

**AGING AND DISABILITY RESOURCE  
CENTER OF CENTRAL WISCONSIN**

FINANCIAL STATEMENTS AND REPORT ON  
FEDERAL AND STATE AWARDS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2013

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

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**INDEPENDENT AUDITORS' REPORT**

To the Board Members  
Aging and Disability Resource Center of Central Wisconsin  
Wausau, Wisconsin

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Aging and Disability Resource Center of Central Wisconsin ("ADRC-CW"), Wausau, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the ADRC-CW basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the ADRC-CW's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the ADRC-CW internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board Members  
Aging and Disability Resource Center of Central Wisconsin

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the ADRC-CW, Wausau, Wisconsin as of December 31, 2013 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As discussed in Note I, the ADRC-CW adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Board Members  
Aging and Disability Resource Center of Central Wisconsin

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ADRC-CW's basic financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the *State Single Audit Guidelines* as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying Settlement of DHS Cost Reimbursement Award schedule on pages 26-27 is presented for additional analysis as required by the Wisconsin Department of Health Services and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards, and the Settlement of DHS Cost Reimbursement Award schedule, are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2014 on our consideration of the ADRC-CW internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ADRC-CW internal control over financial reporting and compliance.

*Baker Silly Virchow Krause, LLP*

Madison, Wisconsin  
August 21, 2014

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## STATEMENT OF NET POSITION

As of December 31, 2013

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	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 48,360
Accounts receivable	54,389
Due from other governments	342,411
Capital assets being depreciated	187,951
Less: Accumulated depreciation	<u>(68,952)</u>
Total Assets	<u>564,159</u>
<b>LIABILITIES</b>	
Accounts payable	104,756
Accrued liabilities	84,430
Deposits	2,300
Due to other governments	3,445
Noncurrent Liabilities	
Due within one year	55,982
Due in more than one year	<u>426,103</u>
Total Liabilities	<u>677,016</u>
<b>NET POSITION</b>	
Net investment in capital assets	118,999
Unrestricted (deficit)	<u>(231,856)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (112,857)</u>

See accompanying notes to the financial statements.

**AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
<b>Governmental Activities</b>				
Human Services	\$ 5,910,207	\$ 916,528	\$ 4,551,842	\$ (441,837)
General Revenues				
Donations				517,545
Miscellaneous				223
Total General Revenues				<u>517,768</u>
<b>Change in Net Position</b>				75,931
NET POSITION - Beginning of Year (Deficit)				<u>(188,788)</u>
<b>NET POSITION - END OF YEAR (DEFICIT)</b>				<u>\$ (112,857)</u>

See accompanying notes to the financial statements.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

BALANCE SHEET  
GENERAL FUND  
As of December 31, 2013

<b>ASSETS</b>		
Cash		\$ 48,360
Accounts receivable		54,389
Due from other governments		<u>342,411</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 445,160</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities		
Accounts payable		\$ 104,756
Accrued liabilities		84,430
Deposit		2,300
Due to other governments		<u>3,445</u>
Total Liabilities		<u>194,931</u>
Deferred Inflows of Resources		
Unavailable revenues		<u>184,874</u>
Fund Balance		
Restricted		<u>65,355</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		<b><u>\$ 445,160</u></b>
<b>RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION</b>		
Total fund balance		\$ 65,355
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the fund statements		118,999
Unavailable receivables reported in the fund statements but recognized when earned in the government-wide statements		184,874
Some liabilities, including compensated absences and other post employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences		(279,910)
Other postemployment benefits liability		<u>(202,175)</u>
<b>NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ (112,857)</u></b>

See accompanying notes to the financial statements.



# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND For the Year Ended December 31, 2013

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### REVENUES

Intergovernmental	\$ 4,542,279
Charges for services	57,044
Intergovernmental charges for services	
Marathon County	395,367
Wood County	198,278
Lincoln County	149,466
Langlade County	115,070
Donations	517,545
Miscellaneous	223
Total Revenues	<u>5,975,272</u>

### EXPENDITURES

Human services	
Personal services	3,866,570
Contractual services	1,383,020
Supplies	319,058
Fixed charges	260,471
Grants, contributions and other	80,412
Capital outlay	43,070
Total Expenditures	<u>5,952,601</u>

Excess of revenues over expenditures 22,671

FUND BALANCE - Beginning of Year 42,684

**FUND BALANCE - END OF YEAR** \$ 65,355

## AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GENERAL FUND TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

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Net Change in Fund Balance - General Fund	\$ 22,671
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	43,070
Depreciation is reported in the government-wide statements	(23,972)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
	10,866
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	12,965
Other postemployment benefits	<u>10,331</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 75,931</u></b>

See accompanying notes to the financial statements.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

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# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### **A. REPORTING ENTITY**

The Aging and Disability Resource Center of Central Wisconsin (“ADRC-CW”) is a joint venture of Marathon, Wood, Lincoln and Langlade counties located in Central Wisconsin. The financial statements of ADRC-CW have been prepared in conformity with generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are described below.

In 2006, Marathon and Wood Counties entered into an Intergovernmental Cooperative Agreement under Section 66.0301 of the Wisconsin Statutes to operate a joint venture to provide aging and disability resource services to citizens of both counties. The joint venture began operations in 2007. Lincoln and Langlade counties joined in 2011.

As part of the agreement, the counties have adopted resolutions creating the Aging and Disability Resource Center of Central Wisconsin. The Aging and Disability Resource Center of Central Wisconsin Board consists of fifteen members as required under Wisconsin Statutes.

Two members are appointed by each governing body of each member county and seven members of ADRC-CW’s board are citizen members. Each of the seven citizen members shall be approved by the governing body of each member county.

Representatives shall be appointed for terms of no less than three (3) years or until the occurrence of any one of the following events: (1) the board receives written notice from the appointment member county of the replacement of the representative; (2) the withdrawal of the member county from this Agreement; or (3) the death or resignation of the representative. In such event, the member county may appoint a representative to replace the previously appointed representative for the remainder of the term of that representative.

The initial term of the representatives shall be designated as one year, two years or three years in order to create a rotating schedule for representatives to serve on the board from each member county. The governing body of each member county shall designate the terms of the initial representatives. A representative’s term shall not exceed two (2) consecutive three (3) year terms.

Representatives are entitled to reimbursement by his/her member county as authorized by the governing body of his/her member county. Citizen members shall be reimbursed by the board as set forth in its fiscal policy.

Upon becoming a party to this Agreement, each member county shall be entitled to appoint one non-voting ex officio member of the board to serve for a one-time limited term of one year from the date of the appointment.

Upon admission of a county and that county’s approval and execution of this Agreement, the county shall be entitled to appoint a representative(s) and an alternate representative to the board as specified in this agreement.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### **A. REPORTING ENTITY (cont.)**

The employees of the Aging and Disability Resource Center of Central Wisconsin are considered employees of Marathon County for payroll and benefit purposes.

Each member county retains ownership of the current real property facilities used by each county. Personal property may be owned by ADRC-CW.

Marathon County serves as the fiscal agent for ADRC-CW. Marathon County also provides legal and employee resource services. Workers compensation and liability insurance is provided through Wisconsin Municipal Mutual Insurance Company (WMMIC).

### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In March 2012, the GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

#### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. The statements present governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. ADRC-CW does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Donations and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

#### ***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

#### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or non-major funds within the governmental statements. A fund is considered major if it is the primary operating fund of ADRC-CW or meets the following criteria:

- a. Total assets, liabilities, deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. In addition, any other governmental fund that ADRC-CW believes is particularly important to financial statement users may be reported as a major fund.

ADRC-CW reports the following major governmental fund:

General Fund – accounts for ADRC-CW's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

ADRC-CW has no other major or non-major governmental or enterprise funds.

### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

#### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

#### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, ADRC-CW considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental aids and grants are recognized as revenues in the period ADRC-CW is entitled to the resources and the amounts are available. Amounts owed to ADRC-CW which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

#### **All Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

#### **1. Deposits and Investments**

Investment of ADRC-CW funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

#### **1. Deposits and Investments (cont.)**

ADRC-CW does not have any investments. If it did, ADRC-CW would be subject to Marathon County's investment policy as they are pooled together.

See Note II.A. for further information.

#### **2. Receivables**

Accounts receivable have not been shown net of an allowance for uncollectible accounts because of the likelihood of the collectibility for all significant receivables.

#### **3. Capital Assets**

##### **Government-Wide Financial Statements**

Capital assets are defined by ADRC-CW as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Capital assets purchased by member counties for the use of ADRC-CW shall be carried on the books and depreciated by the member county that purchased the capital asset. Depreciable capital assets shall be rented to ADRC-CW by the owning member county for a period to coincide with the county's membership in ADRC-CW at a rate negotiated and set during the annual budgeting process.

If capital assets are purchased by ADRC-CW, the capital appropriations shall be carried on the books and depreciation amounts for capital assets shall be included in program operating expenses. Each member county shall receive a credit to its equity fund balance account for the amount of the capital appropriation provided for the purchase of capital assets.

Depreciation of all exhaustible capital assets purchased by ADRC-CW is recorded as an expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of asset are as follows:

Equipment	5 - 10 years
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##### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### **4. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.



# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY*** (cont.)

#### ***4. Compensated Absences*** (cont.)

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2013 are determined on the basis of current salary rates and include salary related payments.

#### ***5. Long-Term Obligations***

ADRC-CW's long-term obligations consist of compensated absences and other post-employment benefits.

#### ***6. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

#### ***7. Equity Classifications***

##### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. (There was no restricted net position at year end.)
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is ADRC-CW's policy to use restricted resources first, then unrestricted resources as they are needed.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

#### 7. Equity Classifications (cont.)

##### Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, ADRC-CW classifies governmental fund balance as restricted. It is restricted because it consists of fund balance with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

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## NOTE II – DETAILED NOTES ON ALL FUNDS

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### A. DEPOSITS AND INVESTMENTS

ADRC-CW's cash balances at year end were pooled with other funds of Marathon County, the fiscal agent. All of the deposits of Marathon County are fully collateralized at year end.

### B. RECEIVABLES

All receivables are expected to be collected within one year.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *unavailable revenue* reported in the governmental fund consists of grants and other charges related to reimbursement for ADRC-CW services in the amount of \$184,874.

### C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated				
Equipment	\$ 144,881	\$ 43,070	\$ -	\$ 187,951
Less: Accumulated depreciation	<u>(44,980)</u>	<u>(23,972)</u>	<u>-</u>	<u>(68,952)</u>
Net Capital Assets Being Depreciated	<u>\$ 99,901</u>	<u>\$ 19,098</u>	<u>\$ -</u>	<u>\$ 118,999</u>

Depreciation expense was charged entirely to the human services function.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

## NOTE II – DETAILED NOTES ON ALL FUNDS (cont.)

### **D. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Other Liabilities					
Vested compensated absences	\$ 292,875	\$ 148,196	\$ 161,161	\$ 279,910	\$ 55,982
Other post-employment benefits	212,506	-	10,331	202,175	-
Total Governmental Activities					
Long-Term Liabilities	\$ 505,381	\$ 148,196	\$ 171,492	\$ 482,085	\$ 55,982

### **E. LEASE DISCLOSURES**

ADRC-CW has no material capital or operating leases.

## NOTE III – OTHER INFORMATION

### **A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible ADRC-CW employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system (PERS). Employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year, and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year, and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	Employee	Employer
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE III – OTHER INFORMATION (cont.)

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### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

The payroll for ADRC-CW employees covered by WRS for the year ended December 31, 2013 was \$2,536,562; the employer's total payroll was \$2,658,967. The total required contribution for the year ended December 31, 2013 was \$337,363 or 13.3 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ended December 31, 2012 and 2011 were \$309,953 and \$302,469, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting an application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The pension-related debt for the ADRC-CW as of December 31, 2013 was zero.

### **B. RISK MANAGEMENT**

ADRC-CW is exposed to various risks of loss, including torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to and health care of employees. ADRC-CW participates in Marathon County's risk management program for insurance. The county has chosen to retain a portion of the risks through self-insurance programs and has also purchased insurance to transfer other risks to outside parties. A description of the county's risk management program can be found in Marathon County's 2013 Comprehensive Annual Financial Report.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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## NOTE III – OTHER INFORMATION (cont.)

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### **C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in the governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred.

From time to time, ADRC-CW is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and ADRC-CW's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on ADRC-CW's financial position or results of operations.

ADRC-CW has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

### **D. OTHER POSTEMPLOYMENT BENEFITS**

Employees of ADRC-CW are employed by Marathon County. Refer to the financial statements of the county for details on other postemployment benefits.

### **E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following:

- > GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,602,184	\$ 4,697,733	\$ 4,542,279	\$ (155,454)
Charges for services	50,200	50,200	57,044	6,844
Intergovernmental charges for services				
Marathon County	395,367	395,367	395,367	-
Wood County	198,278	198,278	198,278	-
Lincoln County	149,466	149,466	149,466	-
Langlade County	115,007	115,007	115,070	63
Donations	579,340	584,340	517,545	(66,795)
Miscellaneous	-	-	223	223
Total Revenues	<u>6,089,842</u>	<u>6,190,391</u>	<u>5,975,272</u>	<u>(215,119)</u>
<b>EXPENDITURES</b>				
Human services				
Personal services	3,939,227	3,953,921	3,866,570	87,351
Contractual services	1,438,241	1,490,413	1,383,020	107,393
Supplies	355,035	367,863	319,058	48,805
Fixed charges	250,954	252,554	260,471	(7,917)
Grants, contributions and other	87,868	103,335	80,412	22,923
Capital outlay	25,000	45,440	43,070	2,370
Total Expenditures	<u>6,096,325</u>	<u>6,213,526</u>	<u>5,952,601</u>	<u>260,925</u>
<b>Excess (deficiency) of revenues over     (under) expenditures</b>	(6,483)	(23,135)	22,671	45,806
FUND BALANCE - Beginning of Year	<u>42,684</u>	<u>42,684</u>	<u>42,684</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 36,201</u>	<u>\$ 19,549</u>	<u>\$ 65,355</u>	<u>\$ 45,806</u>

See independent auditors' report and accompanying notes to required supplementary information.

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2013

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the modified accrual basis of accounting as described in Note I.C.

An operating budget is adopted each fiscal year for the general fund in accordance with Section 65.90 of the Wisconsin Statutes.

The legally adopted budget and budgetary expenditure control is exercised at the function level in the general fund. Amendments to the budget are by a vote of two-thirds of the full ADRC-CW Board and, when applicable, the affected county entire board membership. Amendments are required any time the amounts of the appropriations (at the department/function level) are to be changed. Within the ADRC joint operation functions this only involves those changes that would affect the amount of levy support or fund balance provided by the member counties. For those budgeted functions administered for specific counties, amendments are required any time the amount or purpose/function of the appropriations changes. Amendments to the functions within the ADRC joint operations are required any time the appropriations need to be changed at the function level. Amendments to these functions are to be approved by two-thirds of the entire ADRC-CW Board and are reflected in the minutes to be distributed to the member counties. The ADRC-CW Board has the authority by majority vote to transfer funds between budgeted functions within ADRC-CW joint operations.

Appropriations lapse at year end unless specifically carried over. No appropriations were carried over to the following year.



**S U P P L E M E N T A L   I N F O R M A T I O N**

**AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2013

Federal Grantor Agency Program Title	Grant ID	State Pass-thru Entity	Notes	CFDA Number	Accrued (Deferred) Fed Rev 1/1/2013	Accrued (Deferred) Local Rev 1/1/2013	Federal Expenditures	Local Expenditures	Federal Reimburse	Local Reimburse	Accrued (Deferred) Fed Rev 12/31/2013	Accrued (Deferred) Local Rev 12/31/2013
<b>US Department of Transportation</b>												
Formula Grants for Rural Areas	n/a	DOT	1	20.509	\$ 711	\$ -	\$ -	\$ -	\$ 711	\$ -	\$ -	\$ -
<b>US Department of Health &amp; Human Services</b>												
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	12413	DHS	2,3,4	93.043	2,948	(368)	22,560	368	21,222	384	4,286	(384)
Aging Cluster												
Special Programs for the Aging - Title III B - Grants for Supportive Services and Senior Centers	11613	DHS	3,9	93.044	13,311	-	299,589	150,578	286,328	150,578	26,572	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	12013	DHS	3,7,8	93.045	18,977	-	348,852	-	334,480	-	33,349	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	12113	DHS	3,5	93.045	-	-	161,749	-	161,749	-	-	-
Nutrition Services Incentive Program	13213	DHS	3,19	93.053	-	-	36,248	-	36,248	-	-	-
Nutrition Services Incentive Program	13213	DHS	3,19	93.053	-	-	93,178	-	93,178	-	-	-
Total Aging Cluster CFDA's					32,288	-	939,616	150,578	911,983	150,578	59,921	-
National Family Caregiver Support, Title III, Part E	12513	DHS	3,15,16	93.052	13,913	-	135,357	-	136,470	-	12,800	-
Social Services Block Grant	FHCG309	DHS	6	93.667	50	-	9,607	-	9,776	-	(119)	-
Social Services Block Grant	12013	DHS	3,7,8	93.667	1,092	-	8,606	-	8,875	-	823	-
Social Services Block Grant	12113	DHS	3	93.667	-	-	8,327	-	8,327	-	-	-
Social Services Block Grant	13213	DHS	3	93.667	-	-	2,118	-	2,118	-	-	-
Social Services Block Grant	13213	DHS	3	93.667	-	-	5,444	-	5,444	-	-	-
Total CFDA #93.667					1,142	-	34,102	-	34,540	-	704	-
Medical Assistance Program	75010	DHS	3	93.778	-	-	10,576	-	10,576	-	-	-
Medical Assistance Program	FHCG309	DHS	6	93.778	32,012	-	122,897	-	124,141	-	30,768	-
Medical Assistance Program	FHCG309	DHS	6	93.778	129,326	-	481,768	-	489,557	-	121,537	-
Medical Assistance Program	FHCG309	DHS	6	93.778	37,706	-	145,468	-	145,127	-	38,047	-
Medical Assistance Program	FHCG309	DHS	6	93.778	16,673	-	68,016	-	70,917	-	13,772	-
Medical Assistance Program	FHCG309	DHS	6	93.778	9,475	-	25,901	-	28,240	-	7,136	-
Medical Assistance Program	74010	DHS	3	93.778	12,151	-	43,107	-	40,998	-	14,260	-
Total CFDA #93.778					237,343	-	897,733	-	909,556	-	225,520	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	12013	DHS	3,7,8	93.779	16,188	-	-	-	16,188	-	-	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	12713	DHS	3,17	93.779	-	-	20,500	-	20,500	-	-	-
Total CFDA #93.779					16,188	-	20,500	-	36,688	-	-	-
<b>TOTAL FEDERAL PROGRAMS</b>					<b>\$ 304,533</b>	<b>\$ (368)</b>	<b>\$ 2,049,868</b>	<b>\$ 150,946</b>	<b>\$ 2,051,170</b>	<b>\$ 150,962</b>	<b>\$ 303,231</b>	<b>\$ (384)</b>

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

**AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2013

State Grantor Agency Program Title	Grant ID	Notes	State Assist Number	Accrued (Deferred) State Rev 1/1/2013	Accrued (Deferred) Local Rev 1/1/2013	State Expenditures	Local Expenditures	State Reimburse	Local Reimburse	Accrued (Deferred) State Rev 12/31/2013	Accrued (Deferred) Local Rev 12/31/2013
<b>WI Department of Transportation</b>											
Elderly Handicapped Transportation Aid WC	n/a	1	395.101	\$ -	\$ 32,055	\$ -	\$ -	\$ -	\$ 32,055	\$ -	\$ -
<b>WI Department of Health Services</b>											
ADRC MFP NH Relocate GPR	FHCG309	6	435.560062	-	-	9,000	-	9,000	-	-	-
ADRC MFP NH Relocate Non-MA	FHCG309	6	435.560063	4,457	-	9,000	-	13,457	-	-	-
ADRC MFP NH Relocation	FHCG309	6	435.560065	4,972	-	24,488	-	34,180	-	(4,720)	-
Aging & Disability Resrc Ctr/Family Care Resrc	FHCG309	6	435.560100	7,738	(3,385)	1,565,224	1	1,592,411	-	(19,449)	(3,384)
State Elderly Benefit Specialist	11413	3,10	435.560320	4,326	-	108,925	12,242	110,218	12,242	3,033	-
EBS OCI Replacement	13013	3,18	435.560327	-	-	27,601	-	27,601	-	-	-
State Senior Community Service Prog	11513	3,12,13	435.560330	26,359	-	35,146	-	61,505	-	-	-
Title III-C C/1	12013	3,7,8	435.560350	31,589	(53,294)	365,702	254,752	362,331	266,597	34,960	(65,139)
Title III-C C/2	12113	3,5	435.560360	-	43,438	23,566	592,114	23,566	595,099	-	40,453
Alzheimers Family & Caregiver Supp Prog	12213	3,14	435.560381	13,304	-	72,200	-	61,414	-	24,090	-
Title VII Elder Abuse Service	n/a	11	435.560490	(10,466)	-	229	-	2,000	-	(12,237)	-
<b>TOTAL STATE PROGRAMS</b>				<u>\$ 82,279</u>	<u>\$ 18,814</u>	<u>\$ 2,241,081</u>	<u>\$ 859,109</u>	<u>\$ 2,297,683</u>	<u>\$ 905,993</u>	<u>\$ 25,677</u>	<u>\$ (28,070)</u>
<b>TOTAL FEDERAL AND STATE PROGRAMS</b>				<u>\$ 386,812</u>	<u>\$ 18,446</u>	<u>\$ 4,290,949</u>	<u>\$ 1,010,055</u>	<u>\$ 4,348,853</u>	<u>\$ 1,056,955</u>	<u>\$ 328,908</u>	<u>\$ (28,454)</u>

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

**AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2013

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**Footnotes to the Schedule of Federal and State Financial Awards:**

For Programs which have Federal, State and Local funding, all Local funding is shown under the "Local" heading in the State Section of the Schedule.

Programs shown in the State Section of the Schedule may include identification by Federal CFDA Number. These identification numbers are provided as a reference, especially for State programs which have not been assigned a State Assistance Number.

- 1 -- Funding flows through Wood County, WI
- 2 -- Program previously reported under Grant ID 12412
- 3 -- Funding flows thru Greater Wisconsin Agency on Aging Resources
- 4 -- Local match component met with 331.75 hours of volunteer labor valued at \$4720
- 5 -- Program previously reported under Grant ID 12112
- 6 -- Program previously reported under Grant ID FHHG012
- 7 -- Program previously reported under Grant ID 12012
- 8 -- Local match component met with 7400 hours of volunteer labor valued at \$80956 and tax levy of \$22198
- 9 -- Program previously reported under Grant ID 11612
- 10 -- Program previously reported under Grant ID 11412
- 11 -- Funding flows through North Central Health Care
- 12 -- Program previously reported under Grant ID 11512
- 13 -- Local match component met through 400 hours of volunteer labor valued at \$4376
- 14 -- Program previously reported under Grant ID 12212
- 15 -- Program previously reported under Grant ID 12512
- 16 -- Local match component met through Alzheimers Family & Caregiver Support Program
- 17 -- Program previously reported under Grant ID 12712
- 18 -- Program previously reported under Grant ID 13012
- 19 -- Program previously reported under Grant ID 13212

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2013

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

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The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state grant activity of the Aging and Disability Resource Center of Central Wisconsin (“ADRC-CW”) under programs of the federal and state government for the year ended December 31, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of ADRC-CW it is not intended to and does not present the financial position or changes in net position of ADRC-CW.

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

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Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## AGING AND DISABILITY RESOURCE CENTER GRANT SETTLEMENT OF DHS COST REIMBURSEMENT AWARD For the Year Ended December 31, 2013

	ADRC MFP-NH Relocate Fed	ADRC MFP-NH Relocate GPR	ADRC MFP-NH Reloc Non MA
DHS Identification Number	CARS profile 560061	CARS profile 560062	CARS profile 560063
Award amount	Sum Sufficient	\$ 9,000	\$ 9,000
Award period	1/1/13- 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13
Period of award within audit period	1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13
Expenditures reported to DHS for payment	<u>\$ 25,901</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>
Actual allowable cost of reward			
Program expenses			
ADRC program personnel	20,212	7,024	7,024
Direct expenses (travel, training, postage, etc.)	<u>3,100</u>	<u>1,076</u>	<u>1,076</u>
Total program expenses	23,312	8,100	8,100
Management and General Expenses			
Administration Sal/Fringe (allocated first by FTE in program, then by 100% time reporting in ADRC program personnel)	<u>2,589</u>	<u>900</u>	<u>900</u>
Total Allowable Costs	<u>\$ 25,901</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>

ADRC MFP-NH Relocation	I & A EBS	DBS RC I&A	Resource CTR MA I&A Fed	Resource Ctr Screen Fed	Aging & Dis Resource Ctr
CARS profile 560065	CARS profile 560071	CARS profile 560081	CARS profile 560087	CARS profile 560091	CARS profile 560100
\$ 68,400	Sum Sufficient	Sum Sufficient	Sum Sufficient	Sum Sufficient	\$ 1,574,831
1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/11 - 12/31/13	1/1/13 - 12/31/13
1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13	1/1/13 - 12/31/13
\$ 24,488	\$ 68,016	\$ 122,897	\$ 481,768	\$ 145,468	\$ 1,574,831
19,110	53,080	95,909	375,972	113,524	1,228,998
2,930	8,136	14,701	57,621	17,400	188,368
22,040	61,216	110,610	433,593	130,924	1,417,366
2,448	6,800	12,287	48,175	14,544	157,465
\$ 24,488	\$ 68,016	\$ 122,897	\$ 481,768	\$ 145,468	\$ 1,574,831

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

Independent Auditors' Report

To the Board Members  
Aging and Disability Resource Center of Central Wisconsin  
Wausau, 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 and major fund of the Aging and Disability Resource Center of Central Wisconsin ("ADRC-CW") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise ADRC-CW's basic financial statements and have issued our report thereon dated August 21, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered ADRC-CW'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 ADRC-CW's internal control. Accordingly, we do not express an opinion on the effectiveness of ADRC-CW'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 were not 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 entity'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 to be a material weakness. This material weakness is item 2013-001.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. This significant deficiency is item 2013-002.



To the Board Members  
Aging and Disability Resource Center of Central Wisconsin

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether ADRC-CW'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*.

***ADRC-CW's Response to Findings***

ADRC-CW's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. ADRC-CW'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
August 21, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133 AND THE *STATE SINGLE AUDIT GUIDELINES*

Independent Auditors' Report

To the Board Members  
Aging and Disability Resource Center of Central Wisconsin  
Wausau, Wisconsin

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

We have audited the Aging and Disability Resource Center of Central Wisconsin ("ADRC-CW")'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of ADRC-CW's major federal and major state programs for the year ended December 31, 2013. ADRC-CW's major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of ADRC-CW's major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133, 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 major state program occurred. An audit includes examining, on a test basis, evidence about ADRC-CW's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

To the Board Members  
Aging and Disability Resource Center of Central Wisconsin

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

In our opinion, ADRC-CW complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2013.

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

Management of ADRC-CW is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered ADRC-CW's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 ADRC-CW's internal control over compliance.

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

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

***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
August 21, 2014

**AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

***FINANCIAL STATEMENTS***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?                    \_\_\_\_\_ yes         no

***FEDERAL OR STATE AWARDS***

Internal control over major 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 section 510(a) of OMB Circular A-133?                    \_\_\_\_\_ yes         no

\_\_\_\_\_  
Federal Programs                                  State Programs

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.044	Aging Cluster Special Programs for the Aging – Title III, Part B, Grants for Supportive Services and Senior Citizens
93.045	Special Programs for the Aging – Title III, Part C, Nutrition Services
93.053	Nutrition Services Incentive Program
93.778	Medical Assistance Program

\_\_\_\_\_  
Federal    State

Dollar threshold used to distinguish between type A and type B programs:                    \$ 300,000                    \$ 100,000

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

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

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

Identification of major state programs:

<u>State Number</u>	<u>Name of State Program</u>
435.560100	Aging and Disability Resource Center Grant
435.560320	State Elderly Benefit Specialist
435.560350	Title III-C C/1

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

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#### ***FINDING 2013-001: INTERNAL CONTROL OVER FINANCIAL REPORTING***

***Criteria:*** Statement on Auditing Standards (SAS) No. 115 requires us to report a material weakness for ADRC-CW if the auditor prepares the annual financial statements and footnotes.

***Condition:*** We, as your auditors, prepared ADRC-CW’s financial statements.

***Context:*** The financial statements need to contain all of the required disclosures and account balances without material changes made by your auditors.

***Cause:*** Due to resource limitations, ADRC-CW relies upon the auditors to prepare the annual financial statements.

***Recommendation:*** We recommend that ADRC-CW determine if resources would be available to prepare a complete set of financial statements.

#### ***Management’s Response:***

The ADRC-CW does not have sufficient professionally trained staff to prepare a complete set of year-end financial statements. Due to budget constraints, it is unlikely that ADRC-CW will be in a position to hire, train, and house professional staff to complete this task in the near future.

#### ***FINDING 2013-002: INTERNAL CONTROL ENVIRONMENT***

***Criteria:*** Statement on Auditing Standards (SAS) 115 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the county’s (acting as the fiscal agent of ADRC-CW) structure of internal control.

***Condition:*** During the financial audit, audit procedures and inquiries were performed to evaluate the effectiveness of controls over various transaction cycles. As a result of this work we did, the following areas were identified where the county’s or ADRC-CW’s controls over transactions could be improved:

- > Controls over bank reconciliations (county)
- > A formal fraud risk evaluation process should be in place (ADRC-CW)

# AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2013

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### SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (cont.)

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#### *FINDING 2013-002: INTERNAL CONTROL ENVIRONMENT (cont.)*

**Context:** Errors or irregularities could occur as part of these financial processes that may not be discovered by your fiscal agent staff.

**Cause:** Unknown

**Recommendation:** We recommend a designated person in the county, acting as fiscal agent for ADRC-CW, as well as a designated person at ADRC-CW, review these potential controls and make a suggestion regarding the ability and cost (including time) to implement some or all of them.

**Management's Response:**

Bank reconciliations (county): The County does verify decentralized bank accounts by someone independent of the processing transactions. We have started to initiate a similar procedure for the County's general checking account as well. The June and November 2013 were reviewed by the Finance Director. This procedure will be enhanced to become a part of the monthly bank reconciliation process for the County's bank account as of the June 2014 reconciliation.

Fraud risk evaluation (ADRC-CW): ADRC-CW management began working with the newly formed ADRC-CW Finance Committee. The ADRC-CW Finance Committee reviews monthly financial information in greater detail, including all non-payroll disbursements, on a monthly basis. The ADRC-CW Finance Committee also reviews and makes recommendations for fiscal related processes and procedures.

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

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None reported.

**AGING AND DISABILITY RESOURCE CENTER OF CENTRAL WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2013

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**SECTION IV – OTHER ISSUES**

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1. Does the auditor's 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
2. 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 Transportation             yes        X   no
- Department of Health Services             yes        X   no
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?        X   yes             no
4. Name and signature of partner      Thomas A. Scheidegger  
Thomas A. Scheidegger, CPA, Partner
5. Date of report      August 21, 2014