OZAUKEE COUNTY, WISCONSIN

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REPORT

DECEMBER 31, 2015

OZAUKEE COUNTY, WISCONSIN
December 31, 2015

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

To the County Board
Ozaukee County, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Ozaukee County, Wisconsin's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Ozaukee County, Wisconsin's major federal and state programs for the year ended December 31, 2015. Ozaukee County, Wisconsin's major federal and 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 statures, 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 Ozaukee County, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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, 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 state program occurred. An audit includes examining, on a test basis, evidence about Ozaukee County, Wisconsin'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 of Ozaukee County, Wisconsin's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of Ozaukee County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ozaukee County, Wisconsin'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 federal or 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 the Ozaukee County, Wisconsin's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2015-001 that we consider to be significant deficiencies.

Ozaukee County, Wisconsin's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Ozaukee County Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance 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 Ozaukee County, Wisconsin as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Ozaukee County, Wisconsin's basic financial statements. We issued our report thereon dated, June 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* 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 schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

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Certified Public Accountants
Sheboygan, Wisconsin
July 26, 2016 except for the Schedules of
Expenditures of Federal Awards and State
Financial Assistance as to which the date is
June 29, 2016

OZAUKEE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Grantor Agency/Pass through Agency Grant Title/Project Grant	Pass-Through Agency	Federal CFDA Number	Revenues (Accrued) or Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued or (Deferred) Revenue 12/31/15	Total Revenues	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Special Supplemental Nutrition Program for Women, Infant, and Children	WI Department of Children and Families	10.557	$ (12,917)	$ 97,011	$ 4,345	$ 88,439	$ 88,439	$ -
SNAP Cluster								
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Fond Du Lac County, WI	10.561	(81,904)	274,134	81,932	274,162	274,162	-
Total U.S. Department of Agriculture			(94,821)	371,145	86,277	362,601	362,601	-
U.S. DEPARTMENT OF COMMERCE								
Coastal Zone Management Administration Awards	WI Department of Administration	11.419	(5,717)	10,831	205	5,319	5,319	-
Habitat Conservation	WI Department of Administration	11.463	-	136,261	119,721	255,982	255,982	-
Total U.S. Department of Commerce			(5,717)	147,092	119,926	261,301	261,301	-
U.S. DEPARTMENT OF THE INTERIOR- FISH AND WILDLIFE SERVICE								
Fish and Wildlife Management Assistance	Direct Program	15.608	(1,260)	26,524	5,780	31,044	31,044	-
Partners for Fish and Wildlife	Direct Program	15.631	-	5,000	4,000	9,000	9,000	-
Great Lakes Restoration	Direct Program	15.662	(2,262)	2,262	-	-	-	-
Total U.S. Department of the Interior - Fish and Wildlife Services			(3,522)	33,786	9,780	40,044	40,044	-
U.S. DEPARTMENT OF JUSTICE								
State Criminal Alien Assistance Program	Direct Program	16.606	-	6,314	-	6,314	6,314	-
U.S. DEPARTMENT OF TRANSPORTATION								
Highway Planning and Construction Cluster								
Highway Planning and Construction	WI Department of Transportation	20.205	(120,000)	101,939	18,061	-	-	-
Federal Transit Cluster								
Federal Transit Formula Grants		20.507						
Congestion Mitigation and Air Quality (CMAQ) Program	WI Department of Transportation		(19,224)	37,884	12,108	30,768	30,768	-
Federal Transit Capital Investment Grants	WI Department of Transportation		(220,833)	267,264	652,347	698,778	698,778	-
Bus and Bus Facilities Formula Program	WI Department of Transportation	20.526	-	70,648	-	70,648	70,648	-
Total Federal Transit Cluster			(240,057)	375,796	664,455	800,194	800,194	-
Highway Safety Cluster								
Alcohol Impaired Driving Conutermeasures Incentive Grants	WI Department of Transportation	20.601	-	34,243	4,895	39,138	39,138	-
National Priority Safety Programs	WI Department of Transportation	20.616	-	4,000	-	4,000	4,000	-
Total Highway Safety Cluster			-	38,243	4,895	43,138	43,138	-
Total U.S. Department of Transportation			(360,057)	515,978	687,411	843,332	843,332	-
U.S. ENVIRONMENTAL PROTECTION AGENCY								
Great Lakes Program	Direct Program	66.469	(115,030)	224,357	11,867	121,194	121,194	-
Beach Monitoring and Notification Program	WI Department of Health Services	66.472	-	11,371	-	11,371	11,371	-
Total U.S. Environmental Protection Agency			(115,030)	235,728	11,867	132,565	132,565	-

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Pass through Agency Grant Title/Project Grant	Pass-Through Agency	Federal CFDA Number	Revenues (Accrued) or Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued or (Deferred) Revenue 12/31/15	Total Revenues	Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF ENERGY								
State Energy Program	WI Public Service Commission	81.041	$ -	$ 4,418	$ -	$ 4,418	$ 4,418	$ -
U.S. DEPARTMENT OF EDUCATION								
Special Education - Grants for Infants and Families	WI Department of Health Services	84.181	-	98,114	-	98,114	98,114	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Preventive Health (Title III-D)	Greater Wisconsin Agency on Aging Resources	93.043	-	2,026	953	2,979	2,979	-
Aging Cluster								
Grants for Supportive Services and Senior Centers (Title III-B)	Greater Wisconsin Agency on Aging Resources	93.044	(14,645)	58,215	23,873	67,443	67,443	-
Nutrition Services (Title III-C)								
Congregate Meal Program (Title III C-1)	Greater Wisconsin Agency on Aging Resources	93.045	-	8,215	-	8,215	8,215	-
Home Delivered Meals (Title III C-2)	Greater Wisconsin Agency on Aging Resources	93.045	-	46,550	-	46,550	46,550	-
Subtotal - Nutrition Services (Title III-C)			-	54,765	-	54,765	54,765	-
Nutrition Services Incentive Program	Greater Wisconsin Agency on Aging Resources	93.053	-	29,105	-	29,105	29,105	-
Total Aging Cluster			(14,645)	142,085	23,873	151,313	151,313	-
National Family Caregiver Support Program (Title III-E)	Greater Wisconsin Agency on Aging Resources	93.052	(14,979)	36,515	8,149	29,685	29,685	-
Environmental Public Health and Emergency Response	WI Department of Health Services	93.070	-	1,725	168	1,893	1,893	-
Public Health Emergency Preparedness	WI Department of Children and Families	93.074	13,954	60,040	(19,192)	54,802	54,802	-
Immunization Cooperative Agreements	WI Department of Health Services	93.268	-	14,296	-	14,296	14,296	-
State Health Insurance Assistance Program	Greater Wisconsin Agency on Aging Resources	93.324	-	4,150	4,000	8,150	8,150	-
Affordable Care Grant - ADRC	WI Department of Health Services	93.517	-	5,000	-	5,000	5,000	-
Community Transformation Grant	University of Health Services, UW - Madison	93.531	(1,020)	1,020	-	-	-	-
Promoting Safe and Stable Families	WI Department of Children and Families	93.556	(7,782)	57,432	2,695	52,345	52,345	-
TANF Cluster								
Temporary Assistance for Needy Families	WI Department of Health Services	93.558	-	121,140	67	121,207	121,207	-
Temporary Assistance for Needy Families	WI Department of Children and Families	93.558	(11,178)	140,849	20,072	149,743	149,743	-
Temporary Assistance for Needy Families	Fond Du Lac County, WI	93.558	(614)	614	-	-	-	-
Total TANF Cluster			(11,792)	262,603	20,139	270,950	270,950	-
Child Support Enforcement	WI Department of Children and Families	93.563	(107,569)	426,607	107,097	426,135	426,135	-
Low-Income Home Energy Assistance	WI Department of Administration	93.568	(7,567)	63,641	6,354	62,428	62,428	-
CCDF Cluster								
Child Care Development Fund	WI Department of Children and Families	93.596	(11,040)	154,415	12,552	155,927	155,927	-
Chafee Education and Training Vouchers	WI Department of Children and Families	93.599	-	346	1,056	1,402	1,402	-
Stephanie Tubbs Jones Child Welfare Services Program	WI Department of Children and Families	93.645	242	34,578	-	34,820	34,820	-
Stephanie Tubbs Jones Child Welfare Services Program	WI Department of Corrections	93.645	(453)	8,919	-	8,466	8,466	-
Total Child Welfare Services-State Grants			(211)	43,497	-	43,286	43,286	-

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OZAUKEE COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Pass through Agency Grant Title/Project Grant	Pass-Through Agency	Federal CFDA Number	Revenues (Accrued) or Deferred Revenue 1/1/15	Cash Received (Refunded)	Accrued or (Deferred) Revenue 12/31/15	Total Revenues	Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)								
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	$ 1,478	$ 214,378	$ -	$ 215,856	$ 215,856	$ -
Foster Care (Title IV-E)	WI Department of Corrections	93.658	(634)	5,713	18	5,097	5,097	-
Total Foster Care			844	220,091	18	220,953	220,953	-
Social Services Block Grant	WI Department of Health Services	93.667	1,544	222,272	132	223,948	223,948	-
Social Services Block Grant	WI Department of Children and Families	93.667	662	94,640	-	95,302	95,302	-
Total Social Services Block Grant			2,206	316,912	132	319,250	319,250	-
Chafee Foster Care Independence Program	WI Department of Children and Families	93.674	(11,635)	16,371	14,114	18,850	18,850	-
Children's Health Insurance Program	WI Department of Health Services	93.767	(10,630)	34,632	10,180	34,182	34,182	-
Medicaid Cluster								
Medical Assistance Program	WI Department of Health Services	93.778	(107,447)	717,598	121,734	731,885	731,885	-
Medical Assistance Program	Greater Wisconsin Agency on Aging Resources	93.778	(544)	16,541	5,059	21,056	21,056	-
Medical Assistance Program	WI Department of Children and Families	93.778	(476)	749	216	489	489	-
Medical Assistance Program	Fond Du Lac County, WI	93.778	(84,925)	306,816	94,796	316,687	316,687	-
Total Medicaid Cluster			(193,392)	1,041,704	221,805	1,070,117	1,070,117	-
Block Grants for Community Mental Health Services	WI Department of Health Services	93.958	(5,424)	34,495	627	29,698	29,698	-
Block Grants for Prevention and Treatment of Substance Abuse	WI Department of Health Services	93.959	(22,455)	108,820	122	86,487	86,487	86,487
Preventive Health and Health Services Block Grant	WI Department of Health Services	93.991	-	3,533	2,567	6,100	6,100	-
Maternal and Child Health Services Block Grant to the States	WI Department of Health Services	93.994	-	13,437	3,883	17,320	17,320	-
Total U.S. Department of Health and Human Services			(403,137)	3,065,393	421,292	3,083,548	3,083,548	86,487
U.S. DEPARTMENT OF HOMELAND SECURITY								
FEMA Grant-Hazard Mitigation Grant	WI Department of Military Affairs	97.039	-	-	150,731	150,731	150,731	-
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(26,349)	52,749	26,400	52,800	52,800	-
Total U.S. Department of Homeland Security			(26,349)	52,749	177,131	203,531	203,531	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ (1,008,633)	$ 4,530,717	$ 1,513,684	$ 5,035,768	$ 5,035,768	$ 86,487

The notes to the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are an integral part of this schedule.

OZAUKEE COUNTY, WISCONSIN
Schedule of State Financial Assistance
For the Year Ended December 31, 2015

Grantor Agency/Pass-through Agency/ Grant Title/Project Grant	Pass-Through Agency	State I.D. Number	Revenues: (Accrued) or Deferred Revenue 1/1/15	Revenues: Cash Received (Refunded)	Revenues: Accrued or (Deferred) Revenue 12/31/15	Revenues: Total Revenues	Total Expenditures
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION							
Agricultural Clean Sweep	Direct Program	115.04	$ (2,000)	$ 2,000	$ 1,880	$ 1,880	$ 1,880
Soil and Water Resource Management							
County Staff and Support	Direct Program	115.15	-	144,394	-	144,394	144,394
Land and Water Resource Management Projects	Direct Program	115.40	(123,567)	123,567	57,645	57,645	57,645
Total Department of Agriculture, Trade and Consumer Protection			(125,567)	269,961	59,525	203,919	203,919
DEPARTMENT OF COMMERCE							
Wisconsin Fund Private Sewage Replacement and Rehabilitation	Direct Program	143.110	-	29,032	-	29,032	29,032
DEPARTMENT OF NATURAL RESOURCES							
Citizen Based Monitoring Grant	Direct Program	370.163	-	5,000	-	5,000	5,000
Urban Forestry Grant #UF-1175-14	Direct Program	370.544	(24,000)	24,000	-	-	-
Urban Forestry Grant #UF-1175-15	Direct Program	370.544	-	-	25,000	25,000	25,000
Wildlife Damage Abatement and Claims	Direct Program	370.553	(11,526)	11,526	10,752	10,752	10,752
County Conservation Aids	Direct Program	370.563	-	4,987	-	4,987	4,987
Snowmobile Trail Aids							
2014-2015	Direct Program	370.574	13,763	14,766	-	28,529	28,529
2015-2016	Direct Program	370.574	-	13,763	-	13,763	13,763
			13,763	28,529	-	42,292	42,292
Municipal Flood Control	Village of Grafton	370.658	-	-	43,293	43,293	43,293
Lake Management Planning	Direct Program	370.663	-	-	5,000	5,000	5,000
River Protection Grants	Direct Program	370.675	-	7,500	-	7,500	7,500
Dam Removal	Direct Program	370.763	-	50,000	-	50,000	50,000
Total Department of Natural Resources			(21,763)	131,542	84,045	193,824	193,824
DEPARTMENT OF TRANSPORTATION							
Elderly and Disable County Aids	Direct Program	395.101	-	198,874	-	198,874	198,874
Transit Operating Aids	Direct Program	395.104	(646,329)	1,688,355	236,679	1,278,705	1,278,705
Total Department of Transportation			(646,329)	1,887,229	236,679	1,477,579	1,477,579
DEPARTMENT OF CORRECTIONS							
Community Intervention Program	Direct Program	410.302	(4,243)	21,385	3,110	20,252	20,252
Community Youth and Family Aids	Direct Program	410.313	(44,233)	595,075	-	550,842	550,842
Total Department of Corrections			(48,476)	616,460	3,110	571,094	571,094

(Continued)

OZAUKEE COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Pass-through Agency/ Grant Title/Project Grant		State I.D. Number	Revenues: (Accrued) or Deferred Revenue 1/1/15	Revenues: Cash Received (Refunded)	Revenues: Accrued or (Deferred) Revenue 12/31/15	Revenues: Total Revenues	Total Expenditures
DEPARTMENT OF HEALTH SERVICES							
IMAA State Share	Fond du Lac County, WI	435.283	$ (2,448)	$ 145,218	$ -	$ 142,770	$ 142,770
IMAA Federal Share	Fond du Lac County, WI	435.284	-	2,080	892	2,972	2,972
IMAA State Share Supp	Fond du Lac County, WI	435.292	(6,617)	11,535	-	4,918	4,918
IMAA Federal Share Supp	Fond du Lac County, WI	435.293	1,705	30	-	1,735	1,735
IMAA State Share ACA	Fond du Lac County, WI	435.297	(20,540)	77,959	25,960	83,379	83,379
IMAA Federal Share ACA	Fond du Lac County, WI	435.298	49,379	356	160	49,895	49,895
Adult Protective Services	Direct Program	435.312	(26,933)	79,263	-	52,330	52,330
Community Options Program	Direct Program	435.367	(6,832)	30,783	(1,912)	22,039	22,039
Coordinated Services Child	Direct Program	435.515	-	53,464	5,909	59,373	59,373
Certified Mental Health Program	Direct Program	435.517	-	44,345	-	44,345	44,345
Birth to 3 Initiative	Direct Program	435.550	-	94,228	-	94,228	94,228
Basic County Allocation	Direct Program	435.561	-	1,306,132	723	1,306,855	1,306,855
Family Support Program	Direct Program	435.577	(10,086)	36,487	8,850	35,251	35,251
FPI Non-Fed	Direct Program	435.600	(2,353)	2,353	-	-	-
State/County Match	Direct Program	435.681	-	178,744	-	178,744	178,744
CLTS OTHER GPR	Direct Program	435.871	-	226,052	-	226,052	226,052
CLTS OTHER CWA ADMIN GPR	Direct Program	435.877	(12,000)	24,084	-	12,084	12,084
CLTS PF BCA MATCHED	Direct Program	435.883	(1,162)	(380)	(481)	(2,023)	(2,023)
WIC Farmers Market	Direct Program	435.154720	(132)	762	-	630	630
WWWP - GPR	Direct Program	435.157000	-	7,010	-	7,010	7,010
State Funded Lead Poisoning Prevention	Direct Program	435.157720	(2)	2,934	35	2,967	2,967
Maternal & Child Health Svc Blk	Direct Program	435.159320	-	748	216	964	964
ADRC MFP-NH RELOCATE GPR	Direct Program	435.560062	(576)	576	-	-	-
ADRC MFP- NH RELOC NON MA	Direct Program	435.560063	(668)	668	-	-	-
ADRC MFP- NH Relocation	Direct Program	435.560065	5,700	8,390	(5,980)	8,110	8,110
Aging and Disability Resource Center	Direct Program	435.560100	22,136	452,992	5,935	481,063	481,063
Dementia Care Project	Direct Program	435.560158	(4,386)	103,951	(4,868)	94,697	94,697
Elderly Benefit Specialist Program	Greater Wisconsin Agency on Aging Resources	435.560320	(4,203)	27,331	5,087	28,215	28,215
State Pharmaceutical Assistance Program	Greater Wisconsin Agency on Aging Resources	435.560327	(1,970)	1,970	-	-	-
Senior Community Services	Greater Wisconsin Agency on Aging Resources	435.560330	-	5,506	-	5,506	5,506
Congregate Meal Program (Title III C-1)	Greater Wisconsin Agency on Aging Resources	435.560350	-	92,585	-	92,585	92,585
Home Delivered Meals (Title III C-2)	Greater Wisconsin Agency on Aging Resources	435.560360	-	3,273	-	3,273	3,273
Alzheimer's Family and Caregiver Support	Greater Wisconsin Agency on Aging Resources	435.560381	(2,172)	9,379	5,047	12,254	12,254
Elder Abuse	Greater Wisconsin Agency on Aging Resources	435.560490	(8,514)	15,789	11,693	18,968	18,968
Coordinated Services Child	Direct Program	435.810550	(1,021)	1,021	-	-	-
Total Department of Health Services			(33,695)	3,047,618	57,266	3,071,189	3,071,189

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OZAUKEE COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2015

Grantor Agency/Pass-through Agency/ Grant Title/Project Grant		State I.D. Number	Revenues: (Accrued) or Deferred Revenue 1/1/15	Revenues: Cash Received (Refunded)	Revenues: Accrued or (Deferred) Revenue 12/31/15	Revenues: Total Revenues	Total Expenditures
DEPARTMENT OF CHILDREN AND FAMILIES							
AW DOJ Fingerprint Background	Direct Program	437.3324	$ (58)	$ 389	$ 48	$ 379	$ 379
Basic County Allocation	Direct Program	437.3561	2,395	342,100	-	344,495	344,495
State/County Match	Direct Program	437.3681	-	60,146	-	60,146	60,146
Child Support GPR	Direct Program	437.208	-	58,753	-	58,753	58,753
Agency Takebacks and Incentives	Direct Program	437.267	(476)	476	-	-	-
Total Department of Children and Families			1,861	461,864	48	463,773	463,773
DEPARTMENT OF JUSTICE							
Law Enforcement Training Fund Local Assistance	Direct Program	455.231	-	13,440	-	13,440	13,440
Alternative Treatment Project	Direct Program	455.271	(39,633)	39,633	-	-	-
Victim and Witness Assistance Program - *A Program Cluster*	Direct Program	455.532	(33,406)	59,703	37,164	63,461	63,461
Total Department of Justice			(73,039)	112,776	37,164	76,901	76,901
DEPARTMENT OF MILITARY AFFAIRS							
Hazard Mitigation Planning	Direct Program	465.305	-	-	25,122	25,122	25,122
Emergency Planning Grants	Direct Program						
2013-2014		465.337	(9,710)	9,710	-	-	-
2014-2015		465.337	-	9,356	9,356	18,712	18,712
			(9,710)	19,066	9,356	18,712	18,712
Computer Hazmat Equipment Grant 2015	Direct Program	465.367	-	8,160	-	8,160	8,160
Total Department of Military Affairs			(9,710)	27,226	34,478	51,994	51,994
DEPARTMENT OF ADMINISTRATION							
Land Information Board Grant	Direct Program	505.166	-	1,000	-	1,000	1,000
Public Benefits - Low Income Assistance	Direct Program	505.371	(4,751)	38,277	3,989	37,515	37,515
Total Department of Administration			(4,751)	39,277	3,989	38,515	38,515
TOTAL STATE PROGRAMS			$ (961,469)	$ 6,622,985	$ 516,304	$ 6,177,820	$ 6,177,820

The notes to the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are an integral part of this schedule.

OZAUKEE COUNTY, WISCONSIN
Notes to the Schedule of Federal Awards and the
Schedule of State Financial Assistance
For the Year Ended December 31, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance for Ozaukee County are 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* issued by the Wisconsin Department of Administration.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the County's 2015 basic financial statements. Accrued revenue at year-end consists of program expenditures scheduled for reimbursement to the County in the succeeding year while deferred revenue represents advances for programs that exceed recorded County expenditures.

Federal Programs: Ozaukee County qualifies as a low risk auditee in accordance with the Uniform Guidance. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 20% of total federal awards that also were deemed major programs based on the auditors' risk assessment. All other federal programs are considered non-major programs.

State Programs: Ozaukee County, Wisconsin, qualifies as a low risk auditee in accordance with the *State Single Audit Guidelines.* Therefore major programs represent those with combined expenditures exceeding 20% of total state financial assistance that also were deemed major programs based on the auditors' risk assessment. In addition, certain state financial assistance programs were designated state major by the state granting agency and therefore considered state major. All other state financial assistance programs are considered non-major programs.

NOTE C - OVERSIGHT AGENCIES

The federal and state oversight agencies for the County are as follows:

Federal - U.S. Environmental Protection Agency
State - Wisconsin Department of Health Services

NOTE D - TITLE 19 MEDICAL ASSISTANCE PAYMENTS

The Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance do not include recorded revenues received by the County for Title 19 Medical Assistance. The payments are considered a contract for services between the State and the County and therefore are not reported as federal awards or state financial assistance.

NOTE E - STATE DIRECT PAYMENTS

Payments made directly to recipients and vendors by the State of Wisconsin under the FoodShare Wisconsin program on behalf of the County are not included in the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance.

NOTE F - STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Department of Children and Families (DCF), Health Services (DHS) and Workforce Development (DWD) utilize the Community Aids Reporting System (CARS) and the Central Office Reporting System (CORe) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance for various DCF, DHS and DWD programs agree with the expenditures reported on the April 2016 CARS for the Human Services Department and the December 2015 CORe for Child Support and W2 programs, with adjustments for accrued revenue at year-end.

OZAUKEE COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No
Federal Awards and State Financial Assistance	
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	Yes
Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*?	Yes

Identification of major federal programs:

CFDA Number	Name of Federal Program
93.778	Medical Assistance Program

Identification of major state programs:

State ID Number	Name of State Programs
410.313	Community Youth and Family Aids
435.283	IMAA State Share
435.284	IMAA Federal Share
435.292	IMAA State Share Supplemental
435.293	IMAA Federal Share Supplemental
435.297	IMAA State Share ACA
435.298	IMAA Federal Share ACA
435.561	Basic County Allocation
435.681	State/County Match
435.871	CLTS Other GPR
435.877	CLTS Other CWA Admin GPR
437.3561	Basic County Allocation
N/A	Medicaid Personal Care Program

Audit threshold used to determine between Type A and Type B programs:	
Federal Awards	$750,000
State Financial Assistance	$250,000
Auditee qualified as low-risk auditee	Yes

Section II - Financial Statement Findings

Finding No.	Internal Control Deficiencies

2014-001 **Adjustments to the County's Financial Records**

Condition: As part of the 2015 audit, we proposed adjusting and GASB 34 conversion journal entries that were material to the County's financial statement.

Criteria: Material adjusting and GASB 34 conversion journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause: While County staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting and GASB 34 conversion entries may require additional staff time or require additional training.

Effect: Year-end financial records prepared by the County may contain material misstatements.

Recommendation: While we acknowledge that the County continues to make improvements and has reduced the number of audit adjustments, we continue to recommend that the County dedicate additional resources. Additional staff time and training may be necessary in order to prepare the adjusting and GASB 34 conversion entries. We are available to assist as necessary.

2014-002 **Preparation of Annual Financial Report**

Condition: Current County staff maintains accounting records which reflect the County's financial transactions; however, preparing the County's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. While the County does prepare an initial draft of the annual financial report, the County contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist with the preparation of the annual financial report.

Criteria: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause: County management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect: Without our involvement, the County may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend the County continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the County is necessary to obtain a complete and adequate understanding of the County's annual financial report.

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs

Finding No.	Internal Control Deficiency

2014-003 **Financial Reporting for Federal and State Financial Assistance**

Federal CFDA #: All federal programs
State ID #: All state programs

Compliance Requirement: Reporting.

Condition: Uniform Guidance and the *State Single Audit Guidelines* require the County to prepare appropriate financial statements, including the schedules of expenditures of federal awards and state financial assistance. While the current staff of the County maintain financial records supporting amounts reported in the schedules of expenditures of federal awards and state financial assistance, the County contracts with Schenck to assist with compiling the data from these records and to assist in the preparation of the single audit report for the County.

Criteria: Having staff with expertise in federal and state financial reporting prepare the County's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal awards and state financial assistance, or accompanying notes to the schedule.

Cause: Certain programs managed within the human services area are funded using co-mingled federal and state awards, requiring an allocation of revenues and expenditures by individual program into multiple federal and state sources. The County has traditionally relied on Schenck to prepare the mathematical allocation based on State of Wisconsin supplied funding splits.

Effect: The County's Schedules of Expenditures of Federal Awards and State Financial Assistance may be incomplete or inaccurate if the County receives federal/state awards that are not included in the schedules.

Recommendation: We recommend County personnel continue reviewing the County's single audit report. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the County is necessary to ensure all federal and state financial assistance programs are properly reported in the County's single audit report.

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs (Continued)

Finding No.	Uniform Guidance Finding
2015-001	**Uniform Grant Guidance Implementation**
Federal CFDA#	All federal reporting.
Compliance Requirement:	Allowable costs/costs principles, cash management, procurement, reporting.
Condition:	The County has various policies and procedures in place to safeguard its assets and establish related controls over receipts, disbursements, payroll transactions and general ledger maintenance. Federal awards received and disbursed by the County are managed through these county-wide policies and procedures; however, the policies and procedures have not been evaluated to ensure compliance with the requirements of Uniform Guidance.
Criteria:	Uniform Guidance requires the County to maintain certain polices related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds.
Cause:	The County has not finalized an assessment of its financial management system and related internal controls over federal awards, along with an evaluation of existing policies for compliance with Uniform Guidance by year end.
Effect:	The County could become noncompliant with requirements of Uniform Guidance, resulting in future findings and questioned costs related to federal awards administered by the County. The County's 2015 audit in accordance with the requirements of Uniform Guidance did not identify any instances of noncompliance with respect to direct and material compliance requirements of its major federal award program.
Recommendation:	We recommend the County finalize the assessment of its financial management system and related internal controls over federal awards during the 2016 fiscal year. This assessment should include evaluate existing policies and procedures to determine where additional enhancements should be made or new policies created, a plan to communicate these policies to County employees, and procedures to periodically review and update, as considered necessary.

OZAUKEE COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2015

Section IV - Other Issues

Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	_____	Yes	X	No
Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:				
Department of Agriculture, Trade and Consumer Protection	X	Yes	_____	No
Department of Commerce	X	Yes	_____	No
Department of Natural Resources	X	Yes	_____	No
Department of Transportation	X	Yes	_____	No
Department of Corrections	X	Yes	_____	No
Department of Health Services	X	Yes	_____	No
Department of Children and Families	X	Yes	_____	No
Department of Justice	X	Yes	_____	No
Department of Military Affairs	X	Yes	_____	No
Department of Administration	X	Yes	_____	No
Was a Management Letter or other document conveying audit comments issued as a result of this audit?	X	Yes	_____	No

Bryan Grunewald CPA

Name and signature of shareholder

Bryan Grunewald, CPA

Date of report

July 26, 2016

OZAUKEE COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2015

Prior Year Audit Findings

The findings noted in the 2014 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. Finding 2014-001 has been repeated in the current year. Management continues to believe the cost to hire additional staff to eliminate the control deficiencies identified as 2014-002 and 2014-003 outweigh the benefits to be received. Management reviews the financial report and the single audit report prior to issuance.

Corrective Action Plan

2014-001: Adjustments to the County's Financial Records

We believe that the County continues to make progress as the number, size and significance of adjusting and GASB 34 conversion entries proposed by the auditors continues to decrease. The County expects to continue to make progress and plans to have dedicated staff members work with Schenck SC to receive additional training. In 2015 the County had the fewest auditor adjusting entries in our recent history. This year we were surprised to encounter a new event where our Enterprise Resource Planning (ERP) software failed to record both sides of a balanced accounting entry between two ERP modules. This went undetected until the auditors arrived. We have implemented a two system scan to detect and prevent these in the future.

2014-002: Preparation of Annual Financial Report

The County is continuously improving the GASB 34 reconciliation and conversion process. In recent years, the County has dedicated staff members to review the GASB 34 conversion process with Scheck SC. The County expects to eliminate this finding in the near future.

2014-003: Financial Reporting for Federal and State Financial Assistance

The County acknowledges that preparation of the single audit report has been a challenge, but the County continues to make progress and will continue to improve. The County has implemented a team to work with Scheck SC, has received additional training, and is in the process of transferring preparation to County staff. The County made good strides in 2015 and hopes to finish the transition in 2016.

2015-001: Uniform Grant Guidance Implementation

The County is aware of new criteria in the Uniform Grant Guidance Implementation protocols. In 2015 the County formed a team to assign responsibility for grant documentation and to address these new protocols and correct our weaknesses. We have made progress but are now evaluating our progress, refining our practices, reinforcing the process and outcomes with our staff, and building upon our experiences. We expect to take another step forward in 2016.

ADDITIONAL INDEPENDENT AUDITORS' REPORT

Schenck
ADVISORY | TAX | ASSURANCE

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*

To the County Board
Ozaukee County, 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 the Ozaukee County, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Ozaukee County's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 15 dated June 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ozaukee County, Wisconsin'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 Ozaukee County, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Ozaukee County, Wisconsin'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ozaukee County, Wisconsin'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*.

Ozaukee County, Wisconsin's Response to Findings

Ozaukee County, Wisconsin's response to the findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Ozaukee County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Ozaukee County, Wisconsin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ozaukee County, Wisconsin's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S Chenck SC

Certified Public Accountants
Sheboygan, Wisconsin
July 26, 2016