

LINCOLN COUNTY, WISCONSIN
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE REPORT
DECEMBER 31, 2007

LINCOLN COUNTY, WISCONSIN

December 31, 2007

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL AND STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES AND THE SCHEDULES
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

To the County Board
Lincoln County
Merrill, Wisconsin

Compliance

We have audited the compliance of Lincoln County, Wisconsin with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that are applicable to each of its major federal and state programs for the year ended December 31, 2006. Lincoln 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Lincoln County, Wisconsin's management. Our responsibility is to express an opinion on Lincoln County, Wisconsin's compliance based on our audit.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, guidelines and OMB Circular A-133 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 and state program occurred. An audit includes examining, on a test basis, evidence about Lincoln 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. Our audit does not provide a legal determination of Lincoln County, Wisconsin's compliance with those requirements.

In our opinion, Lincoln County, Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of Lincoln County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Lincoln County, Wisconsin's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Lincoln County, Wisconsin's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the Lincoln County, Wisconsin's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the entity's internal control. We do not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above.

Schedule of Expenditure of Federal Awards and State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin as of and for the year ended December 31, 2007, and have issued our report thereon dated July 29, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Lincoln County, Wisconsin's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lincoln County, Wisconsin's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lincoln County, Wisconsin's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Board, management, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants
Green Bay, Wisconsin
July 29, 2008

LINCOLN COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/Pass-through Agency and Program Title	Federal CFDA Number	Revenues				Total Revenues	Total Expenditures
		(Accrued) Deferred Revenue 1/1/2007	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/2007			
U.S. Department of Agriculture Passed through the Wisconsin Department of Health and Family Services State Administrative Matching Grants for the Food Stamp Program	10.561	\$ (7,955)	\$ 76,429	\$ 22,758	\$ 91,232	\$ 91,232	
U.S. Department of the Interior Direct Program Save America's Treasures	15.929	(62,077)	-	62,077	-	-	
U.S. Department of Housing and Urban Development Passed through the Wisconsin Department of Commerce Community Development Block Grant	14.228	-	106,000	-	106,000	106,000	
U.S. Department of Justice Passed through the Wisconsin Department of Justice Byrne Formula Grant Victim Witness Services CEASE Total U.S. Department of Justice	16.579	(1,046)	1,046 400	1,061 -	1,061 400	1,061 400 1,461	
U.S. Department of Transportation Passed through the Wisconsin Department of Transportation State and Community Highway Safety Occupant Protection Total U.S. Department of Transportation	20.600 20.602	- -	5,888 2,500	- -	5,888 2,500	5,888 2,500 8,388	
Environmental Protection Agency Passed through the Wisconsin Department of Health and Family Services State Indoor Radon Grants	66.032	5	2,995	-	3,000	3,000	

LINCOLN COUNTY, WISCONSIN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2007

Federal Grantor/Pass-through Agency and Program Title	Federal CFDA Number	Revenues				Total Revenues	Total Expenditures
		(Accrued) Deferred Revenue 1/1/2007	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/2007			
U. S. Department of Education							
Passed through the Wisconsin Department of Health and Family Services							
Grants for Infants and Toddlers with Disabilities	84.181	-	33,778	-	33,778	33,778	33,778
Election Assistance Commission							
Passed through the Wisconsin State Elections Board							
Help America Vote Act Requirements Payments	93.617	(130,870)	136,495	-	5,625	5,625	5,625
U.S. Department of Health and Human Services							
Passed through the Northern Area Agency on Aging, Inc.							
Disease Prevention and Health Promotion Services (Title III-D)	93.043	(877)	4,336	-	3,459	3,459	3,459
Grants for Supportive Services and Senior Centers (Title III-B)	93.044	(13,704)	55,206	1,352	42,854	42,854	42,854
Nutrition Services (Title III-C)	93.045	(50,895)	114,277	-	63,382	63,382	63,382
National Family Caregiver Support (Title III-E)	93.052	(1,262)	19,510	-	18,248	18,248	18,248
Nutrition Services Incentive Program	93.053	-	24,527	-	24,527	24,527	24,527
Passed through the Wisconsin Department of Health and Family Services							
Public Health Emergency Preparedness	93.069	-	-	12,415	12,415	12,415	12,415
Immunization Grants	93.268	-	22,448	-	22,448	22,448	22,448
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	-	24,833	-	24,833	24,833	24,833
Promoting Safe and Stable Families	93.556	(181)	30,309	16,222	46,350	46,350	46,350
Temporary Assistance for Needy Families (TANF)	93.558	(423)	47,418	-	46,995	46,995	46,995
Child Welfare Services - State Grants	93.645	(109)	11,858	-	11,749	11,749	11,749
Foster Care (Title IV-E)	93.658	(891)	100,603	-	99,712	99,712	99,712
Social Services Block Grant	93.667	(844)	94,835	-	93,991	93,991	93,991
Chafee Foster Care Independent Living	93.674	3,023	(297)	3,610	6,336	6,336	6,336
State Children's Insurance Program	93.767	(2,063)	18,244	5,219	21,400	21,400	21,400

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2007

Federal Grantor/Pass-through Agency and Program Title	Federal CFDA Number	Revenues				Total Revenues	Total Expenditures
		(Accrued) Deferred Revenue 1/1/2007	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/2007			
U.S. Department of Health and Human Services (Continued)							
Passed through the Wisconsin Department of Health and Family Services (Continued)	93.778	(160,834)	2,778,362	454,842	3,072,370	3,072,370	
Medical Assistance Program		-	992	-	992		
Social and Community Services		(150)	150	-	-	-	
Public Health		-	6,204	-	6,204	6,204	
State Pharmaceutical Assistance Programs	93.786	-	13,573	-	13,573	13,573	
Preventive Health and Social Services Block Grant	93.991						
Maternal and Child Health Social Services Block Grant	93.994						
Passed through the Wisconsin Department of Workforce Development		(23,107)	219,505	26,541	222,939	222,939	
Child Support Enforcement (Title IV-D)	93.563		31,569	-	31,569	31,569	
Child Care Development Fund	93.596						
Passed through the Wisconsin Department of Administration		(6,950)	40,609	31,104	64,763	64,763	
Low-income Home Energy Assistance	93.645	130	6,172	-	6,302	6,302	
Passed through the Wisconsin Department of Corrections		130	6,172	-	6,302	6,302	
Child Welfare Services - State Grants	93.658						
Foster Care (Title IV-E)		(259,007)	3,671,415	551,305	3,963,713	3,963,713	
Total U.S. Department of Health and Human Services							
U.S. Department of Homeland Security							
Passed through the Wisconsin Department of Military Affairs		(20,966)	27,263	18,043	24,340	24,340	
Emergency Management Performance Grants	97.042						
Passed through the Wisconsin Department of Administration -							
Office of Justice Assistance		(17,039)	18,795	7,745	9,501	9,501	
Homeland Security Grant	97.067		46,058	25,788	33,841	33,841	
Total U.S. Department of Homeland Security							
TOTAL FEDERAL AWARDS		\$ (498,955)	\$ 4,083,004	\$ 662,989	\$ 4,247,038	\$ 4,247,038	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

LINCOLN COUNTY, WISCONSIN

Schedule of State Financial Assistance
For the Year Ended December 31, 2007

State Grantor/Pass-through Agency and Program Title	State ID Number	Revenues				Total Expenditures
		(Accrued) Deferred Revenue 1/1/07	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/07	Total Revenues	
Department of Agriculture, Trade and Consumer Protection						
Soil and Water Resource Management	115.15	\$ (55,229)	\$ 113,785	\$ 48,247	\$ 106,803	\$ 106,803
Basic Annual Staffing Grants	115.40	-	39,371	21,205	60,576	60,576
LWRM Plan Implementation		(55,229)	153,156	69,452	167,379	167,379
Total Department of Agriculture, Trade and Consumer Protection		-	46,515	-	46,515	46,515
Department of Commerce						
Private Sewage System Replacement and Rehabilitation Grant Program	143.110	-	46,515	-	46,515	46,515
Department of Natural Resources						
Local Park Aids Stewardship	370.421	62,452	-	-	62,452	62,452
S-ADLP2-881 New Wood River Acquisition		(601)	601	-	-	-
S-ADLP2-824 Prairie River Dells		13,415	-	(10,829)	2,586	2,586
S-ADLP2-921 Tug Lake County Park		(8,779)	8,779	-	-	-
Wildlife Damage Claims and Abatement	370.553	-	20,034	9,115	29,149	29,149
2006		(209)	5,424	-	5,215	5,215
2007		19,219	20,436	(25,063)	14,592	14,592
Resource Aids-County Conservation Aids	370.563	2,400	362	-	2,762	2,762
Sustainable Forestry Grant	370.572	30,120	109,530	(26,084)	113,566	113,566
Recreation Aids - Snowmobile Trails and Area Aid	370.574 & 370.575	36,533	-	(305)	36,228	36,228
2005-2006		(32,118)	32,118	-	-	-
2006-2007		3,375	-	-	3,375	3,375
2007-2008		(3,912)	29,929	31,469	57,486	57,486
All-Terrain Vehicle (ATV) Program	370.576	-	9,877	20,088	29,965	29,965
2004-2005		-	12,575	(9,770)	2,805	2,805
2005-2006		121,895	249,665	(11,379)	360,181	360,181
2006-2007		-	-	-	-	-
2007-2008		-	-	-	-	-
Lake Management Grant	370.664	-	-	-	-	-
Total Department of Natural Resources		121,895	249,665	(11,379)	360,181	360,181

(Continued)

LINCOLN COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2007

State Grantor/Pass-through Agency and Program Title	State ID Number	Revenues				Total Expenditures
		(Accrued) Deferred Revenue 1/1/07	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/07	Total Revenues	
Wisconsin Department of Transportation Elderly and Handicapped Transportation Aids	395.101	61,749	79,279	(16,538)	124,490	124,490
Department of Corrections Community Youth and Family Aids	410.313	8,356	353,692	45,483	407,531	407,531
Department of Health and Family Services Medicaid Personal Care Program (See Note D) Wisconsin Medicaid Cost Reporting (See Note D) Case Management Agency Providers (See Note D) Funeral and Cemetery Medical Assistance Transportation Medical Assistance Transportation Administration Income Maintenance - State Share Income Maintenance - Federal Share Medicaid Subrogation Collection Children and Family Incentives Community Options Program CIP II Diversions Kinship Care Benefit Kinship Care Assessments Grants for Infants and Toddlers w/Disabilities Medical Assistance Programs COP W Program CIP II Program CIP II Community Relocation Childrens Long-Term Support Brain Injury Waiver Program CIP 1 B CIP 1 A	N/A N/A 435.153 435.105 435.131 435.132 435.283 435.284 435.291 435.342 435.367 435.375 435.377 435.380 435.550 435.338 435.348 435.369 435.450 435.506 435.564 435.580	658 (2,835) (458) - (286) 961 - 11,995 1,283 (2,198) - (9,730) 6,498 (10,414) - - - -	11,892 19,888 1,480 144,578 2,315 (961) 85,031 194,500 13,365 23,657 2,198 38,397 207,152 86,646 30,168 - 85,407 309,705 384,862	2,030 7,170 431 2,286 654 - 16,244 76,178 9,169 14,197 3,365 - 4,505 81,554 10,851 10,077 16,529 - 43,447	14,580 24,223 1,453 146,864 2,683 - 101,275 282,673 22,534 39,137 3,365 38,397 201,927 174,698 30,605 10,077 101,936 309,705 428,309	14,580 24,223 1,453 146,864 2,683 - 101,275 282,673 22,534 39,137 3,365 38,397 201,927 174,698 30,605 10,077 101,936 309,705 428,309

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2007

State Grantor/Pass-through Agency and Program Title	State ID Number	Revenues				Total Revenues	Total Expenditures
		(Accrued) Deferred Revenue 1/1/07	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/07			
Department of Health and Family Services (Continued)							
Basic County Allocation	435.561	(4,532)	514,996	-	510,464	510,464	
Family Support Program	435.577	(12,413)	29,547	20,036	37,170	37,170	
Program Integrity	435.750	-	-	1,468	1,468	1,468	
General Relief Block Grant	435.990	-	-	1,250	1,250	1,250	
Community Services and Mental Health	435.681	(53,841)	149,790	-	95,949	191,898	
Dental Health	435.151736	(5,550)	6,925	4,125	5,500	5,500	
Healthier Wisconsin	435.153315	-	4,000	-	4,000	4,000	
Lead Poisoning	435.157720	-	3,262	-	3,262	3,262	
WI Wins Enforcement	435.158116	-	520	-	520	520	
Tobacco Intervention	435.158125	-	27,824	-	27,824	27,824	
WI Wins	435.158127	-	6,500	-	6,500	6,500	
Maternal and Child Health Svc Blk	435.159320	-	992	-	992	992	
Elder Abuse	435.560490	(4,206)	16,385	2,310	14,489	14,489	
Alzheimers Family and Caregiver Support	435.560381	(7,239)	18,661	1,554	12,976	12,976	
Aging-Title III-C-2	435.560360	(489)	3,674	-	3,185	3,185	
Aging-Title III-C-1	435.560350	(45,700)	120,128	-	74,428	74,428	
Senior Community Services	435.560330	(4,101)	10,307	320	6,526	6,526	
Benefit Specialist-OCI Replacement Funds	435.560327	-	4,404	-	4,404	4,404	
Benefit Specialist-Aging	435.560320	(5,786)	33,812	189	28,215	28,215	
Total Department of Health and Family Services		(148,383)	2,592,007	329,939	2,773,563	2,869,512	
Department of Workforce Development							
Child Day Care Program	445.347						
Child Support Enforcement	445.301	(310)	887	-	577	577	
State Use Only	445.334	25	(160)	(7)	(142)	(142)	
Total Department of Workforce Development		(285)	727	(7)	435	435	

(Continued)

LINCOLN COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2007

State Grantor/Pass-through Agency and Program Title	State ID Number	Revenues				Total Expenditures
		(Accrued) Deferred Revenue 1/1/07	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/07	Total Revenues	
Department of Justice						
DNA Reimbursement for Felons	455.221	-	340	-	340	340
Reimbursement for Victim Witness Services	455.503					
2006		(13,373)	13,373	-	-	-
2007		-	13,084	15,130	28,214	28,214
Total Department of Justice		<u>(13,373)</u>	<u>26,797</u>	<u>15,130</u>	<u>28,554</u>	<u>28,554</u>
Department of Military Affairs						
Computer & Hazmat Equipment Grant	465.367	-	9,820	-	9,820	9,820
Emergency Planning Grant Program	465.337					
2006		(5,438)	5,438	-	-	-
2007		-	1,799	5,436	7,235	7,235
Total Department of Military Affairs		<u>(5,438)</u>	<u>17,057</u>	<u>5,436</u>	<u>17,055</u>	<u>17,055</u>
Department of Administration						
Land information grants	505.118	-	6,490	-	6,490	6,490
Public Benefits Funds	505.371	(2,670)	15,592	5,064	17,986	17,986
Digital Recording of Custodial Interrogations	505.636	-	6,300	-	6,300	6,300
Total Department of Administration		<u>(2,670)</u>	<u>28,382</u>	<u>5,064</u>	<u>30,776</u>	<u>30,776</u>
PUBLIC SERVICE COMMISSION						
Enhanced 911	N/A	-	58,076	-	58,076	58,076
TOTAL STATE PROGRAMS		<u>(33,378)</u>	<u>3,605,353</u>	<u>442,580</u>	<u>4,014,555</u>	<u>4,110,504</u>

The notes to the schedule of state financial assistance are an integral part of this schedule.

LINCOLN COUNTY, WISCONSIN

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
December 31, 2007

NOTE A - BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for Lincoln County, Wisconsin, are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 2006 basic financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the County in the succeeding year while deferred revenue represents advances for federal and state programs that exceed recorded County expenditures.

Major federal and state financial assistance programs are identified in the Schedule of Findings and Questioned Costs and are determined as follows:

Federal Programs: Lincoln County, Wisconsin, does not qualify as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs represent those with combined expenditures exceeding 50% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered non-major programs.

State Programs: Lincoln County, Wisconsin, does not qualify as a low risk auditee in accordance with the *State Single Audit Guidelines*. Therefore major programs represent those with combined expenditures exceeding 50% of total state financial assistance that also were deemed major programs based on the auditor's 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. Department of Health and Human Services
State - Wisconsin Department of Health and Family Services

NOTE D - TITLE 19 MEDICAL ASSISTANCE PAYMENTS

The Schedule of Federal Awards and Schedule of State Financial Assistance do not include recorded revenues of \$339,946 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. Presented below is a summary of Title 19 Medical Assistance payments for 2007 received by various County departments:

Social Services	\$ 7,992
Developmental Disabilities	323,943
Public Health	8,011
	<u>\$ 339,946</u>

LINCOLN COUNTY, WISCONSIN

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
December 31, 2007

NOTE E - STATE DIRECT PAYMENTS

Payments made under the food stamp program directly to recipients and vendors by the State of Wisconsin are not included in the Schedule of Federal Awards and Schedule of State Financial Assistance

NOTE F - STATE OF WISCONSIN REPORTING SYSTEMS

The Wisconsin Department of Health and Family Services (DHFS) and Department of Workforce Development (DWD) utilize the Community Aids Reporting System (CARS) and the Central Office Reporting System (CORS) 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 DHFS and DWD programs agree with the expenditures reported on the May 2008 CARS for the Human Services Department and the December 31, 2007 CORS for Child Support and Child Daycare programs.

NOTE G - REVOLVING LOAN FUND FOR ECONOMIC DEVELOPMENT

In current and prior years, the County received community development block grants to finance economic development loans made to local businesses. During 2007, the County received grant income of \$106,000 program income of \$49,667 and expended \$136,000 for an economic loan.

At December 31, 2007 outstanding notes receivable totaled \$432,414. In addition, the County has available \$77,220 for future economic development expenditures.

LINCOLN COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that is not considered to be a material weakness? None Reported

Noncompliance material to basic financial statements noted? No

Federal and State Awards Programs

Internal control over major program:

- Material weakness(es) identified No
- Significant deficiency (ies) identified that are not considered to be material weakness(es)? Yes

Type of auditors' report issued on compliance for major programs
 Medical Assistance Program Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Guidelines? Yes

Identification of major federal and state programs:

CFDA Number	Name of Federal Program
93.778	Medical Assistance

State ID Number	Name of State Programs
N/A	Medicaid Personal Care Program
N/A	Case Management
370.574 & 370.575	Recreation Aids - Snowmobile Trails and Area Aid
410.313	Community Youth & Family Aids
435.283	Income Maintenance Administration
435.338	COP W Program
435.348	CIP II Program
435.367	Community Options Program
435.506	Brain Injury Waiver
435.564	CIP 1B Program
435.580	CIP 1A Program
445.347	Child Day Care Program

Audit threshold used to determine between Type A and Type B programs:

Federal Awards \$300,000
 State Awards \$100,000

Auditee qualified as low-risk auditee No

Section II - Financial Statement Findings

Finding No.	Financial Statement Findings
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There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2007.

LINCOLN COUNTY, WISCONSIN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2007

Section III – Federal and State Awards Findings and Questioned Costs

Finding No.	Control Deficiency – Federal and State Awards
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2007-01 Medical Assistance Programs (CFDA 93.778 and Various State ID)

Condition: Finding 2006-01 disclosed that the County over-reported costs related to services funded under the medical assistance programs (state and federal award programs). The County's corrective action plan was to review its procedures for accumulating cost information in the Developmental Disabilities Center and make at least quarterly reviews of actual costs and make appropriate adjustments to the per unit rates in order for the rates to reflect actual costs. We assisted the County in determining the calculation for 2007.

Criteria: Effective internal controls would have County personnel periodically review and make appropriate adjustments to the per unit rates throughout the year. Auditors cannot be considered part of the County's internal control structure over compliance.

Cause: The County wanted to ensure the methodology used in determining cost was appropriate and met federal and state requirements because of the dollar value of the prior year finding. Therefore, they requested Schenck SC to review and assist in developing the methodology.

Recommendation: We recommend the County personnel continue using the methodology developed with our assistance in future years.

LINCOLN COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2007

Prior Year Audit Findings

Finding No.	Compliance Finding
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2006-01 Allowable Costs – Developmental Disabilities Center

The finding has been resolved with the State of Wisconsin and the over-reported costs are being repaid over a three year period. The County established additional methodology

Corrective Action Plan

Finding No.	Control Deficiency – Federal and State Awards
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2007-01 The County agrees that we are responsible for the determination of unit costs for services provided. We used Schenck to assist us in developing a methodology for the 2007 fiscal year to ensure our calculation was documented appropriately.