

**LINCOLN COUNTY, WISCONSIN**  
**FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE REPORT**

**DECEMBER 31, 2008**



**Schonck**

**Government & Not-For-Profit Solutions**

**BETTER PEOPLE. BETTER RESULTS.**

LINCOLN COUNTY, WISCONSIN

December 31, 2008

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Government & Not-For-Profit Solutions

BETTER PEOPLE. BETTER RESULTS.

**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, 2008. 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; 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, 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 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, 2008.

**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 or 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 or 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.

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 or state program will not be prevented or detected by the entity's internal control.

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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be 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, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin as of and for the year ended December 31, 2008, and have issued our report thereon dated July 27, 2009. 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.

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 27, 2009

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2008

| Federal Grantor Agency/Program Title   | Pass-through Agency                    | Federal<br>CFDA<br>Number |
|--|--|---------------------------|
| <b>U.S. Department of Agriculture</b><br>Food stamps   | WI Department of Children and Families | 10.561                    |
| <b>U.S. Department of Housing and Urban Development</b><br>Community Development Block Grant | WI Department of Commerce              | 14.228                    |
| <b>U.S. Department of the Interior</b><br>Save America's Treasures                           | Direct Program                         | 15.929                    |
| <b>U.S. Department of Justice</b><br>Byrne Grant Funds                                       | WI Department of Justice               | 16.579                    |
| <b>U.S. Department of Transportation</b><br>Highway Safety                                   | WI Department of Transportation        | 20.600                    |
| <b>U. S. Department of Education</b><br>Birth to Three Initiative                            | WI Department of Health Services       | 84.181                    |
| <b>U.S. Department of Health and Human Services</b><br>Aging Cluster                         |  |                           |
| Title III-B  | Northern Area Agency on Aging, Inc.    | 93.044                    |
| Title III-C  | Northern Area Agency on Aging, Inc.    | 93.045                    |
| Nutrition Services Incentive Program   | Northern Area Agency on Aging, Inc.    | 93.053                    |
| Total Aging Cluster  |  |                           |
| Title III-D  | Northern Area Agency on Aging, Inc.    | 93.043                    |
| Title III-E  | Northern Area Agency on Aging, Inc.    | 93.052                    |
| Pubic Health Emergency Preparedness  | WI Department of Health Services       | 93.069                    |
| Children and Family Incentives   | WI Department of Health Services       | 93.130                    |
| Childhood Immunization Grants  | WI Department of Health Services       | 93.268                    |
| CDC Investigations and Technical Assistance  | WI Department of Health Services       | 93.283                    |
| Family Preservation and Support Services   | WI Department of Health Services       | 93.556                    |
| Medical Assistance Program   | WI Department of Health Services       | 93.558                    |
| Child Support Enforcement (Title IV-D)   | WI Department of Children and Families | 93.563                    |
| Low-income Home Energy Assistance  | WI Department of Administration        | 93.568                    |
| Child Care Development Fund  | WI Department of Children and Families | 93.596                    |
| Voting Access for Individuals with Disabilities  | WI State Election Board                | 93.617                    |
| Child Welfare Services   | WI Department of Health Services       | 93.645                    |
| Foster Care (Title IV-E)   | WI Department of Health Services       | 93.658                    |
| Social Services Block Grant  | WI Department of Health Services       | 93.667                    |
| Safe and Stable Families   | WI Department of Health Services       | 93.669                    |
| Youth Independent Living II  | WI Department of Health Services       | 93.674                    |
| Children's Insurance Program   | WI Department of Children and Families | 93.767                    |
| Medical Assistance   | WI Department of Health Services       | 93.778                    |

(Continued)

| (Accrued)/<br>Deferred<br>1/1/2008 | Cash<br>Received | Accrued/<br>(Deferred)<br>12/13/2008 | Total<br>Revenue | Total<br>Expenditures |
|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| \$ (22,758)                        | \$ 107,346       | \$ 11,308                            | \$ 95,896        | \$ 95,896             |
| -                                  | 500              | -                                    | 500              | 500                   |
| (62,077)                           | 62,077           | -                                    | -                | -                     |
| (1,061)                            | 1,061            | -                                    | -                | -                     |
| -                                  | 33,515           | 138                                  | 33,653           | 33,653                |
| -                                  | 33,315           | -                                    | 33,315           | 33,315                |
| (1,352)                            | 22,022           | 11,184                               | 31,854           | 31,854                |
| -                                  | 71,281           | 15,773                               | 87,054           | 87,054                |
| -                                  | 19,872           | 4,734                                | 24,606           | 24,606                |
| (1,352)                            | 113,175          | 31,691                               | 143,514          | 143,514               |
| -                                  | 1,524            | 1,878                                | 3,402            | 3,402                 |
| -                                  | 17,516           | -                                    | 17,516           | 17,516                |
| (12,415)                           | 49,253           | 1,324                                | 38,162           | 38,162                |
| -                                  | 5,520            | (1,569)                              | 3,951            | 3,951                 |
| -                                  | 8,257            | -                                    | 8,257            | 8,257                 |
| -                                  | 13,394           | 2,100                                | 15,494           | 15,494                |
| (16,222)                           | 50,985           | (3,250)                              | 31,513           | 31,513                |
| -                                  | 33,990           | 22,917                               | 56,907           | 56,907                |
| (26,541)                           | 190,517          | 34,174                               | 198,150          | 198,150               |
| (25,878)                           | 59,027           | 13,665                               | 46,814           | 46,814                |
| -                                  | 23,014           | 5,655                                | 28,669           | 28,669                |
| -                                  | -                | 5,625                                | 5,625            | 5,625                 |
| -                                  | 8,733            | 5,887                                | 14,620           | 14,620                |
| -                                  | 77,866           | (1,083)                              | 76,783           | 76,783                |
| -                                  | 66,995           | 45,169                               | 112,164          | 112,164               |
| (3,610)                            | 7,013            | (3,015)                              | 388              | 388                   |
| (5,219)                            | 29,478           | 3,243                                | 27,502           | 27,502                |
| (454,842)                          | 3,695,850        | (201,380)                            | 3,039,628        | 3,039,628             |

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended December 31, 2008

| Federal Grantor Agency/Program Title                  | Pass-through Agency               | Federal<br>CFDA<br>Number |
|---|-----------------------------------|---------------------------|
| <b>U.S. Department of Health and Human Services</b>   |                                   |                           |
| Preventive Health and Social Services Block Grant     | WI Department of Health Services  | 93.991                    |
| Maternal and Child Health Social Services Block Grant | WI Department of Health Services  | 93.994                    |
| Total U.S. Department of Health and Human Services    |                                   |                           |
| <b>U.S. Department of Homeland Security</b>           |                                   |                           |
| Emergency Management Performance Grant                | WI Department of Military Affairs | 97.042                    |
| Homeland Security Grant                               | WI Department of Administration   | 97.067                    |
| Total U.S. Department of Homeland Security            |                                   |                           |

**TOTAL FEDERAL AWARDS**

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

| (Accrued)/<br>Deferred<br>1/1/08 | Cash<br>Received    | Accrued/<br>(Deferred)<br>12/31/08 | Total<br>Revenue    | Total<br>Expenditures |
|----------------------------------|---------------------|------------------------------------|---------------------|-----------------------|
| -                                | 6,204               | -                                  | 6,204               | 6,204                 |
| -                                | 13,574              | 1                                  | 13,575              | 13,575                |
| <u>(546,079)</u>                 | <u>4,471,885</u>    | <u>(36,968)</u>                    | <u>3,888,838</u>    | <u>3,888,838</u>      |
| (18,043)                         | 60,850              | 7,000                              | 49,807              | 49,807                |
| (7,384)                          | 14,838              | -                                  | 7,454               | 7,454                 |
| <u>(25,427)</u>                  | <u>75,688</u>       | <u>7,000</u>                       | <u>57,261</u>       | <u>57,261</u>         |
| <u>\$ (657,402)</u>              | <u>\$ 4,785,387</u> | <u>\$ (18,522)</u>                 | <u>\$ 4,109,463</u> | <u>\$ 4,109,463</u>   |



**LINCOLN COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance  
 For the Year Ended December 31, 2008

| State Grantor Agency/Program Title   | Pass-through Agency | State ID Number |
|--|---------------------|-----------------|
| <b>Department of Agriculture, Trade and Consumer Protection</b>                  |                     |                 |
| Wisconsin Clean Sweep Grant  | Direct Program      | 115.04          |
| Soil and Conservation Project Aids   |                     |                 |
| Basic Annual Staffing  | Direct Program      | 115.15          |
| LWRM Plan Implementation   | Direct Program      | 115.40          |
| Total Department of Agriculture, Trade and Consumer Protection                   |                     |                 |
| <b>Department of Commerce</b>  |                     |                 |
| Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program | Direct Program      | 143.110         |
| <b>Department of Natural Resources</b>   |                     |                 |
| Local Park Aids Stewardship Grant  |                     | 370.421         |
| S-ADLP2-984 Underdown Trail Development  | Direct Program      |                 |
| S-ADLP2-921 Tug Lake County Park   | Direct Program      |                 |
| Wildlife Damage Claims and Abatement   |                     | 370.553         |
| 2007   | Direct Program      |                 |
| 2008   | Direct Program      |                 |
| County Conservation Aids   | Direct Program      | 370.563         |
| Sustainable Forestry Grant   | Direct Program      | 370.572         |
| County Forest Administrator Grant  | Direct Program      | 370.572         |
| Recreational Aids-Snowmobile Trail and Area Aid                                  |                     | 370.574 &       |
| S-3448   | Direct Program      | 370.575         |
| S-3491   | Direct Program      |                 |
| S-3622   | Direct Program      |                 |
| S-3702   | Direct Program      |                 |
| All-Terrain Vehicle (ATV) Program  |                     | 370.576         |
| ATV-1608   | Direct Program      |                 |
| ATV-1633   | Direct Program      |                 |
| ATV-1672   | Direct Program      |                 |
| ATV-1713   | Direct Program      |                 |
| ATV-1763   | Direct Program      |                 |
| ATV-1802   | Direct Program      |                 |
| ATV-1818   | Direct Program      |                 |
| LUV-P0001  | Direct Program      |                 |
| Lake Management Grant  | Direct Program      | 370.664         |
| LPL-1175-07  | Direct Program      |                 |
| AEPP-142-08  | Direct Program      |                 |
| Total Department of Natural Resources  |                     |                 |
| <b>Wisconsin Department of Transportation</b>                                    |                     |                 |
| Elderly and handicapped transportation county aids                               | Direct Program      | 395.101         |
| <b>Department of Corrections</b>   |                     |                 |
| Community Youth & Family Aids  | Direct Program      | 410.313         |

(Continued)

| (Accrued)/<br>Deferred<br>1/1/2008 | Cash<br>Received | Accrued/<br>(Deferred)<br>12/31/2008 | Total<br>Revenue | Total<br>Expenditures |
|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| \$ -                               | \$ -             | \$ 10,000                            | \$ 10,000        | \$ 10,000             |
| (48,247)                           | 106,445          | 45,276                               | 103,474          | 103,474               |
| (21,205)                           | 41,065           | 24,439                               | 44,299           | 44,299                |
| <u>(69,452)</u>                    | <u>147,510</u>   | <u>69,715</u>                        | <u>147,773</u>   | <u>147,773</u>        |
| -                                  | 45,333           | -                                    | 45,333           | 45,333                |
| -                                  | 2,405            | -                                    | 2,405            | 2,405                 |
| 10,829                             | -                | 3,560                                | 14,389           | 14,389                |
| (9,115)                            | 9,115            | -                                    | -                | -                     |
| -                                  | 19,151           | 3,389                                | 22,540           | 22,540                |
| -                                  | 2,471            | -                                    | 2,471            | 2,471                 |
| 25,063                             | -                | (9,203)                              | 15,860           | 15,860                |
| -                                  | 41,572           | -                                    | 41,572           | 41,572                |
| 305                                | 12,177           | -                                    | 12,482           | 12,482                |
| 26,084                             | 79,671           | 9,893                                | 115,648          | 115,648               |
| -                                  | 39,263           | (28,608)                             | 10,655           | 10,655                |
| -                                  | 1,770            | 590                                  | 2,360            | 2,360                 |
| (26,136)                           | 26,304           | -                                    | 168              | 168                   |
| (10,008)                           | 10,008           | -                                    | -                | -                     |
| 5,368                              | 9,771            | -                                    | 15,139           | 15,139                |
| -                                  | 3,505            | -                                    | 3,505            | 3,505                 |
| -                                  | 10,008           | (10,008)                             | -                | -                     |
| -                                  | 9,877            | (9,020)                              | 857              | 857                   |
| -                                  | 21,375           | -                                    | 21,375           | 21,375                |
| -                                  | 1,000            | -                                    | 1,000            | 1,000                 |
| 9,770                              | -                | (6,473)                              | 3,297            | 3,297                 |
| -                                  | 1,821            | 2,833                                | 4,654            | 4,654                 |
| <u>32,160</u>                      | <u>301,264</u>   | <u>(43,047)</u>                      | <u>290,377</u>   | <u>290,377</u>        |
| 16,538                             | 80,478           | (35,082)                             | 61,934           | 61,934                |
| (45,483)                           | 260,864          | 199,956                              | 415,337          | 415,337               |

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance (Continued)  
 For the Year Ended December 31, 2008

| State Grantor Agency/Program Title                | Pass-through Agency | State ID Number |
|---|---------------------|-----------------|
| <b>Department of Health and Family Services</b>   |                     |                 |
| Children and Family Incentives                    | Direct Program      | 435.342         |
| Community Options Program                         | Direct Program      | 435.367         |
| Kinship Care Base Benefit                         | Direct Program      | 435.377         |
| Kinship Care Assessments                          | Direct Program      | 435.380         |
| <b>Medical Assistance Programs</b>                |                     |                 |
| COP - W   | Direct Program      | 435.338         |
| CIP II  | Direct Program      | 435.348         |
| CIP II Community Relocation                       | Direct Program      | 435.369         |
| CIP II Diversions                                 | Direct Program      | 435.375         |
| ICFMR   | Direct Program      | 435.407         |
| Children's Long-Term Support                      | Direct Program      | 435.450         |
| Children Long-term Support DD Other               | Direct Program      | 435.460         |
| Children Long-term Support MH Other               | Direct Program      | 435.461         |
| Children Long-term Support PD Other               | Direct Program      | 435.462         |
| Brain Injury Waiver                               | Direct Program      | 435.506         |
| CIP 1 B   | Direct Program      | 435.564         |
| CIP 1 A   | Direct Program      | 435.580         |
| Grants for Infants and Toddlers with Disabilities | Direct Program      | 435.550         |
| Basic County Allocation                           | Direct Program      | 435.561         |
| Family Support Program                            | Direct Program      | 435.577         |
| Community Services and Mental Health              | Direct Program      | 435.681         |
| General Relief Block Grant                        | Direct Program      | 435.990         |
| Dental Health                                     | Direct Program      | 435.151736      |
| Healthier Wisconsin                               | Direct Program      | 435.153315      |
| Lead Poisoning                                    | Direct Program      | 435.157720      |
| WI Wins Enforcement                               | Direct Program      | 435.158116      |
| Tobacco Intervention                              | Direct Program      | 435.158125      |
| WI Wins   | Direct Program      | 435.158127      |
| Maternal and Child Health Service Block Grant     | Direct Program      | 435.159320      |
| Benefit Specialist-Aging                          | Direct Program      | 435.560320      |
| Benefit Specialist-OCI Replacement Funds          | Direct Program      | 435.560327      |
| Senior Community Services                         | Direct Program      | 435.560330      |
| Aging-Title III-C-1                               | Direct Program      | 435.560350      |
| Aging-Title III-C-2                               | Direct Program      | 435.560360      |
| Alzheimer's Family and Caregiver Support          | Direct Program      | 435.560381      |
| Elder Abuse                                       | Direct Program      | 435.560490      |
| Total Department of Health Services               |                     |                 |

(Continued)

| (Accrued)/<br>Deferred<br>1/1/2008 | Cash<br>Received | Accrued/<br>(Deferred)<br>12/31/2008 | Total<br>Revenue | Total<br>Expenditures |
|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| (16,244)                           | 80,071           | (18,142)                             | 45,685           | 45,685                |
| (76,178)                           | 270,017          | 27,886                               | 221,725          | 221,725               |
| (14,197)                           | 53,873           | 4,399                                | 44,075           | 44,075                |
| (3,365)                            | 4,013            | 1,943                                | 2,591            | 2,591                 |
| (4,505)                            | 206,432          | -                                    | 201,927          | 201,927               |
| (81,554)                           | 243,607          | 14,353                               | 176,406          | 176,406               |
| (10,851)                           | 17,885           | 2,512                                | 9,546            | 9,546                 |
| (9,169)                            | 48,179           | (6,451)                              | 32,559           | 32,559                |
| -                                  | 22,917           | 61,740                               | 84,657           | 84,657                |
| (10,077)                           | 10,077           | 16,945                               | 16,945           | 16,945                |
| -                                  | 11,770           | (2,527)                              | 9,243            | 9,243                 |
| -                                  | 4,250            | (307)                                | 3,943            | 3,943                 |
| -                                  | 7,950            | (3,327)                              | 4,623            | 4,623                 |
| (16,529)                           | 115,361          | (4,285)                              | 94,547           | 94,547                |
| -                                  | 208,132          | -                                    | 208,132          | 208,132               |
| (43,447)                           | 457,371          | -                                    | 413,924          | 413,924               |
| -                                  | 38,070           | -                                    | 38,070           | 38,070                |
| -                                  | 499,791          | -                                    | 499,791          | 499,791               |
| (20,036)                           | 48,868           | 8,338                                | 37,170           | 37,170                |
| -                                  | 96,122           | -                                    | 96,122           | 96,122                |
| (1,250)                            | 2,460            | -                                    | 1,210            | 1,210                 |
| (4,125)                            | 4,125            | -                                    | -                | -                     |
| -                                  | 3,485            | 2                                    | 3,487            | 3,487                 |
| -                                  | 519              | 1                                    | 520              | 520                   |
| -                                  | 33,262           | -                                    | 33,262           | 33,262                |
| -                                  | 6,500            | -                                    | 6,500            | 6,500                 |
| -                                  | 989              | -                                    | 989              | 989                   |
| (189)                              | 22,328           | 4,819                                | 26,958           | 26,958                |
| -                                  | 4,775            | -                                    | 4,775            | 4,775                 |
| (320)                              | 5,841            | 1,005                                | 6,526            | 6,526                 |
| -                                  | 47,284           | 15,124                               | 62,408           | 62,408                |
| -                                  | 3,323            | -                                    | 3,323            | 3,323                 |
| (1,554)                            | 7,815            | 4,034                                | 10,295           | 10,295                |
| (2,310)                            | 6,833            | 7,178                                | 11,701           | 11,701                |
| (315,900)                          | 2,594,295        | 135,240                              | 2,413,635        | 2,413,635             |

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance (Continued)  
 For the Year Ended December 31, 2008

| State Grantor Agency/Program Title                | Pass-through Agency | State ID Number |
|---|---------------------|-----------------|
| <b>Department of Children and Families</b>        |                     |                 |
| Funeral and Cemetery                              | Direct Program      | 435.105         |
| Medical Assistance Transportation                 | Direct Program      | 435.131         |
| Medical Assistance Transportation Administration  | Direct Program      | 435.132         |
| Income Maintenance Administration - State Share   | Direct Program      | 435.283         |
| Income Maintenance Administration - Federal Share | Direct Program      | 435.284         |
| Program Integrity                                 | Direct Program      | 435.750         |
| Child Support Enforcement                         | Direct Program      | 437.202         |
| State Use Only                                    | Direct Program      | 445.334         |
| Total Department of Children and Families         |                     |                 |
| <b>Department of Justice</b>                      |                     |                 |
| Reimbursement for Victim Witness Services         |                     | 455.503 &       |
| 2007  | Direct Program      | 455.532 &       |
| 2008  | Direct Program      | 455.537         |
| Total Department of Justice                       |                     |                 |
| <b>Department of Military Affairs</b>             |                     |                 |
| Emergency Planning Grant Program                  |                     | 465.337         |
| 2007  | Direct Program      |                 |
| 2008  | Direct Program      |                 |
| Computer & Hazmat Equipment Grant                 | Direct Program      | 465.367         |
| Total Department of Military Affairs              |                     |                 |
| <b>Department of Administration</b>               |                     |                 |
| Land Information Grants                           | Direct Program      | 505.118         |
| Public Benefits Funds                             | Direct Program      | 505.371         |
| Total Department of Administration                |                     |                 |
| <b>Public Service Commission</b>                  |                     |                 |
| Enhanced 911                                      | Direct Program      | N/A             |
| <b>TOTAL STATE PROGRAMS</b>                       |                     |                 |

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

| (Accrued)/<br>Deferred<br>1/1/2008 | Cash<br>Received | Accrued/<br>(Deferred)<br>12/31/2008 | Total<br>Revenue | Total<br>Expenditures |
|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| (2,030)                            | 21,894           | 4,732                                | 24,596           | 24,596                |
| (7,170)                            | 37,139           | 1,791                                | 31,760           | 31,760                |
| (431)                              | 2,396            | 662                                  | 2,627            | 2,627                 |
| (2,286)                            | 151,021          | -                                    | 148,735          | 148,735               |
| (654)                              | 4,851            | 561                                  | 4,758            | 4,758                 |
| (1,468)                            | 1,468            | -                                    | -                | -                     |
| -                                  | 10,949           | 195                                  | 11,144           | 11,144                |
| 7                                  | (48)             | (11)                                 | (52)             | (52)                  |
| <u>(14,032)</u>                    | <u>229,670</u>   | <u>7,930</u>                         | <u>223,568</u>   | <u>223,568</u>        |
| (15,130)                           | 15,130           | -                                    | -                | -                     |
| -                                  | 14,805           | 16,803                               | 31,608           | 31,608                |
| <u>(15,130)</u>                    | <u>29,935</u>    | <u>16,803</u>                        | <u>31,608</u>    | <u>31,608</u>         |
| (5,436)                            | 5,436            | -                                    | -                | -                     |
| -                                  | 1,799            | 5,433                                | 7,232            | 7,232                 |
| -                                  | 9,496            | -                                    | 9,496            | 9,496                 |
| <u>(5,436)</u>                     | <u>16,731</u>    | <u>5,433</u>                         | <u>16,728</u>    | <u>16,728</u>         |
| -                                  | 6,669            | -                                    | 6,669            | 6,669                 |
| (10,290)                           | 20,313           | 4,142                                | 14,165           | 14,165                |
| <u>(10,290)</u>                    | <u>26,982</u>    | <u>4,142</u>                         | <u>20,834</u>    | <u>20,834</u>         |
| -                                  | 84,707           | 231,825                              | 316,532          | 316,532               |
| <u>(427,025)</u>                   | <u>3,817,769</u> | <u>592,915</u>                       | <u>3,983,659</u> | <u>3,983,659</u>      |

## LINCOLN COUNTY, WISCONSIN

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
December 31, 2008

### 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 2008 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 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 \$6,885,268 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.

**LINCOLN COUNTY, WISCONSIN**

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)  
December 31, 2008

**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 2009 CARS for the Human Services Department and the December 31, 2008 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 2008, the County received grant income of \$500 program income of \$59,697.

At December 31, 2008 outstanding notes receivable totaled \$445,226. In addition, the County has available \$67,153 for future economic development expenditures.



**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2008

**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)? No

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Guidelines? No

Identification of major federal and state programs:

| CFDA Number | Name of Federal Program |
|-------------|-------------------------|
| 93.778      | Medical Assistance      |

| State ID Number | Name of State Programs               |
|-----------------|--------------------------------------|
| 115.15          | Soil and Water Resource Management   |
| 435.283         | Income Maintenance Administration    |
| 435.338         | COP W Program                        |
| 435.348         | CIP II Program                       |
| 435.367         | Community Options Program            |
| 435.369         | CIP II Community Relocation          |
| 435.375         | CIP II Diversions                    |
| 435.407         | ICFMR                                |
| 435.450         | Children's Long-term Support         |
| 435.460         | CLTS DD Non-Fed                      |
| 435.461         | CLTS MH Non-Fed                      |
| 435.462         | CLTS PD Non-Fed                      |
| 435.506         | Brain Injury Waiver Program          |
| 435.561         | Basic County Allocation              |
| 435.564         | CIP 1B Program                       |
| 435.580         | CIP 1A Program                       |
| 435.681         | Community Services and Mental Health |

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

**LINCOLN COUNTY, WISCONSIN**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2008

**Section II - Financial Statement Findings**

| Finding<br>No. | Financial Statement Findings |
|----------------|------------------------------|
|----------------|------------------------------|

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, 2008.

**Section III - Federal and State Awards Findings and Questioned Costs**

| Finding<br>No. | Federal and State Awards Findings |
|----------------|-----------------------------------|
|----------------|-----------------------------------|

There are no findings related to the internal control or compliance required to be reported under OMB Circular A-133 or the *State Single Audit Guidelines* for the year ended December 31, 2008.

**LINCOLN COUNTY, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended December 31, 2008

Prior Year Audit Findings

| Finding No. | Compliance Finding  |
|-------------|---|
| 2007-01     | Control Deficiency – Medical Assistance Programs (CFDA 93.778 and Various State IDs)<br><br>The County has taken corrective action by internally determining the unit costs for billing Medical Assistance Programs for the current year. |

Corrective Action Plan

| Finding No. | Control Deficiency - Federal and State Awards |
|-------------|---|
|             | Non Required                                  |