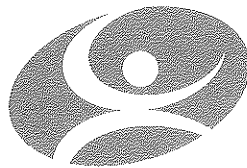


LINCOLN COUNTY, WISCONSIN
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE REPORT
DECEMBER 31, 2012



Schenck
SC

CPAs AND SO MUCH MORE.

LINCOLN COUNTY, WISCONSIN

December 31, 2012

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133; AND REPORT ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT GUIDELINES

Independent Auditors' Report

To the County Board
Lincoln County
Merrill, Wisconsin

Report on Compliance for Each Major Federal and State Program

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, 2012. 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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Lincoln County, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Lincoln County, Wisconsin's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Lincoln County, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.



Report on Internal Control Over Compliance

Management of Lincoln County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lincoln County, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Schedule of State Financial Assistance Required by the *State Single Audit Guidelines*

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, 2012, and the related notes to the financial statements, which collectively comprise Lincoln County, Wisconsin's basic financial statements. We issued our report thereon dated July 26, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Schunck & Co

Certified Public Accountants
Green Bay, Wisconsin

September 23, 2013 except for the Schedules of Expenditures of Federal Awards
and State Financial Assistance as to which the date is July 26, 2013

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	(Accrued)/Deferred 1/1/2012	Cash Received	Accrued/(Deferred) 12/31/2012	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	\$ (16,697)	\$ 16,697	\$ -	\$ -	\$ -
Nutrition Assistance Program	Wood County	10.561	-	80,698	17,708	98,406	98,406
Nutrition Assistance Program			(16,697)	97,395	17,708	98,406	98,406
Total U.S. Department of Agriculture							
U.S. Department of Justice							
Bulletproof Vest Partnership Program	Direct Program	16.607	(1,420)	1,420	1,050	1,050	1,050
Public Safety Partnership and Community Policing Grants	WI Department of Transportation	16.727	-	-	1,042	1,042	1,042
CARD							
Total U.S. Department of Justice			(1,420)	1,420	2,092	2,092	2,092
U.S. Department of Housing and Urban Development							
Community Development Block Grant	Wisconsin Department of Administration	14.228	-	500	-	500	500
U.S. Department of Transportation							
National Recreation Trails	WI Department of Transportation	20.219	-	7,295	8,736	16,031	16,031
Highway Safety	WI Department of Transportation	20.600	-	-	2,148	2,148	2,148
Total U.S. Department of Transportation			-	7,295	10,884	18,179	18,179
U. S. Department of Education							
Early Intervention Services (IDEA) Cluster	WI Department of Health Services	84.181	(2,472)	6,091	21,041	24,660	24,660
Special Education - Grants for Infants and Families							

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2012

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	Accrued/ (Deferred) 1/1/2012	Cash Received	Accrued/ (Deferred) 12/31/2012	Total Revenue	Total Expenditures
U.S. Department of Health and Human Services							
Public Health Emergency Preparedness	WI Department of Health Services	93.069	-	58,847	(358)	58,489	58,489
<i>Immunization Cluster</i>							
Childhood Immunization Grants	WI Department of Health Services	93.268	-	9,685	-	9,685	9,685
Promoting Safe and Stable Families	WI Department of Children and Families	93.556	-	29,398	2,254	31,652	31,652
Temporary Assistance for Needy Families	WI Department of Health Services	93.558	(7,995)	17,406	184	9,595	9,595
Temporary Assistance for Needy Families	WI Department of Children and Families	93.558	(10,458)	109,456	13,666	112,664	112,664
Temporary Assistance for Needy Families	Wood County	93.558	-	2,608	572	3,180	3,180
Total Temporary Assistance for Needy Families			(18,453)	129,470	14,422	125,439	125,439
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(53,442)	238,774	101,084	286,416	286,416
Low-income Home Energy Assistance	WI Department of Administration	93.568	(15,910)	47,373	10,728	42,191	42,191
Child Care Development Fund	WI Department of Children and Families	93.596	(6,790)	45,378	11,480	50,068	50,068
Child Welfare Services	WI Department of Children and Families	93.645	(3,247)	90,883	8,690	96,326	96,326
Child Welfare Services	WI Department of Corrections	93.645	(552)	1,941	799	2,188	2,188
Total Child Welfare Services			(3,799)	92,824	9,489	98,514	98,514
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(44,347)	70,830	1,402	27,885	27,885
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(858)	3,081	1,279	3,502	3,502
Total Foster Care (Title IV-E)			(45,205)	73,911	2,681	31,387	31,387
Social Services Block Grant	WI Department of Health Services	93.667	(15,650)	34,089	360	18,799	18,799
Social Services Block Grant	WI Department of Children and Families	93.667	(4,950)	43,694	3,842	42,586	42,586
Total Social Services Block Grant			(20,600)	77,783	4,202	61,385	61,385

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2012

Federal Grantor Agency/Program Title	Pass-through Agency	Federal CFDA Number	Accrued/ (Deferred) 1/1/2012	Cash Received	Accrued/ (Deferred) 12/31/2012	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	(1,835)	6,138	1,680	5,983	5,983
Children's Insurance Program	WI Department of Health Services	93.767	(2,390)	2,390	-	-	-
Children's Insurance Program	Wood County	93.767	-	15,101	3,314	18,415	18,415
Total Children's Insurance Program			(2,390)	17,491	3,314	18,415	18,415
Medical Assistance	WI Department of Health Services	93.778	(14,928)	14,928	-	-	-
Medical Assistance	WI Department of Health Services	93.778	-	97,339	-	97,339	97,339
Medical Assistance	WI Department of Health Services	93.778	-	723	135	858	858
Medical Assistance	Wood County	93.778	-	111,909	24,557	136,466	136,466
Total Medical Assistance Grant			(14,928)	224,899	24,692	234,663	234,663
Maternal and Child Health Social Services Block Grant	WI Department of Health Services	93.994	-	9,845	1,840	11,685	11,685
Total U.S. Department of Health and Human Services			(183,352)	1,061,816	187,508	1,065,972	1,065,972
U.S. Department of Homeland Security							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(38,035)	51,671	27,768	41,404	41,404
Homeland Security Grant	WI Department of Military Affairs	97.067	-	-	26,250	26,250	26,250
Total U.S. Department of Homeland Security			(38,035)	51,671	54,018	67,654	67,654
TOTAL FEDERAL AWARDS			\$ (241,976)	\$ 1,226,188	\$ 293,251	\$ 1,277,463	\$ 1,277,463

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, 2012

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2012	Cash Received	Accrued/ (Deferred) 12/31/2012	Total Revenue	Total Expenditures
Department of Agriculture, Trade and Consumer Protection							
Soil and Conservation Project Aids							
Basic Annual Staffing	Direct Program	115.15	\$ (43,840)	\$ 112,677	\$ 17,972	\$ 86,809	\$ 86,809
LWRM Plan Implementation	Direct Program	115.40	(45,424)	75,701	59,014	89,291	89,291
Total Department of Agriculture, Trade and Consumer Protection			(89,264)	188,378	76,986	176,100	176,100
Department of Safety and Professional Services							
Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program	Direct Program	165.202	-	38,911	-	38,911	38,911
Department of Natural Resources							
Local Park Aids Stewardship Grant							
S-ADLP2-984 Underdown Trail Development	Direct Program	370.421	-	-	2,580	2,580	2,580
Boating Enforcement Aids	Direct Program	370.550	(11,786)	8,646	9,492	6,352	6,352
All Terrain Enforcement Aids	Direct Program	370.551	(20,574)	22,321	22,830	24,577	24,577
Snowmobiling Enforcement Aids	Direct Program	370.552	(2,584)	11,800	5,000	14,216	14,216
Wildlife Damage Claims and Abatement							
2011	Direct Program	370.553	(4,213)	4,213	-	-	-
2012	Direct Program		-	6,884	11,459	18,343	18,343
Resource Aids-County Conservation Aids							
CC-4889	Direct Program	370.563	-	2,446	-	2,446	2,446
Recreational Aids- Fish	Direct Program	370.564	-	5,042	-	5,042	5,042
Trail Management Grant							
RTA-492-12	Direct Program	370.572	(1,476)	1,476	-	-	-
County Forest Administrator Grant	Direct Program	370.572	-	49,892	-	49,892	49,892
Sustainable Forestry Grant	Direct Program	370.572	-	21,773	(16,860)	4,913	4,913
Recreational Aids-Snowmobile Trail and Area Aid							
S-3891	Direct Program	370.574 & 370.575	-	6,802	-	6,802	6,802
S-4024	Direct Program		-	57,043	17,696	74,739	74,739
S-4095	Direct Program		-	658	-	658	658
S-4148	Direct Program		-	39,175	(39,175)	-	-
S-4212	Direct Program		-	1,901	(1,901)	-	-
S-4213	Direct Program		-	5,719	(2,228)	3,491	3,491

(Continued)

LINCOLN COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2012

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2012	Cash Received	Accrued/ (Deferred) 12/31/2012	Total Revenue	Total Expenditures
Department of Natural Resources (continued)							
All-Terrain Vehicle (ATV) Program		370.576					
ATV-2132	Direct Program		-	10,008	-	10,008	10,008
ATV-2058	Direct Program		-	3,379	-	3,379	3,379
ATV-2202	Direct Program		-	4,947	(2,704)	2,243	2,243
ATV-2246	Direct Program		-	10,008	5,219	15,227	15,227
ATV-2285	Direct Program		-	10,002	(10,002)	-	-
ATV-3007	Direct Program		-	6,175	(6,175)	-	-
ATV-1960	Direct Program		-	544	-	544	544
ATV-2171	Direct Program		-	10,149	-	10,149	10,149
Aquatic Invasive Species		370.678					
AEPP-277-11	Direct Program		(8,306)	8,306	-	-	-
AEPP-258-11	Direct Program		-	-	2,187	2,187	2,187
Lake Management Grant		370.664					
AEPP-189-09	Direct Program		(45,997)	45,997	27,880	27,880	27,880
Lake Protection Grant							
AEPP-2383-13	Direct Program		-	18,750	-	18,750	18,750
Total Department of Natural Resources			<u>(94,936)</u>	<u>374,056</u>	<u>25,298</u>	<u>304,418</u>	<u>304,418</u>
Wisconsin Department of Transportation							
Elderly and Handicapped Transportation		395.101					
County Aids	Direct Program		69,352	86,784	(56,997)	99,139	99,139
Department of Corrections							
Community Intervention Program	Direct Program	410.302	-	18,280	-	18,280	18,280
Community Youth and Family Aids	Direct Program	410.313	(59,902)	195,226	77,847	213,171	213,171
Total Department of Corrections			<u>(59,902)</u>	<u>213,506</u>	<u>77,847</u>	<u>231,451</u>	<u>231,451</u>
Department of Health Services							
Personal Care	Direct Program	N/A					
Case Management	Direct Program	N/A					
Funeral and Cemetery	Direct Program	435.105	2,360	(2,360)	-	-	-
Medical Assistance Transportation	Direct Program	435.131	663	(663)	-	-	-

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2012

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2012	Cash Received	Accrued/ (Deferred) 12/31/2012	Total Revenue	Total Expenditures
Department of Health Services (continued)							
Income Maintenance Administration - State Share	Direct Program	435.283	(2,377)	2,377	-	-	-
Income Maintenance Administration - State Share	Wood County	435.283	-	109,786	-	109,786	109,786
Income Maintenance Administration - Federal Share	Direct Program	435.284	(2,694)	2,694	-	-	-
Community Options Program	Direct Program	435.367	37,573	(37,573)	-	-	-
Medical Assistance Programs							
CIP II Program	Direct Program	435.348	12,613	(12,613)	-	-	-
CIP II D Diversions	Direct Program	435.375	12,145	(12,145)	-	-	-
Childrens Long-Term Support	Direct Program	435.450	(10,623)	10,623	-	-	-
Childrens Long-Term Support DD Other	Direct Program	435.460	(4,803)	4,803	-	-	-
Childrens Long-Term Support MH Other	Direct Program	435.461	(347)	347	-	-	-
Grants for Infants and Toddlers w/Disabilities	Direct Program	435.550	(2,364)	5,825	20,119	23,580	23,580
Basic County Allocation	Direct Program	435.561	(111,855)	250,274	2,701	141,120	141,120
Family Support Program	Direct Program	435.577	(10,559)	31,276	2,662	23,379	23,379
TPA CLTS DD Autism GPR	Direct Program	435.802	-	20,631	-	20,631	20,631
TPA CLTS DD Other GPR	Direct Program	435.805	-	11,105	-	11,105	11,105
TPA CLTS MH Other GPR	Direct Program	435.811	-	455	-	455	455
TPA CLTS PD Other GPR	Direct Program	435.817	-	9,697	-	9,697	9,697
Wisconsin Well Woman's Program	Direct Program	435.157000	-	6,154	3,339	9,493	9,493
Lead Poisoning	Direct Program	435.157720	-	1,880	1,472	3,352	3,352
Maternal and Child Health Svc Blk	Direct Program	435.159320	-	723	135	858	858
Total Department of Health Services			(80,268)	403,296	30,428	353,456	353,456

(Continued)

LINCOLN COUNTY, WISCONSIN
Schedule of State Financial Assistance (Continued)
For the Year Ended December 31, 2012

Grantor Agency/Program Title	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2012	Cash Received	Accrued/ (Deferred) 12/31/2012	Total Revenue	Total Expenditures
Department of Children and Families							
Promoting Safe and Stable Families	Direct Program	437.3306	(1,627)	1,627	-	-	-
Title IV-E Youth Independent Living	Direct Program	437.3365	(688)	688	-	-	-
Basic County Allocation	Direct Program	437.3561	(36,003)	175,943	13,877	153,817	153,817
Community Services and Mental Health	Direct Program	437.3681	-	-	29,243	29,243	29,243
Food Stamp Agency Incentive	Direct Program	437.267	(158)	158	-	-	-
State 2011 GPR/PR Funding allocation	Direct Program	437.7603	-	25,963	-	25,963	25,963
Total Department of Children and Families			<u>(38,476)</u>	<u>204,379</u>	<u>43,120</u>	<u>209,023</u>	<u>209,023</u>
Department of Justice							
DNA Grant	Direct Program	455.221	-	360	-	360	360
Law Enforcement Training	Direct Program	455.231	(7,340)	7,340	6,720	6,720	6,720
Reimbursement for Victim Witness Services	Direct Program	455.503 &	-	-	-	-	-
2011	Direct Program	455.532 &	(13,699)	13,699	-	-	-
2012	Direct Program	455.537	-	10,941	14,488	25,429	25,429
Total Department of Justice			<u>(21,039)</u>	<u>32,340</u>	<u>21,208</u>	<u>32,509</u>	<u>32,509</u>
Department of Military Affairs							
Hazard Mitigation Planning Grant	Direct Program	465.305	-	-	4,375	4,375	4,375
Hazardous Materials Emergency Preparedness	Direct Program	465.342	-	6,340	-	6,340	6,340
Emergency Planning Grant Program	Direct Program	465.337	(7,453)	7,453	-	-	-
2011	Direct Program		-	3,804	3,453	7,257	7,257
2012	Direct Program		-	-	4,000	4,000	4,000
Computer & Hazmat Equipment Grant	Direct Program	465.367	-	-	-	-	-
Total Department of Military Affairs			<u>(7,453)</u>	<u>17,597</u>	<u>11,828</u>	<u>21,972</u>	<u>21,972</u>
Department of Administration							
Land information grants	Direct Program	505.118	-	12,164	-	12,164	12,164
Public Benefits Funds	Direct Program	505.371	(10,514)	33,612	7,826	30,924	30,924
Total Department of Administration			<u>(10,514)</u>	<u>45,776</u>	<u>7,826</u>	<u>43,088</u>	<u>43,088</u>
TOTAL STATE PROGRAMS			<u>\$ (332,500)</u>	<u>\$ 1,605,023</u>	<u>\$ 237,544</u>	<u>\$ 1,510,067</u>	<u>\$ 1,510,067</u>

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

LINCOLN COUNTY, WISCONSIN

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended December 31, 2012

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 2012 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)
For the Year Ended December 31, 2012

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, 2013 CARS for the Human Services Department and the December, 2012 CORS for the Child Support and Child Care programs.

LINCOLN COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2012

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: Unmodified

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 Unmodified

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
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.778	Medical Assistance Program

State ID Number	Name of State Programs
435.283	IMAA State Share
435.802	TPA CLTS DD Autism GPR
435.805	TPA CLTS DD Other GPR
435.811	TPA CLTS MH Other GPR
435.817	TPA CLTS PD Other GPR
435.561	Basic County Allocation
437.3561	Basic County Allocation

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, 2012

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, 2012.

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, 2012.

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 Safety and Professional Services	_____	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 September 23, 2013

LINCOLN COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2012

Prior Year Audit Findings

There were no findings or questioned costs reported for the year ended December 31, 2011.

Corrective Action Plan

None required.

ADDITIONAL INDEPENDENT AUDITORS' REPORT



Schenck

CPAs AND SO MUCH MORE.

**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2012, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated July 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lincoln County, Wisconsin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln County, Wisconsin's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lincoln County, Wisconsin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln County, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
July 26, 2013