

LINCOLN COUNTY, WISCONSIN
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011



Schenck
SC

CPAs AND SO MUCH MORE.

LINCOLN COUNTY, WISCONSIN
For the Year Ended December 31, 2011

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Lincoln County, Wisconsin's compliance 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, 2011. 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 on Lincoln County, Wisconsin's compliance with those requirements.

In our opinion, Lincoln County, Wisconsin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Lincoln County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with 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 the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County'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 Expenditures 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 for the year ended December 31, 2011 and have issued our report thereon dated July 25, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Lincoln County, Wisconsin's financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of Lincoln County, Wisconsin's major federal and state programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on Lincoln County, Wisconsin's compliance but not to provide an opinion on the effectiveness of Lincoln County, Wisconsin's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln County, Wisconsin's compliance with requirements applicable to each major federal or state program and its internal control over compliance. Accordingly this report is not suitable for any other purpose.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
January 15, 2013, except for the Schedules of
Expenditures of Federal Awards and State
Financial Assistance as to which the date is
July 25, 2012

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	(Accrued)/ Deferred 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	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	\$ (10,115)	\$ 104,231	\$ 16,697	\$ 110,813	\$ 110,813
U.S. Department of Housing and Urban Development							
Community Development Block Grant	WI Economic Development Corporation	14.228	-	155,500	-	155,500	155,500
U.S. Department of Justice							
Bulletproof Vest Partnership Program	Direct Program	16.607	(2,540)	4,200	1,420	3,080	3,080
Public Safety Partnership and Community Policing Grants	Marathon County	16.710	(3,235)	3,235	-	-	-
Methamphetamine Initiative Grant	WI Department of Transportation	16.727	-	4,522	-	4,522	4,522
Enforcing Underage Drinking Laws Program							
Total U.S. Department of Justice			(5,775)	11,957	1,420	7,602	7,602
U.S. Department of Transportation							
State and Community Highway Safety	WI Department of Transportation	20.600	(159)	11,807	-	11,648	11,648
Environmental Protection Agency- Office of Water							
State Indoor Radon Grants	WI Department of Health Services	66.032	-	2,500	-	2,500	2,500
U. S. Department of Education							
Early Intervention Services (IDEA) Cluster							
Special Education - Grants for Infants and Families	WI Department of Health Services	84.181	-	23,028	2,472	25,500	25,500
ARRA - Special Education - Grants for Infants and Families	WI Department of Health Services	84.393	(3,566)	20,127	-	16,561	16,561
Total U.S. Department of Education			(3,566)	43,155	2,472	42,061	42,061

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2011

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	Accrued/ (Deferred) 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	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	(15,688)	15,688	-	-	-
Aging-Title III-C	Greater WI Agency on Aging Resources	93.045	(3,736)	3,736	-	-	-
Aging-Nutrition Services Incentive Program	Greater WI Agency on Aging Resources	93.053	(1,982)	1,982	-	-	-
<i>Total Aging Cluster</i>			(21,406)	21,406	-	-	-
Aging-Title III-D	Greater WI Agency on Aging Resources	93.043	(2,466)	2,466	-	-	-
Aging-Title III-E	Greater WI Agency on Aging Resources	93.052	(1,234)	1,234	-	-	-
Public Health Emergency Preparedness	WI Department of Health Services	93.069	(43,344)	100,494	-	57,150	57,150
<i>Immunization Cluster</i>							
Childhood Immunization Grants	WI Department of Health Services	93.268	(2,478)	12,431	-	9,953	9,953
Temporary Assistance for Needy Families	WI Department of Health Services	93.558	(1,536)	17,958	7,995	24,417	24,417
Temporary Assistance for Needy Families	WI Department of Children and Families	93.558	(1,170)	41,192	10,458	50,480	50,480
<i>Total Temporary Assistance for Needy Families</i>			(2,706)	59,150	18,453	74,897	74,897
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(49,722)	245,668	53,442	249,388	249,388
Low-income Home Energy Assistance	WI Department of Administration	93.568	(17,000)	50,623	15,910	49,533	49,533
Child Care Development Fund	WI Department of Health Services	93.596	(5,660)	5,660	-	-	-
Child Care Development Fund	WI Department of Children and Families	93.596	-	36,604	6,790	43,394	43,394
<i>Total Child Care Development Fund</i>			(5,660)	42,264	6,790	43,394	43,394
Child Welfare Services	WI Department of Children and Families	93.645	-	10,777	3,799	14,576	14,576
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(404)	107,729	45,205	152,530	152,530
Social Services Block Grant	WI Department of Health Services	93.667	-	29,857	15,650	45,507	45,507
Social Services Block Grant	WI Department of Children and Families	93.667	-	11,407	4,950	16,357	16,357
<i>Total Social Services Block Grant</i>			-	41,264	20,600	61,864	61,864

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2011

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	Accrued/ (Deferred) 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	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	-	3,976	1,835	5,811	5,811
Children's Insurance Program	WI Department of Health Services	93.767	(1,432)	14,902	2,390	15,860	15,860
Medical Assistance	WI Department of Health Services	93.778	(636,972)	1,685,246	14,928	1,063,202	1,063,202
Medical Assistance	WI Department of Children and Families	93.778	123	(123)	-	-	-
Total Medical Assistance Grant			(636,849)	1,685,123	14,928	1,063,202	1,063,202
Preventive Health and Social Services Block Grant	WI Department of Health Services	93.991	(1,750)	7,057	-	5,307	5,307
Maternal and Child Health Social Services Block Grant	WI Department of Health Services	93.994	(4,048)	18,683	-	14,635	14,635
Total U.S. Department of Health and Human Services			(790,499)	2,425,247	183,352	1,818,100	1,818,100
U.S. Department of Homeland Security							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(27,223)	29,787	38,035	40,599	40,599
Homeland Security Grant	WI Department of Military Affairs	97.067	(4,500)	7,600	-	3,100	3,100
Total U.S. Department of Homeland Security			(31,723)	37,387	38,035	43,699	43,699
TOTAL FEDERAL AWARDS			\$ (841,837)	\$ 2,791,784	\$ 241,976	\$ 2,191,923	\$ 2,191,923

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, 2011

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	Total Revenue	Total Expenditures
Department of Agriculture, Trade and Consumer Protection							
Soil and Conservation Project Aids							
Clean Sweep Program	Direct Program	115.04	\$ -	\$ 1,889	\$ -	\$ 1,889	\$ 1,889
Soil and Water Resource Management Grant Program	Direct Program	115.15	(51,017)	108,009	43,840	100,832	100,832
Basic Annual Staffing	Direct Program	115.40	(11,438)	39,176	45,424	73,162	73,162
LWRM Plan Implementation	Direct Program						
Total Department of Agriculture, Trade and Consumer Protection			(62,455)	149,074	89,264	175,883	175,883
Department of Safety and Professional Services							
Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program	Direct Program	143.110	-	26,100	-	26,100	26,100
Department of Natural Resources							
Boating Enforcement Aids	Direct Program	370.550	(10,502)	10,502	11,786	11,786	11,786
All Terrain Enforcement Aids	Direct Program	370.551	-	24,926	20,574	45,500	45,500
Snowmobiling Enforcement Aids	Direct Program	370.552	-	9,465	2,584	12,049	12,049
Wildlife Damage Claims and Abatement 2010	Direct Program	370.553	(9,927)	9,927	-	-	-
2011	Direct Program		-	12,185	4,213	16,398	16,398
Recreational Aids- Fish	Direct Program	370.564	-	5,042	-	5,042	5,042
Trail Management Grant	Direct Program						
RTA-492-12	Direct Program	370.572	-	48,637	1,476	1,476	1,476
County Forest Administrator Grant	Direct Program	370.572	-	-	-	-	-
Recreational Aids-Snowmobile Trail and Area Aid	Direct Program	370.574 & 370.575	-	68,741	-	68,741	68,741
S-3891	Direct Program		-	14,942	-	14,942	14,942
S-3764	Direct Program		-	39,175	-	39,175	39,175
S-4024	Direct Program		-	1,975	-	1,975	1,975
S-4095	Direct Program		-	-	-	-	-
All-Terrain Vehicle (ATV) Program	Direct Program	370.576	-	7,125	-	7,125	7,125
ATV-1818	Direct Program		-	2,326	-	2,326	2,326
ATV-1961	Direct Program		-	10,008	-	10,008	10,008
ATV-2004	Direct Program		-	9,820	-	9,820	9,820
ATV-2043	Direct Program		-	10,008	-	10,008	10,008
ATV-2132	Direct Program		-	9,842	-	9,842	9,842
ATV-2171	Direct Program		-	-	-	-	-

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2011

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	Total Revenue	Total Expenditures
Department of Natural Resources (Continued)							
Aquatic Invasive Species		370.678	-	-	45,997	45,997	45,997
AEPP-189-09	Direct Program		-	2,494	8,306	10,800	10,800
AEPP-277-11	Direct Program		(7,282)	7,282	-	-	-
AEPP-222-10	Direct Program						
Lake Management Grant		370.664	(17,219)	17,219	-	-	-
AEPP-189-09	Direct Program						
Lake Protection Grant				4,489	-	4,489	4,489
LPL-1175-07	Direct Program		(44,930)	326,130	94,936	376,136	376,136
Total Department of Natural Resources							
		395.101	10,387	86,775	(69,352)	27,810	33,372
Wisconsin Department of Transportation							
Elderly and Handicapped Transportation							
County Aids							
		410.302	-	9,991	-	9,991	9,991
Community Intervention Program	Direct Program		-	357,432	59,902	417,334	417,334
Community Youth and Family Aids	Direct Program	410.313	-	367,423	59,902	427,325	427,325
Total Department of Corrections							
Department of Health Services							
Personal Care	Direct Program	N/A					
Case Management	Direct Program	N/A					
Funeral and Cemetery	Direct Program	435.105	(22,076)	47,061	(2,360)	22,625	22,625
Medical Assistance Transportation	Direct Program	435.131	(6,464)	28,780	(663)	21,653	21,653
Medical Assistance Transportation Administration	Direct Program	435.132	(787)	2,675	-	1,888	1,888
Income Maintenance Administration - State Share	Direct Program	435.283	-	135,240	2,377	137,617	137,617
Income Maintenance Administration - Federal Share	Direct Program	435.284	(1,613)	16,801	2,694	17,882	17,882
Community Options Program	Direct Program	435.367	(3,024)	97,985	(37,573)	57,388	57,388

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2011

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	Total Revenue	Total Expenditures
Department of Health Services (Continued)							
Medical Assistance Programs							
COP Waiver Program	Direct Program	435.338	(14,617)	63,909	-	49,292	49,292
CIP II Program	Direct Program	435.348	9,563	37,890	(12,613)	34,840	34,840
CIP II Community Relocation	Direct Program	435.369	-	3,939	-	3,939	3,939
CIP II Diversions	Direct Program	435.375	32,255	(4,626)	(12,145)	15,484	15,484
ICMFR	Direct Program	435.407	(19,933)	39,465	-	19,532	19,532
Childrens Long-Term Support	Direct Program	435.450	(8,733)	37,359	10,623	39,249	39,249
Childrens Long-Term Support DD Other	Direct Program	435.460	(1,985)	19,333	4,803	22,151	22,151
Childrens Long-Term Support MH Other	Direct Program	435.461	(882)	2,586	347	2,051	2,051
Childrens Long-Term Support PD Other	Direct Program	435.462	(2,664)	13,015	-	10,351	10,351
Brain Injury Waiver	Direct Program	435.506	(21,701)	45,739	-	24,038	24,038
CIP 1B Program	Direct Program	435.564	-	46,061	-	46,061	46,061
CIP 1A Program	Direct Program	435.580	(80,858)	191,535	-	110,677	110,677
Grants for Infants and Toddlers w/Disabilities	Direct Program	435.550	-	22,018	2,364	24,382	24,382
Basic County Allocation	Direct Program	435.561	-	215,441	111,855	327,296	327,296
Family Support Program	Direct Program	435.577	(15,513)	40,319	10,559	35,365	35,365
Community Services and Mental Health	Direct Program	435.681	(2,050)	9,333	-	7,283	7,283
Wisconsin Well Woman's Program	Direct Program	435.157000	(3,647)	18,958	-	15,311	15,311
Lead Poisoning	Direct Program	435.157720	(884)	4,183	-	3,299	3,299
Maternal and Child Health Svc Blk	Direct Program	435.159320	(304)	1,402	-	1,098	1,098
Benefit Specialist-Aging	Greater WI Agency on Aging Resources	435.560320	(3,119)	3,119	-	-	-
Benefit Specialist-OCI Replacement Funds	Greater WI Agency on Aging Resources	435.560327	(5,339)	5,339	-	-	-
Aging-Title III-C-1	Greater WI Agency on Aging Resources	435.560350	3,883	(3,883)	-	-	-
Aging-Title III-C-2	Greater WI Agency on Aging Resources	435.560360	(772)	772	-	-	-
Alzheimer's Family and Caregiver Support	Greater WI Agency on Aging Resources	435.560381	(2,784)	2,784	-	-	-
Total Department of Health Services			(174,048)	1,144,532	80,268	1,050,752	1,050,752
Department of Children and Families							
Promoting Safe and Stable Families	Direct Program	437.3306	4,316	23,577	1,627	29,520	29,520
Title IV-E Youth Independent Living	Direct Program	437.3365	247	747	688	1,682	1,682
Basic County Allocation	Direct Program	437.3561	-	82,972	36,003	118,975	118,975
Community Services and Mental Health	Direct Program	437.3681	(29,528)	29,528	-	-	-
Food Stamp Agency Incentive	Direct Program	437.267	12	20	158	190	190
Total Department of Children and Families			(24,953)	136,844	38,476	150,367	150,367

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2011

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2011	Cash Received	Accrued/ (Deferred) 12/31/2011	Total Revenue	Total Expenditures
Department of Justice							
DNA Grant	Direct Program	455.221	-	460	-	460	460
Law Enforcement Training	Direct Program	455.231	(8,100)	8,100	7,340	7,340	7,340
Reimbursement for Victim Witness Services		455.503 &					
2010	Direct Program	455.532 &	(19,917)	19,917	-	-	-
2011	Direct Program	455.537	-	17,114	13,699	30,813	30,813
Total Department of Justice			<u>(28,017)</u>	<u>45,591</u>	<u>21,039</u>	<u>38,613</u>	<u>38,613</u>
Department of Military Affairs							
Emergency Planning Grant Program		465.337					
2010	Direct Program		(4,824)	4,824	-	-	-
2011	Direct Program		-	-	7,453	7,453	7,453
Wisconsin Disaster Fund Grant	Direct Program		-	71,795	-	71,795	71,795
Total Department of Military Affairs			<u>(4,824)</u>	<u>76,619</u>	<u>7,453</u>	<u>79,248</u>	<u>79,248</u>
Department of Administration							
Land information grants	Direct Program	505.118	-	10,585	-	10,585	10,585
Public Benefits Funds	Direct Program	505.371	(13,780)	24,343	10,514	21,077	21,077
Total Department of Administration			<u>(13,780)</u>	<u>34,928</u>	<u>10,514</u>	<u>31,662</u>	<u>31,662</u>
TOTAL STATE PROGRAMS			<u>\$ (342,620)</u>	<u>\$ 2,394,016</u>	<u>\$ 332,500</u>	<u>\$ 2,383,896</u>	<u>\$ 2,389,458</u>

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

LINCOLN COUNTY, WISCONSIN

Notes to the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance
For the Year Ended December 31, 2011

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 2011 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 the Schedule of
State Financial Assistance (Continued)
For the Year Ended December 31, 2011

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 (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 DHS and DCF programs agree with the expenditures reported on the May, 2012 CARS for the Human Services Department and the December, 2011 CORS 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 2011, the County received program income of \$123,657.

At December 31, 2011 outstanding notes receivable totaled \$529,283. In addition, the County has available \$127,158 for future economic development expenditures.

NOTE H - REVISED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Community Development Block Grant (CFDA 14.228) was originally not included in the schedule of expenditures of federal awards. The schedule of expenditures of federal awards was revised to include this program.

LINCOLN COUNTY, WISCONSIN

Notes to the Schedule of Expenditures of Federal Awards and the Schedule of
State Financial Assistance (Continued)
For the Year Ended December 31, 2011

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)
01/01/10 - 12/31/10	\$ 8,525	\$ 11,535
01/01/11 - 07/31/11	16,561	13,551
	<u>\$ 25,086</u>	<u>\$ 25,086</u>

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)
01/01/10 - 12/31/10	\$ 8,269	\$ 8,269
01/01/11 - 12/31/11	-	-
	<u>\$ 8,269</u>	<u>\$ 8,269</u>

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, 2011

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 Program
93.778	Medical Assistance Program

State ID Number	Name of State Programs
	Soil and Water Resource Management Grant Program
115.15	Soil and Water Resource Management
115.40	Land and Water Resource Management
435.283	Income Maintenance Administration - State Share
435.284	Income Maintenance Administration - Federal Share
435.367	Community Options Program
	<i>Medical Assistance Programs</i>
435.338	COP Waiver Program
435.348	CIP II Program
435.369	CIP II Community Relocation
435.375	CIP II Diversions
435.407	ICFMR
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

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, 2011

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, 2011.

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, 2011.

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
- Department of Commerce
- Department of Natural Resources
- Department of Transportation
- Department of Corrections
- Department of Health Services
- Department of Children and Families
- Department of Justice
- Department of Military Affairs
- Department of Administration

_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	Yes	<u> X </u>	No
_____	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

January 15, 2013

LINCOLN COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2011

Prior Year Audit Findings

There were no findings or questioned costs reported for the year ended December 31, 2010.

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, 2011, which collectively comprise the Lincoln County's basic financial statements and have issued our report thereon dated July 25, 2012. 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

Management of the Lincoln County, Wisconsin is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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 the Lincoln County, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 County's 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 the 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 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 letter dated July 25, 2012.

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

Schenck sc

Certified Public Accountants
Green Bay, Wisconsin
July 25, 2012