

**RUSK COUNTY, WISCONSIN**  
**FEDERAL AND STATE SINGLE AUDIT REPORTS**  
**YEAR ENDED DECEMBER 31, 2017**

**RUSK COUNTY, WISCONSIN  
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**RUSK COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued (Deferred) Reimbursements 1/1/17	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>U.S. Department of Agriculture</u>								
Special Supplemental Food Program for Woman, Infants and Children	10.557	WI DHS	CARS #154710, 154745, 154760	\$ -	\$ 4,337	\$ 95,052	\$ 68,690	\$ 30,699
State Matching Grant for Food Stamp Program (SNAP Cluster)	10.561			-	8,175	70,559	61,172	17,562
Income Maintenance Contract		WI DHS / Northern IM Consortium	CARS #284, 293, 298	-	-	-	-	-
Total U.S. Department of Agriculture				-	12,512	165,611	129,862	48,261
<u>U.S. Department of Justice</u>								
Crime Victim Assistance	16.575	WI DOJ	2015-VO-01-11940, 2016-VO-01-12369	-	4,792	29,417	29,536	4,673
Edward Byrne Memorial State & Local Law Enforcement Anti-Drug Abuse Grant	16.580	WI DOJ	211-36-43211	-	-	12,051	1,304	10,747
Bulletproof Vests Partnership Program	16.607	Direct	N/A	-	-	2,640	1,460	1,180
Total U.S. Department of Justice				-	4,792	44,108	32,300	16,600
<u>U.S. Department of Transportation</u>								
Formula Grants for Rural Areas	20.509	** WI DOT	Section 5311 FY17	414,307	155,497	414,307	455,475	114,329
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	WI DOT	Section 5310 FY17	48,693	28,395	48,693	64,499	12,589
Highway Safety Cluster:								
National Priority Safety Programs	20.616	WI DOT	FG-2016-Rusk Co-03398	-	1,428	-	1,428	-
Total U.S. Department of Transportation				463,000	185,320	463,000	521,402	126,918
<u>U.S. Department of Education</u>								
Special Education Grants for Infants and Families:	84.181	WI DHS	CARS #550	-	-	16,201	16,201	-

\*\* Major Federal Program

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

**RUSK COUNTY, WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued (Deferred) Reimbursements 1/1/17	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<b>U.S. Department of Health and Human Services</b>								
Preventive Health - Title III D	93.043	WI DHS / GWAAR	CARS #560510	\$ -	\$ 1,618	\$ 2,206	\$ 2,622	\$ 1,202
Aging Cluster:								
Supportive Services - Title III B	93.044	WI DHS / GWAAR	CARS #560340	-	-	26,385	13,273	13,112
Title III-Part C-Nutrition Services:	93.045	WI DHS / GWAAR	CARS #560350, 560360	-	3,208	53,797	51,356	5,649
Nutrition Services Incentives Program	93.053	WI DHS / GWAAR	CARS #560422	-	-	19,474	19,474	-
Total Aging Cluster				-	3,208	99,656	84,103	18,761
National Family Caregivers Support Program	93.052	WI DHS / GWAAR	CARS #560520	-	7,103	9,363	10,310	6,156
Public Health Emergency Preparedness	93.074	WI DHS	CARS #155015, 155050	-	13,708	18,733	27,103	5,338
Immunization Grants	93.268	WI DHS	CARS #155020	-	(138)	6,314	6,176	-
State Health Insurance Assistance Program	93.324	WI DHS / GWAAR	CARS #560432	-	-	5,636	5,636	-
Safe & Stable Families	93.556	WI DCF	CORe #3306	-	12,234	33,109	35,948	9,395
Temporary Assistance for Needy Families (TANF Cluster):	93.558							
Children and Families Basic County Allocation		WI DCF	CORe #3377, 3380, 3561	-	5,029	18,267	20,956	2,340
Social Services and Community Programs Contract		WI DHS	CARS #561	-	12,498	50,872	40,640	22,730
Total TANF Cluster				-	17,527	69,139	61,596	25,070
Child Support Enforcement	93.563	** WI DCF	CORe #7332, 7477, 7482, 7506, 7606, 7613, 7903 AD1599972.54, AD1599973.54	-	39,249	201,959	186,157	55,051
Low Income Home Energy Assistance Program	93.568	WI DOA	AD1599973.54	-	2,650	32,545	31,842	3,353
Child Care and Development Fund:	93.596							
Child Care Certification		WI DCF	CORe #831	-	1,181	8,713	8,092	1,802
Child Care Administration		Vilas County	CORe #852	-	4,676	25,562	26,540	3,698
Total Child Care and Development Fund				-	5,857	34,275	34,632	5,500
Stephanie Tubbs Jones Child Welfare Services Program:	93.645							
Basic Children and Families Allocation		WI DCF	CORe #3561, 3413	-	634	14,923	14,674	883

\*\* Major Federal Program

**RUSK COUNTY, WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued (Deferred) Reimbursements 1/1/17	Federal Expenditures	Grant Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<u>U.S. Department of Health and Human Services (Continued)</u>								
Foster Care-Title IV-E:	93.658							
Basic Children and Families Allocation		WI DCF	CORe #3561, 3413, 3681	\$ -	\$ 7,514	158,829	155,215	\$ 11,128
Social Services Block Grant	93.667							
Aging and Disability Resource Center (ADRC)		WI DHS / Barron County	CARS #560100	-	30	9,873	8,201	1,702
Human Services Contract		WI DHS	CARS #561	-	23,552	95,386	76,319	42,619
Total Social Services Block Grant				-	23,582	105,259	84,520	44,321
Chafee Foster Care Independence Program	93.674	WI DCF	CORe #3360	-	207	-	207	-
Preventative Health and Health Services Block Grant	93.758	WI DHS	CARS #159220	-	-	5,578	6,359	(781)
Children's Health Insurance Program	93.767	WI DHS / Northern IM Consortium	CARS #284, 293, 298	-	1,071	9,352	8,095	2,328
Medicaid Cluster:	93.778	**						
Case Management		WI DHS	Payee ID #43075300	-	-	15,214	15,214	-
Human Services Contract		WI DHS	CARS #878	-	6,424	5,606	6,424	5,606
			CARS #560061, 560071,					
Aging and Disability Resource Center (ADRC)		WI DHS / Barron County	560081, 560087, 560091	-	7,643	74,666	69,434	12,875
Children's Long-Term Support (CLTS)		WI DHS / WPS	CY 2017	-	15,865	44,484	57,139	3,210
Children's Long-Term Support (CLTS) - via Third Party Administrator		^^ WPS	CY 2017	-	-	22,221	22,221	-
I&A Elderly Benefit Specialist		WI DHS / GWAAR	CARS #560021	-	4,766	13,791	14,134	4,423
Comprehensive Community Services		Chippewa County	70431	-	-	9,175	9,175	-
Income Maintenance Contract		WI DHS / Northern IM Consortium	CARS #284, 293, 298	-	12,037	96,193	84,287	23,943
Public Health Contract		WI DHS	CARS #159320	-	137	683	566	254
Wisconsin Medical Assistance Cost Reporting (WIMCR)		WI DHS	Final 2016	-	-	1,369	-	1,369
Total Medicaid Cluster				-	46,872	283,402	278,594	51,680
Block Grants for Community Mental Health Services	93.958	WI DHS	CARS #515, 569	-	6,939	16,398	20,552	2,785
Block Grants for Prevention and Treatment of Substance Abuse	93.959	WI DHS	CARS #570	-	8,556	30,407	30,896	8,067
Maternal and Child Health Services Block Grant	93.994	WI DHS	CARS #159320, 159321	-	2,573	26,974	24,760	4,787
Total U.S. Department of Health and Human Services				-	200,964	1,164,057	1,109,997	255,024
<u>U.S. Department of Homeland Security</u>								
Emergency Management Performance Grant	97.042	WI DMA	EMPG FY15, FY 16	-	4,774	35,175	20,722	19,227
TOTAL FEDERAL AWARDS				\$ 463,000	\$ 408,362	\$ 1,888,152	\$ 1,830,484	\$ 466,030

\*\* Major Federal Program

^^ See Note 5

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

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2017**

<u>State Grantor Agency/ Program Title and Year</u>	<u>State I.D. Number</u>	<u>Accrued (Deferred) Reimbursements 1/1/17</u>	<u>Prior Years Adjustments</u>	<u>Expenditures</u>	<u>Reimburse- ments</u>	<u>Accrued (Deferred) Reimbursements 12/31/17</u>
<u>Department of Agriculture, Trade and Consumer Protection</u>						
Soil and Water Resource Management	115.15	** \$ 95,839	\$ -	\$ 98,906	\$ 95,839	\$ 98,906
Land and Water Resource Management	115.40	** 27,797	-	29,208	30,983	26,022
Farmland Preservation Planning	115.NONE	-	-	27,083	-	27,083
Total Department of Agriculture, Trade and Consumer Protection		123,636	-	155,197	126,822	152,011
<u>Department of Natural Resources</u>						
Boating Enforcement Aids	370.550	6,472	-	7,412	6,472	7,412
All-Terrain Vehicle Enforcement Aids	370.551	-	-	6,613	6,613	-
Snowmobile Enforcement Aids	370.552	-	-	3,990	3,990	-
Wildlife Damage Abatement and Claims	370.553	23,414	-	23,248	23,414	23,248
County Conservation Aids	370.563	-	-	2,136	-	2,136
County Recreation Aids	370.564	(3,008)	-	6,616	4,190	(582)
County Forest Loans	370.567	-	-	44,542	44,542	-
County Forest Administration	370.572	-	-	47,367	47,367	-
Recreational Boating Facilities	370.573	-	-	6,020	4,290	1,730
Snowmobile Trails	370.574/575	** (45,377)	-	147,520	124,952	(22,809)
All-Terrain Vehicle Aids	370.576	** (50,529)	-	182,056	255,340	(123,813)
Recycling Grant	370.670	-	-	82,022	82,022	-
Total Department of Natural Resources		(69,028)	-	559,542	603,192	(112,678)
<u>Department of Transportation</u>						
Elderly and Handicapped County Transportation Aids	395.101	-	-	69,578	69,578	-
Transit Operating Aids	395.104	** 63,629	-	106,974	96,277	74,326
County Forest Road Aids	395.170	-	-	7,036	7,036	-
Total Department of Transportation		63,629	-	183,588	172,891	74,326

\*\* Major State Financial Assistance Program

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

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<b>Department of Health Services</b>						
Fluoride Supplement	435.151735	\$ 651	\$ -	\$ -	\$ 651	\$ -
WIC Program	435.154710	2	-	-	2	-
WIC Farmers Market Grant	435.154720	-	-	960	960	-
Cons Contracts Lead Poisoning	435.157720	782	-	1,787	1,717	852
Cons Contracts Maternal and Child Health Services	435.159320	137	-	684	566	255
Reproductive Health	435.159321	-	-	10,885	10,885	-
APS-Adult Protective Services	435.312	16,462	-	21,949	16,462	21,949
Children's COP	435.377	(9,217)	-	6,735	(8,607)	6,125
Alzheimer's Family Support	435.381	1,870	-	9,598	6,896	4,572
Coordinated Services	435.515	12,037	-	52,516	42,844	21,709
Community Mental Health	435.516	-	-	100,374	71,455	28,919
Birth to Three Initiative	435.550	-	-	15,900	15,900	-
ADRC DBS PROGRAM ATTY GPR	435.560052	-	-	719	595	124
ADRC NH RELOC NON MA	435.560063	30	-	-	30	-
ADRC MFP-NH RELOCATION	435.560065	-	-	201	166	35
I & A EBS EXPENSE GPR	435.560072	-	-	8,513	7,045	1,468
OTHER EBS ADRC EXPENSE	435.560075	-	-	10,028	8,299	1,729
DBS RC MEDICAID I&A GPR	435.560082	-	-	27,638	22,872	4,766
ADRC DISABILITY BEN SPEC	435.560085	-	-	6,402	5,298	1,104
RESOURCE CTR MA I&A GPR	435.560088	-	-	29,173	24,142	5,031
RESOURCE CTR SCREEN GPR	435.560092	-	-	8,623	7,136	1,487
ADRC OTHER EXPENSES	435.560095	-	-	9,873	8,171	1,702
Aging and Disability Resource Center	435.560100	10,353	-	-	10,353	-
Basic County Allocation	435.561	** 142,238	-	544,942	443,698	243,482
Basic County Allocation - State/County Match	435.681	** (18,813)	-	-	(18,813)	-
CLTS DD OTH CWA ADMIN GPR	435.835	9,191	-	19,818	27,579	1,430
CLTS MH OTH CWA ADMIN GPR	435.841	2,212	-	11,404	12,793	823
CLTS PD OTH CWA ADMIN GPR	435.847	-	-	270	250	20
CLTS OTHER CWA ADMIN GPR	435.877	6,424	-	5,606	6,424	5,606
Emergency Medical Services Funding Assistance	435.EMS	(9,044)	9,044	1,982	6,227	(4,245)
Passed through Area Agency on Aging:						
Elderly Benefit Specialist Program	435.560320	6,333	-	13,787	14,495	5,625
Elderly Benefit Specialist Program	435.560324	4,766	-	13,791	14,134	4,423
Pharmaceutical Assistance Program	435.560327	-	-	3,275	3,275	-
State Senior Community Services	435.560330	5,264	-	5,264	5,264	5,264
Title III, Part C-1 Congregate Meals	435.560350	4,389	-	31,836	20,835	15,390
Title III, Part C-2 Home Delivered Meals	435.560360	-	-	4,627	4,627	-
Elder Abuse	435.560490	2,242	-	9,900	11,103	1,039
Passed through Great Rivers Income Maintenance Consortium:						
IMAA State Share	435.283	-	-	75,075	73,207	1,868
IMAA	435.284	136	-	2,031	1,661	506
Total Department of Health Services		188,445	9,044	1,066,166	880,597	383,058

\*\* Major State Financial Assistance Program

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

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/17	Prior Years Adjustments	Expenditures	Reimburse- ments	Accrued (Deferred) Reimbursements 12/31/17
<b>Department of Children and Families</b>						
Child Support Medical Support Liability Incentive	437.7332	\$ 836	\$ -	\$ 9,332	\$ 9,539	\$ 629
Child Support Enforcement	437.7502	93	-	23,816	23,909	-
Child Support Medical Support	437.7606	-	-	582	582	-
JJ Community Intervention	437.3410	-	-	5,732	5,732	-
JJ AODA	437.3411	-	-	300	300	-
JJ Youth Aids	437.3413	71,057	-	217,746	189,826	98,977
Basic County Allocation	437.3561	** -	-	148,948	148,948	-
State/County Match	437.3681	** 9,977	-	14,930	9,977	14,930
CW WSACWIS Annual Op Maint Fee	437.3935	-	-	(1,972)	(1,972)	-
PDS Partnership Fees	437.3940	-	-	(645)	(645)	-
Food Stamp Agency Incentives	437.965	123	-	1,272	1,097	298
Medicaid Agency Incentives	437.980	9	-	470	464	15
Total Department of Department of Children and Families		82,095	-	420,511	387,757	114,849
<b>Department of Justice</b>						
Treatment Alternatives and Diversion	455.271	64,807	-	122,261	149,009	38,059
Victim Witness Assistance Program	455.532/455.539	10,292	-	21,639	22,688	9,243
Total Department of Justice		75,099	-	143,900	171,697	47,302
<b>Department of Military Affairs</b>						
Emergency Planning Grant	465.337	-	-	6,687	3,343	3,344
Computer & Hazmat Equipment Grant	465.367	-	-	714	714	-
State Disaster Fund	465.365	-	-	60,322	-	60,322
Total Department of Military Affairs		-	-	67,723	4,057	63,666
<b>Department of Administration</b>						
Land Information Grant	505.166	(22,735)	-	125,305	124,296	(21,726)
Public Benefits	505.371	3,640	-	27,713	26,647	4,706
Total Department of Administration		(19,095)	-	153,018	150,943	(17,020)
Subtotal State Financial Assistance		\$ 444,781	\$ 9,044	\$ 2,749,645	\$ 2,497,956	\$ 705,514
<b>Claims Paid to Providers via Third Party Administrator</b>						
Children's Long Term Support	^^			15,731		
<b>TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES</b>				<b>\$ 2,765,376</b>		

\*\* Major State Financial Assistance Program

^^ See Note 5

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

**RUSK COUNTY, WISCONSIN**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2017**

**NOTE 1 REPORTING ENTITY**

Rusk County is governed by a board of supervisors consisting of nineteen elected members.

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

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

**NOTE 2 BASIS OF PRESENTATION**

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

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

**Receipts** – Receipts recorded under the Grant Reimbursement category represent actual program funds received by the County during the year.

**Accrued Reimbursement** – Amounts recorded as accrued reimbursements represent the excess of program funds expended over available program funds. Such amounts represent program funds receivable by the County.

**Deferred Reimbursement** – Amounts recorded as deferred reimbursements represent available (unexpended) program funds held by the County.

**RUSK COUNTY, WISCONSIN  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
DECEMBER 31, 2017**

**NOTE 3 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT**

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2017 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2017 and/or adjustment of accruals resulting from prior year audit findings.

**NOTE 4 CDBG PROGRAM REVOLVING LOAN FUND**

**Housing Rehabilitation**

The County was awarded Community Development Block Grants (CDBG) in prior years for financing housing rehabilitation loans. Repayments received on the loans are recorded in a separate revolving loan fund by the County and are used to finance similar loans in accordance with the original grant agreements. Loans issued under the CDBG programs were \$82,911 during the year ended December 31, 2017. The balance of loans outstanding was \$2,697,120 as of December 31, 2017. These transactions are not included in the schedule of expenditures of federal awards.

**NOTE 5 CLAIMS PAID VIA THIRD PARTY ADMINISTRATOR**

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

**NOTE 6 INDIRECT COSTS**

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



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

The County Board  
Rusk County, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Rusk County, Wisconsin (County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 24, 2018. Our report includes a reference to other auditors who audited the financial statements of the Rusk County Memorial Hospital, as described in our report on Rusk County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Rusk County Memorial Hospital were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001 to be a material weaknesses.

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 the attention by those charged with governance. We consider item 2017-002 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

### **Compliance and Other Matters**

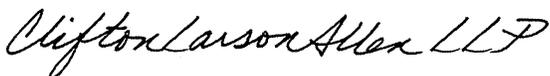
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
September 24, 2018

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

The County Board  
Rusk County, Wisconsin

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

We have audited Rusk County, Wisconsin's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. We have also audited the County's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Rusk County's basic financial statements include the operations of the Rusk County Memorial Hospital, an enterprise fund of the County, which expended federal awards that are not included in the schedule of expenditures of federal awards during the year ended December 31, 2017. Our audit, described below, did not include the operations of the Rusk County Memorial Hospital.

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

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

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on to each of its major federal and state programs for the year ended December 31, 2017.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 result of that testing based on the requirements of the Uniform Guidance and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rusk County as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Rusk County's basic financial statements. We issued our report thereon dated September 24, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Guidelines, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
September 24, 2018

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2017**

**PART I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?        yes   X   none reported

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

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

Identification of major Federal programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
20.509	Public Transportation for Non-Urbanized Areas
93.563	Child Support Enforcement
93.778	Medicaid Cluster

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

Auditee qualified as low-risk auditee?        yes   X   no

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2017**

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

**State Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported

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

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

Identification of major State programs:

<b><u>State ID Number(s)</u></b>	<b><u>Name of State Program or Cluster</u></b>
115.15	Soil and Water Resource Management
115.40	Land and Water Resource Management Plan
370.574, 370.575	Snowmobile Trail Maintenance and Development
370.576	ATV/UTV Trail Maintenance and Development
395.104	Transit Operating Aids
435.561, 437.3561	Basic County Allocation
435.681, 437.3681	Community Services and MH Services - State/County Match

Federal Programs Tested as Major State Programs:

93.778	Medical Assistance Program – Human Services Contract
93.778	Medical Assistance Program – Claims Paid by Third Party Administrator
93.778	Medical Assistance Program – Case Management
93.778	Wisconsin Medicaid Cost Reporting

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

**RUSK COUNTY, WISCONSIN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**DECEMBER 31, 2017**

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

**FINDING: 2017-001 Material Audit Adjustments**

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

**Condition:** The audit firm proposed and the County posted to its general ledger accounts journal entries for correcting certain misstatements.

**Context:** The County has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.

**Cause:** The County has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

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

**Recommendation:** The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

**Views of Responsible Officials:** The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**RUSK COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2017**

**PART II: FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING:  
(CONTINUED)**

**FINDING: 2017-002 Limited Segregation of Duties**

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

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

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

**Cause:** The condition is due to limited staff available.

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

**Recommendation:** The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

**Views of Responsible Officials:** The County continues to work to achieve segregation of duties whenever cost effective. The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:**

None.

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

None.

**PART V: FINDINGS RELATED TO STATE GENERAL REQUIREMENTS:**

None.