

LINCOLN COUNTY, WISCONSIN
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE REPORT

DECEMBER 31, 2010



LINCOLN COUNTY, WISCONSIN
December 31, 2010

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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 could have a direct and material effect on each of Lincoln County, Wisconsin's major federal and state programs for the year ended December 31, 2010. 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 or 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 could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010.

Internal Control Over Compliance

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 or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lincoln County, Wisconsin's internal control over compliance.



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

Our consideration of the 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 deficiencies, 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, 2010, and have issued our report thereon dated July 15, 2011. 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
August 10, 2011, except for the Schedules of
Expenditures of Federal Awards, State Financial
Assistance which the date is July 15, 2011.

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2010

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	(Accrued)/ Deferred 1/1/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
U.S. Department of Agriculture							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	WI Department of Health Services	10.561	\$ (20,500)	\$ 108,647	\$ 10,115	\$ 98,262	\$ 98,262
U.S. Department of Justice							
Bulletproof Vest Partnership Program	Direct Program	16.607	-	4,508	2,540	7,048	7,048
Cease Grant	Direct Program	16.579	-	200	-	200	200
Public Safety Partnership and Community Policing Grants							
Methamphetamine Initiative Grant	Marathon County	16.710	-	3,055	3,235	6,290	6,290
Total U.S. Department of Justice			-	7,763	5,775	13,538	13,538
U.S. Department of Transportation							
Highway Safety	WI Department of Transportation	20.600	(979)	17,869	159	17,049	17,049
Total U.S. Department of Transportation			(979)	17,869	159	17,049	17,049
U. S. Department of Education							
<i>Early Intervention Services (IDEA) Cluster</i>							
Special Education - Grants for Infants and Families	WI Department of Health Services	84.181	-	22,351	-	22,351	22,351
ARRA - Special Education - Grants for Infants and Families	WI Department of Health Services	84.393	-	4,959	3,566	8,525	8,525
Total U.S. Department of Education			-	27,310	3,566	30,876	30,876

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2010

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	Accrued/ (Deferred) 11/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
U.S. Department of Health and Human Services							
<i>Aging Cluster</i>							
Aging-Title III-B	Greater WI Agency on Aging Resources	93.044	(361)	22,688	15,688	38,015	38,015
Aging-Title III-C	Greater WI Agency on Aging Resources	93.045	(17,973)	81,992	3,736	67,755	67,755
Aging-Nutrition Services Incentive Program	Greater WI Agency on Aging Resources	93.053	-	18,128	1,982	20,110	20,110
<i>Total Aging Cluster</i>			(18,334)	122,808	21,406	125,880	125,880
Aging-Title III-D	Greater WI Agency on Aging Resources	93.043	(3,402)	4,355	2,466	3,419	3,419
Aging-Title III-E	Greater WI Agency on Aging Resources	93.052	(2,187)	18,319	1,234	17,366	17,366
Public Health Emergency Preparedness	WI Department of Health Services	93.069	(775)	82,447	43,344	125,016	125,016
<i>Immunization Cluster</i>							
Childhood Immunization Grants	WI Department of Health Services	93.268	(4)	7,411	2,478	9,885	9,885
ARRA - Immunization	WI Department of Health Services	93.712	-	8,269	-	8,269	8,269
<i>Total Immunization Cluster</i>			(4)	15,680	2,478	18,154	18,154
Temporary Assistance for Needy Families	WI Department of Health Services	93.558	(11,928)	76,966	1,170	66,208	66,208
Temporary Assistance for Needy Families	WI Department of Children and Families	93.558	-	50,618	1,536	52,154	52,154
<i>Total Temporary Assistance for Needy Families</i>			(11,928)	127,584	2,706	118,362	118,362
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(23,820)	212,118	49,722	238,020	238,020
ARRA - Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(2,238)	63,603	-	61,365	61,365
<i>Total Child Support Enforcement (Title IV-D)</i>			(26,058)	275,721	49,722	299,385	299,385
Low-income Home Energy Assistance	WI Department of Administration	93.568	(16,368)	54,638	17,000	55,270	55,270
Child Care Development Fund	WI Department of Children and Families	93.596	(5,512)	29,902	5,660	30,050	30,050
Child Welfare Services	WI Department of Children and Families	93.645	-	16,563	-	16,563	16,563
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(4,666)	182,989	404	178,727	178,727
Social Services Block Grant	WI Department of Health Services	93.667	(46,135)	173,469	-	127,334	127,334
Social Services Block Grant	WI Department of Children and Families	93.667	-	19,263	-	19,263	19,263
<i>Total Social Services Block Grant</i>			(46,135)	192,732	-	146,597	146,597

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2010

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	Accrued/ (Deferred) 1/1/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
U.S. Department of Health and Human Services (Continued)							
Youth Independent Living II	WI Department of Children and Families	93.674	(4,164)	4,164	-	-	-
Children's Insurance Program	WI Department of Health Services	93.767	(2,531)	15,146	1,432	14,047	14,047
Medical Assistance	WI Department of Health Services	93.778	(858,990)	3,494,426	636,972	3,272,408	3,272,408
Medical Assistance	WI Department of Children and Families	93.778	-	156	(123)	33	33
Total Medical Assistance Grant			(858,990)	3,494,582	636,849	3,272,441	3,272,441
Preventive Health and Social Services							
Block Grant	WI Department of Health Services	93.991	-	5,247	1,750	6,997	6,997
Maternal and Child Health Social Services							
Block Grant	WI Department of Health Services	93.994	9,630	12,115	4,048	25,793	25,793
Total U.S. Department of Health and Human Services			(951,245)	4,664,992	831,042	4,454,067	4,454,067
U.S. Department of Homeland Security							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(13,432)	24,081	27,223	37,872	37,872
Homeland Security Grant	WI Department of Military Affairs	97.067	-	3,100	4,500	7,600	7,600
Total U.S. Department of Homeland Security			(13,432)	27,181	31,723	45,472	45,472
TOTAL FEDERAL AWARDS			\$ (986,156)	\$ 4,843,762	\$ 882,380	\$ 4,659,264	\$ 4,659,264

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, 2010

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
Department of Agriculture, Trade and Consumer Protection							
Soil and Conservation Project Aids							
Basic Annual Staffing	Direct Program	115.15	\$ (29,525)	\$ 81,903	\$ 51,017	\$ 103,395	\$ 103,395
LWRM Plan Implementation	Direct Program	115.40	-	30,156	11,438	41,594	41,594
Total Department of Agriculture, Trade and Consumer Protection			(29,525)	112,059	62,455	144,989	144,989
Department of Commerce							
Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program							
	Direct Program	143.110	-	10,357	-	10,357	10,357
Department of Natural Resources							
Boating Enforcement Aids							
All Terrain Enforcement Aids	Direct Program	370.550	(10,253)	10,253	10,502	10,502	10,502
Snowmobiling Enforcement Aids	Direct Program	370.551	-	21,791	-	21,791	21,791
Wildlife Damage Claims and Abatement	Direct Program	370.552	-	9,693	-	9,693	9,693
2009	Direct Program	370.553	(17,182)	17,182	-	-	-
2010	Direct Program		-	9,116	9,927	19,043	19,043
Resource Aids - County Conservation Aids							
Sustainable Forestry Grant	Direct Program	370.563	-	5,054	-	5,054	5,054
County Forest Administrator Grant	Direct Program	370.572	-	13,781	-	13,781	13,781
Recreational Aids-Snowmobile Trail and Area Aid	Direct Program	370.572	-	47,807	-	47,807	47,807
S-3891	Direct Program	370.574 & 370.575	-	39,175	-	39,175	39,175
S-3622	Direct Program		-	20,367	-	20,367	20,367
S-3764	Direct Program		-	21,730	-	21,730	21,730
All-Terrain Vehicle (ATV) Program							
ATV-2043	Direct Program	370.576	-	29,069	-	29,069	29,069
ATV-2004	Direct Program		-	10,008	-	10,008	10,008
ATV-2058	Direct Program		-	10,136	-	10,136	10,136
Local Park Aids Stewardship Grant							
S-ADLP2-984 Underdown Train Development	Direct Program	370.421	-	2,388	-	2,388	2,388
Aquatic Invasive Species							
AEPP-258-11	Direct Program	370.678	-	909	-	909	909
AEPP-222-10	Direct Program		-	2,494	7,282	9,776	9,776

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2010

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
Department of Natural Resources (continued)							
Lake Management Grant		370.664					
AEPP-087-07	Direct Program		(3,329)	3,329	-	-	-
AEPP-189-09	Direct Program		-	-	17,219	17,219	17,219
Lake Protection Grant							
LPT-410-11	Direct Program	370.663	-	1,250	-	1,250	1,250
Total Department of Natural Resources			<u>(30,764)</u>	<u>275,532</u>	<u>44,930</u>	<u>289,698</u>	<u>289,698</u>
Wisconsin Department of Transportation							
Elderly and Handicapped Transportation							
County Aids	Direct Program	395.101	21,112	83,950	(10,387)	94,675	113,610
Department of Corrections							
Community Youth and Family Aids	Direct Program	410.313	-	423,830	-	423,830	423,830
Department of Health Services							
Personal Care	Direct Program	N/A					
Case Management	Direct Program	N/A					
Funeral and Cemetery	Direct Program	435.105	(9,380)	28,741	22,076	41,437	41,437
Medical Assistance Transportation	Direct Program	435.131	(15,922)	47,593	6,464	38,135	38,135
Medical Assistance Transportation	Direct Program	435.132	(1,023)	3,553	787	3,317	3,317
Administration							
Income Maintenance Administration -							
State Share	Direct Program	435.283	(231)	147,547	-	147,316	147,316
Income Maintenance Administration -							
Federal Share	Direct Program	435.284	(1,218)	15,433	1,613	15,828	15,828
Community Options Program	Direct Program	435.367	(82,259)	321,479	3,024	242,244	242,244
Medical Assistance Programs							
COP - W Program	Direct Program	435.338	(51,257)	236,548	14,617	199,908	199,908
CIP II Program	Direct Program	435.348	(52,778)	215,225	(9,563)	152,884	152,884
CIP II Community Relocation	Direct Program	435.369	(4,428)	4,428	-	-	-
CIP II D Diversions	Direct Program	435.375	(19,704)	112,069	(32,255)	60,110	60,110
ICMFR	Direct Program	435.407	(21,195)	83,056	19,933	81,794	81,794
CIP 1B Transition	Direct Program	435.410	(1,418)	2,747	-	1,329	1,329
Childrens Long-Term Support	Direct Program	435.450	-	28,327	8,733	37,060	37,060
Childrens Long-Term Support DD Other	Direct Program	435.460	(751)	17,928	1,985	19,162	19,162

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2010

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
Department of Health Services (continued)							
Childrens Long-Term Support MH Other	Direct Program	435.461	(1,299)	3,872	882	3,455	3,455
Childrens Long-Term Support PD Other	Direct Program	435.462	(913)	17,613	2,664	19,364	19,364
Brain Injury Waiver	Direct Program	435.506	(22,314)	90,795	21,701	90,182	90,182
CIP 1 B	Direct Program	435.564	-	187,699	-	187,699	187,699
CIP 1 A	Direct Program	435.580	(95,908)	466,057	80,858	451,007	451,007
Grants for Infants and Toddlers w/Disabilities	Direct Program	435.550	-	41,877	-	41,877	41,877
Basic County Allocation	Direct Program	435.561	-	190,259	-	190,259	190,259
Family Support Program	Direct Program	435.577	(16,492)	38,127	15,513	37,148	37,148
Community Services and Mental Health	Direct Program	435.681	-	43,355	2,050	45,405	45,405
Wisconsin Well Woman's Program	Direct Program	435.157000	(1)	10,936	3,647	14,582	14,582
Lead Poisoning	Direct Program	435.157720	-	2,628	884	3,512	3,512
Maternal and Child Health Svc Blk	Direct Program	435.159320	-	908	304	1,212	1,212
Benefit Specialist-Aging	Greater WI Agency on Aging Resources	435.560320	(6,891)	31,987	3,119	28,215	28,215
Benefit Specialist-OCI Replacement Funds	Greater WI Agency on Aging Resources	435.560327	-	8,933	5,339	14,272	14,272
Senior Community Services	Greater WI Agency on Aging Resources	435.560330	(6,198)	12,246	-	6,048	6,048
Aging-Title III-C-1	Greater WI Agency on Aging Resources	435.560350	(16,988)	94,102	(3,883)	73,231	73,231
Aging-Title III-C-2	Greater WI Agency on Aging Resources	435.560360	-	2,366	772	3,138	3,138
Alzheimer's Family and Caregiver Support	Greater WI Agency on Aging Resources	435.560381	(6,256)	16,448	2,784	12,976	12,976
Elder Abuse	Greater WI Agency on Aging Resources	435.560490	(3,898)	3,898	-	-	-
Total Department of Health Services			<u>(438,722)</u>	<u>2,528,780</u>	<u>174,048</u>	<u>2,264,106</u>	<u>2,264,106</u>
Department of Children and Families							
Promoting Safe and Stable Families	Direct Program	437.3306	-	46,350	(4,316)	42,034	42,034
Children Family Incentive	Direct Program	437.3342	-	9,500	-	9,500	9,500
Title IV-E Youth Independent Living	Direct Program	437.3365	-	7,621	(247)	7,374	7,374
Foster Care Title IV	Direct Program	437.3324	(12,614)	12,614	-	-	-
Basic County Allocation	Direct Program	437.3561	-	140,261	-	140,261	140,261
Community Services and Mental Health	Direct Program	437.3681	(33,510)	43,353	29,528	39,371	39,371
Child Support	Direct Program	437.7603	8	1,517	-	1,525	1,525
Food Stamp Agency Incentive	Direct Program	437.267	-	156	(12)	144	144
Child Care Program	Direct Program	445.347	-	-	-	-	-
Total Department of Children and Families			<u>(46,116)</u>	<u>261,372</u>	<u>24,953</u>	<u>240,209</u>	<u>240,209</u>

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2010

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2010	Cash Received	Accrued/ (Deferred) 12/31/2010	Total Revenue	Total Expenditures
Department of Justice							
DNA Grant	Direct Program	455.221	-	1,180	-	1,180	1,180
Law Enforcement Training	Direct Program	455.231	-	8,100	8,100	16,200	16,200
Reimbursement for Victim Witness Services		455.503 &					
2009	Direct Program	455.532 &	(17,915)	17,915	-	-	-
2010	Direct Program	455.537	-	15,756	19,917	35,673	35,673
Total Department of Justice			<u>(17,915)</u>	<u>42,951</u>	<u>28,017</u>	<u>53,053</u>	<u>53,053</u>
Department of Military Affairs							
Emergency Planning Grant Program		465.337					
2009	Direct Program		(5,223)	5,223	-	-	-
2010	Direct Program		-	1,814	4,824	6,638	6,638
Computer & Hazmat Equipment Grant	Direct Program	465.367	-	9,038	-	9,038	9,038
Total Department of Military Affairs			<u>(5,223)</u>	<u>16,075</u>	<u>4,824</u>	<u>15,676</u>	<u>15,676</u>
Department of Administration							
Land information grants	Direct Program	505.118	-	14,697	-	14,697	14,697
Public Benefits Funds	Direct Program	505.371	(7,443)	44,287	13,780	50,624	50,624
MARC Repeater Grant	Direct Program	16.964	-	1,045	-	1,045	1,045
Total Department of Administration			<u>(7,443)</u>	<u>60,029</u>	<u>13,780</u>	<u>66,366</u>	<u>66,366</u>
TOTAL STATE PROGRAMS			\$ (554,596)	\$ 3,814,935	\$ 342,620	\$ 3,602,959	\$ 3,621,894

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

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LINCOLN COUNTY, WISCONSIN

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
December 31, 2010

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 2010 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, qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs represent those with combined expenditures exceeding 25% 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, qualifies as a low risk auditee in accordance with the *State Single Audit Guidelines*. Therefore major programs represent those with combined expenditures exceeding 25% 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 Justice
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 amounts 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, 2010

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 Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the Central Office Reporting System (CORG) 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 DHS and DCF programs agree with the expenditures reported on the May, 2010 CARS for the Human Services Department and the December, 2010 CORG for the Child Support and Child Care 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 2010, the County received program income of \$205,025.

At December 31, 2010 outstanding notes receivable totaled \$257,932. In addition, the County has available \$271,451 for future economic development expenditures.

LINCOLN COUNTY, WISCONSIN

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
December 31, 2010

NOTE H - AMERICAN RECOVERY AND REINVESTMENT ACT

The *Wisconsin Department of Health Services* requires the following additional information be presented for each Recovery Act program with funding passed through that department.

Federal Grantor: U.S. Department of Education
 Program or Cluster Title: Early Intervention Services (IDEA) Cluster
 Federal CFDA Number: 84.393
 CARS profile name or purchase order description: ARRA BIRTH-3 NON CALENDAR
 CARS profile number or purchase order number: 81065
 CARS or invoice expenses and payments by contract year:

	CARS 603 Column H Actual CTD Expenses		CARS 603 Column K CTD pmts (Advances)
1/1/10 - 12/31/10	\$ 8,525	\$	11,535

1. Was the funding part of a Type A program or cluster? No

Federal Grantor: U.S. Department of Health and Human Services
 Program or Cluster Title: Immunization Cluster
 Federal CFDA Number: 93.712
 CARS profile name or purchase order description: ARRA IMMUNIZATION FOR CHILD & ADULT
 CARS profile number or purchase order number: 71004
 CARS or invoice expenses and payments by contract year:

	CARS 603 Column H Actual CTD Expenses		CARS 603 Column K CTD pmts (Advances)
1/1/10 - 12/31/10	\$ 8,269	\$	8,269

1. Was the funding part of a Type A program or cluster? No

LINCOLN COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2010

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? 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? None Reported

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 Programs
93.563	Child Support Enforcement
93.563	ARRA - Child Support Enforcement
93.778	Medical Assistance Program

State ID Number	Name of State Programs
370.574	Snowmobile Aids
395.101	Elderly Transportation Aids
410.313	Community Youth and Family Aids
435.367	Community Options Program
	<i>Medical Assistance Programs</i>
435.338	COP Waiver Program
435.348	CIP II Program
435.375	CIP II Diversions
435.407	ICMFR
435.410	CIP IB Transition
435.506	Brain Injury Waiver
435.564	CIP IB Program
435.580	CIP IA Program
435.450	Children's Long Term Support
435.460	Children's Long Term Support DD Other
435.461	Children's Long Term Support MH Other
435.462	Children's Long Term Support PD Other
N/A	Personal Care
N/A	Case Management
437.7603	Child Support
445.347	Child 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 Yes

LINCOLN COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2010

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, 2010.

Section III - Federal and State Awards Findings and Questioned Costs

Finding No.	Federal and State Awards Findings
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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, 2010.

Section IV - Other Issues

Does the auditor's report of the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? _____ Yes X No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection	_____ Yes	<u> X </u>	No
Department of Commerce	_____ Yes	<u> X </u>	No
Department of Natural Resources	_____ Yes	<u> X </u>	No
Department of Transportation	_____ Yes	<u> X </u>	No
Department of Corrections	_____ Yes	<u> X </u>	No
Department of Health Services	_____ Yes	<u> X </u>	No
Department of Children and Families	_____ Yes	<u> X </u>	No
Department of Justice	_____ Yes	<u> X </u>	No
Department of Military Affairs	_____ Yes	<u> X </u>	No
Department of Administration	_____ Yes	<u> X </u>	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? _____ X Yes _____ No

Name and signature of shareholder 
David L. Maccoux, CPA

Date of report August 10, 2011

LINCOLN COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2010

Prior Year Audit Findings

There were no findings or questioned costs reported for the year ended December 31, 2009.

Corrective Action Plan

None required.

ADDITIONAL INDEPENDENT AUDITORS' REPORT



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

To the County Board
Lincoln County, Wisconsin

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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 15, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lincoln County, Wisconsin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of Lincoln County, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lincoln County, Wisconsin's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County, Wisconsin's financial statements are free of 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 basic 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.

We noted certain matters that we reported to management of Lincoln County, Wisconsin in a separate communication.



This report is intended solely for the information and use of the County Board, and is not intended to be and should not be used by anyone other than these specified parties.

Schuch sc

Certified Public Accountants
Green Bay, Wisconsin
July 15, 2011