluster
10.561	State Administration Matching Grants for Supplemental Nutrition Assistance
93.778	Medicaid Cluster: Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as a low-risk auditee? X yes _____ no

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2021

I. Summary of Auditor's Results (Continued)

State Awards

Internal control over major state programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with *State of Wisconsin Single Audit Guidelines*?

yes no

Identification of major state programs:

State I.D. Number	Name of State Program
395.101	Elderly and Handicapped County Aids
435.283/435.284	IM Admin
435.560100	Aging and Disability Resource Centers
435.561	Basic County Allocation
DHS-SS	Children's Long-Term Support-TPA

II. Financial Statement Findings

None.

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2021

III. Federal and State Findings and Questioned Costs

2021-001: Cost Principles Compliance

Criteria – Wisconsin Stat. § 46.036 requires Children’s Long-Term Support (CLTS) providers who receive more than \$10,000 in funds from a county agency for care and services to have a purchase of services contract that meets the Department of Health Services’ standards.

Condition - The County did not have a purchase of services contract for each CLTS provider that received more than \$10,000 in funds from the county agency for care and services in 2021.

Cause - The County was not aware that a provider exceeded the CLTS purchase of services contract threshold and did not have controls in place to detect that a CLTS provider received enough funds to require a purchase of services contract.

Effect - The County did not have purchase of services contracts for all of the CLTS providers that were required to have one in 2021.

Questioned Cost - \$0

Recommendation - We recommend the County develop procedures and controls to detect vendors who exceed the purchase of services contract threshold during the year and obtain signed contracts on a timely basis.

Management's Response - The County understands the need to have procedures and controls in place that can detect when CLTS providers exceed the CLTS purchase of services contract threshold and to obtain signed contracts on a timely basis.

Douglas County, Wisconsin

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2021

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 Health Services	Yes
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
Wisconsin Elections Commission	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, CPA, CFE

Date of report September 29, 2022

Douglas County, Wisconsin

Schedule of Prior Year's Findings and Questioned Costs

Year Ended December 31, 2021

Financial Statement Findings:

None.

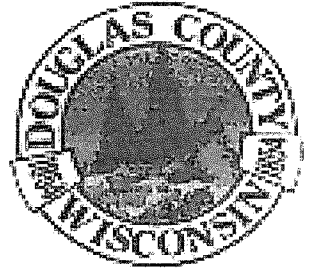
Federal Award Findings and Questioned Costs:

None.

State Award Findings and Questioned Costs:

None

Douglas County, Wisconsin
Finance Department, Room 206H
1313 Belknap Street
Superior, WI 54880



September 29, 2022

Douglas County
Finance Department, Room 206H
1313 Belknap Street
Superior, WI 54880

Douglas County submits the following corrective action plan for the identified finding and questioned costs for the year ended December 31, 2021.

Finding 2021-001: Cost Principles Compliance

Corrective Action Plan – Once we were notified of the gap in the procedures and controls to detect when a CLTS provider requires a written contract, we began the process of updating and approving our procedures and controls in accordance with the Wisconsin Statutes.

Anticipated Completion Date – December 31, 2022

Responsible Contact Person – Bill Whiteside

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Bill Whiteside", is written over a horizontal line.

Bill Whiteside
Finance Director
