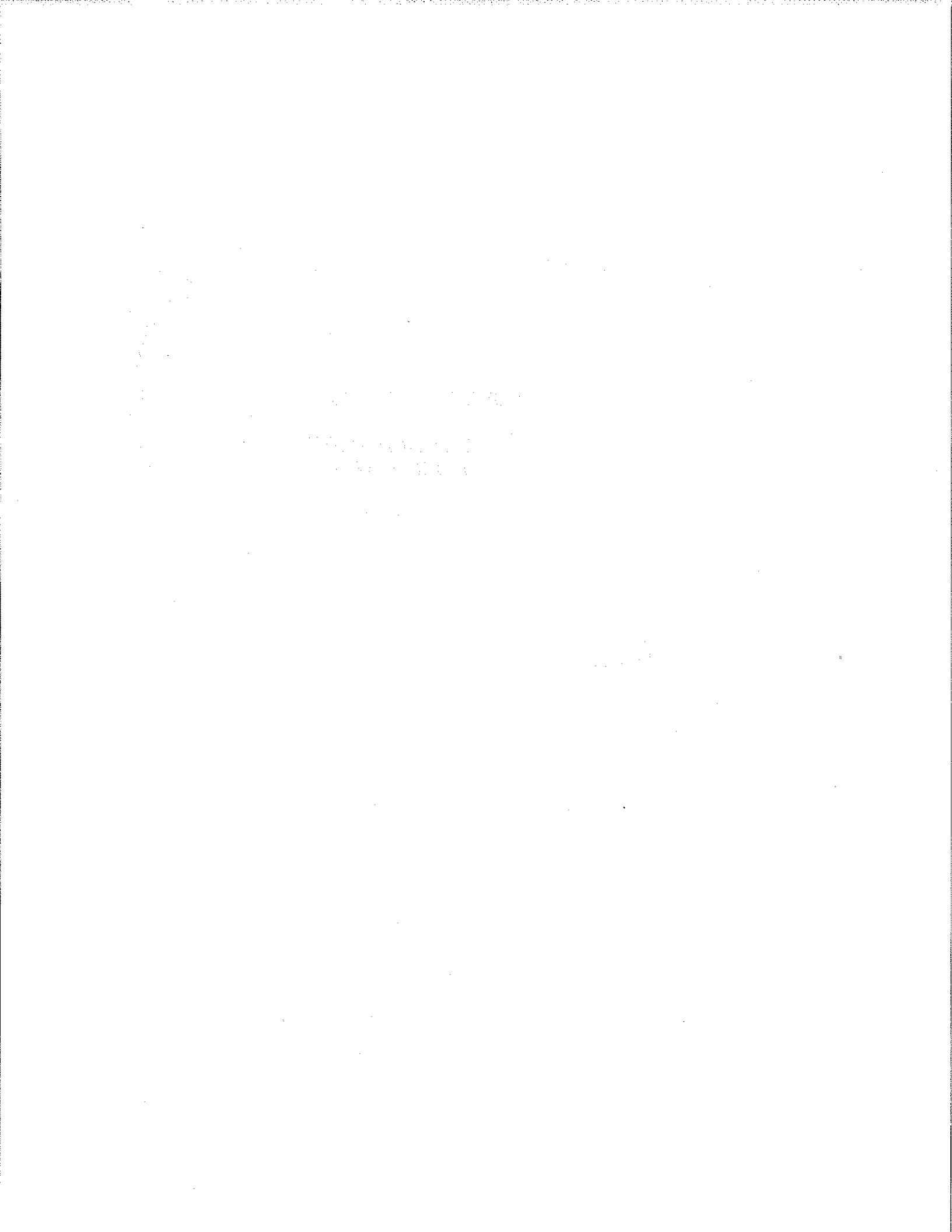


**LINCOLN COUNTY, WISCONSIN**  
**FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE REPORT**  
**DECEMBER 31, 2014**



**Schenck**  
SC

**CPAs AND SO MUCH MORE.**



LINCOLN COUNTY, WISCONSIN  
December 31, 2014

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**Schenck**

CPAs AND SO MUCH MORE.

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

To the County Board  
Lincoln County, 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, 2014. 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, 2014.



## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal and state program is not modified with respect to this matter.

Lincoln County, Wisconsin's response to the noncompliance finding identified in our audit is described in the accompanying schedule of prior year findings and corrective action plan. Lincoln County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **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 and 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

Lincoln County Wisconsin's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Lincoln County Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance  
Required by OMB Circular A-133 and 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, 2014, 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 31, 2015, 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.

*Schenck*

Certified Public Accountants  
Green Bay, Wisconsin  
September 24, 2015 except for the Schedules of  
Expenditures of Federal Awards and State  
Financial Assistance as to which the date is  
July 31, 2015





**LINCOLN COUNTY, WISCONSIN**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency Program Title/Year	Pass-through Agency	Federal CFDA Number	(Accrued/ Deferred 1/1/2014)	Cash Received	Accrued/ (Deferred) 12/31/2014	Total Revenue	Total Expenditures
<b>U.S. Department of Agriculture</b>							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	WI Department of Health Services	10.561	\$ (34)	\$ 34	\$ -	\$ -	\$ -
Nutrition Assistance Program	Wood County	10.561	(31,816)	105,581	26,963	100,728	100,728
Total U.S. Department of Agriculture			(31,850)	105,615	26,963	100,728	100,728
<b>U.S. Department of Justice</b>							
Organized Crime and Drug Enforcement Task Force Grant	Direct Program	16.111	-	-	462	462	462
Missing Children's Assistance	WI Department of Justice	16.543	(191)	191	-	-	-
Bulletproof Vest Partnership Program	Direct Program	16.607	-	1,860	-	1,860	1,860
Public Safety Partnership and Community Policing Grants	Oneida County	16.710	-	5,382	1,732	7,114	7,114
Total U.S. Department of Justice			(191)	7,433	2,194	9,436	9,436
<b>U.S. Department of Transportation</b>							
State and Community Highway Safety	WI Department of Transportation	20.600	-	2,963	-	2,963	2,963
Interagency Hazardous Materials Public Sector Training and Planning Grants	WI Department of Military Affairs	20.703	-	13,587	-	13,587	13,587
Total U.S. Department of Transportation			-	16,550	-	16,550	16,550
<b>U. S. Department of Education</b>							
Special Education - Grants for Infants and Families	WI Department of Health Services	84.181	4,029	-	-	4,029	4,029
Immunization Cluster	WI Department of Health Services	93.074	104	39,276	7,102	46,482	46,482
Childhood Immunization Grants	WI Department of Health Services	93.268	-	9,685	-	9,685	9,685
State Nutrition, Physical Activity, and Obesity Programs	WI Department of Health Services	93.548	-	10,000	(1,750)	8,250	8,250
Promoting Safe and Stable Families	WI Department of Children and Families	93.556	(13,431)	26,352	23,359	36,280	36,280
Temporary Assistance of Needy Families	WI Department of Children and Families	93.558	(28,025)	110,490	27,638	110,103	110,103
Temporary Assistance of Needy Families	Wood County	93.558	(697)	1,382	216	901	901
Total Temporary Assistance of Needy Families			(28,722)	111,872	27,854	111,004	111,004
Child Support Enforcement (Title IV-D)	WI Department of Children and Families	93.563	(82,869)	299,306	76,953	293,390	293,390
Low-income Home Energy Assistance	WI Department of Administration	93.568	(2,989)	44,925	8,133	50,069	50,069
Child Care Development Fund	WI Department of Children and Families	93.596	(1,133)	118,667	378	117,912	117,912
Child Welfare Services	WI Department of Children and Families	93.645	(5,865)	25,546	533	20,214	20,214
Child Welfare Services	WI Department of Corrections	93.645	(254)	3,011	807	3,564	3,564
Total Child Welfare Services			(6,119)	28,557	1,340	23,778	23,778

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency Program Title/Year	Pass-through Agency	Federal CFDA Number	(Accrued/ Deferred 1/1/2014	Cash Received	Accrued/ (Deferred) 12/13/2014	Total Revenue	Total Expenditures
<b>U. S. Department of Education (Continued)</b>							
Foster Care (Title IV-E)	WI Department of Children and Families	93.658	(36,343)	158,280	3,299	125,236	125,236
Foster Care (Title IV-E)	WI Department of Corrections	93.658	(381)	4,241	1,130	4,990	4,990
Total Foster Care (Title IV-E)			(36,724)	162,521	4,429	130,226	130,226
Social Services Block Grant	WI Department of Children and Families	93.667	(16,067)	69,933	1,457	55,323	55,323
Youth Independent Living II	WI Department of Children and Families	93.674	-	1,363	422	1,785	1,785
Children's Insurance Program	Wood County	93.767	(5,397)	15,045	3,527	13,175	13,175
Medicaid Cluster							
Medical Assistance	WI Department of Health Services	93.778	(67)	887	-	820	820
Medical Assistance	WI Department of Children and Families	93.778	(308)	308	-	-	-
Medical Assistance	Wood County	93.778	(40,753)	116,074	27,532	102,853	102,853
Total Medical Cluster			(41,128)	117,269	27,532	103,673	103,673
Preventative Health and Health Services Block Grant	WI Department of Health Services	93.991	-	2,329	-	2,329	2,329
Block Grant	WI Department of Health Services	93.994	-	13,497	-	13,497	13,497
Total U.S. Department of Health and Human Services			(192,835)	1,070,597	222,722	1,016,858	1,016,858
<b>U.S. Department of Homeland Security</b>							
Emergency Management Performance Grant	WI Department of Military Affairs	97.042	(27,132)	39,824	18,416	31,108	31,108
<b>TOTAL FEDERAL AWARDS</b>			\$ (247,979)	\$ 1,240,019	\$ 270,295	\$ 1,178,709	\$ 1,178,709

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, 2014

Grantor Agency/Passthrough Agency Program Title/Year	Pass-through Agency	State ID Number	(Accrued)/Deferred 1/1/2014	Cash Received	Accrued/(Deferred) 12/31/2014	Total Revenue	Total Expenditures
<b>Department of Agriculture, Trade and Consumer Protection</b>							
Soil and Water Resource Management Grant Program							
Basic Annual Staffing		115.15	\$ (33,876)	\$ 92,063	\$ 34,848	\$ 93,035	\$ 93,035
LWRM Plan Implementation		115.40	(55,998)	62,236	56,389	62,627	62,627
Total Department of Agriculture, Trade and Consumer Protection			(89,874)	154,299	91,237	155,662	155,662
<b>Department of Safety and Professional Services</b>							
Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program		165.202	-	29,068	-	29,068	29,068
<b>Department of Natural Resources</b>							
Boating Enforcement Aids		370.550	(8,311)	9,101	11,612	12,402	12,402
All Terrain Enforcement Aids		370.551	(28,555)	26,922	26,370	24,737	24,737
Snowmobiling Enforcement Aids		370.552	(13,000)	11,518	11,500	10,018	10,018
Wildlife Damage Claims and Abatement 2013		370.553	(7,145)	7,145	-	-	-
2014			-	7,264	5,545	12,809	12,809
Resource Aids-County Conservation Aids CC-4920		370.563	-	-	1,217	1,217	1,217
Recreational Aids - Fish Trail Management Grant RTA-598-14		370.564	-	4,771	-	4,771	4,771
County Forest Administrator Grant Sustainable Forestry Grant		370.572	(7,282)	-	7,282	-	-
370.572			-	51,512	-	51,512	51,512
370.572			-	17,500	(17,500)	-	-
Recreational Aids-Snowmobile Trail and Area Aid S-4148		370.574 & 370.575	(15,895)	15,895	-	-	-
S-4268			39,219	76,032	12,632	127,883	127,883
S-4341			-	39,219	(39,219)	-	-

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance (Continued)  
 For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency Program Title/Year	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2014	Cash Received	Accrued/ (Deferred) 12/31/2014	Total Revenue	Total Expenditures
All-Terrain Vehicle (ATV) Program		370.576					
ATV-3007	Direct Program		5,903	-	10,292	16,195	16,195
ATV-3068	Direct Program		(2,113)	13,338	-	11,225	11,225
ATV-3107	Direct Program		10,002	10,002	-	20,004	20,004
ATV-3139	Direct Program		-	13,338	(1,069)	12,269	12,269
ATV-3178	Direct Program		-	10,002	(10,002)	-	-
ATV-3218	Direct Program		-	152,924	(151,221)	1,703	1,703
ATV-3227	Direct Program		-	143	(143)	-	-
UTV-14009	Direct Program		(2,166)	2,166	-	-	-
UTV-15014	Direct Program		-	2,220	2,220	4,440	4,440
Lake Protection Grant							
LPT-410-11		370.663	-	-	3,750	3,750	3,750
Aquodic Invasive Species							
AEPP-258-11	Direct Program	370.678	-	542	-	542	542
AEPP-383-13	Direct Program		(2,262)	10,368	45,883	53,989	53,989
TRM Grant							
TRC-CW31-35000-13A	Direct Program	370.602	(150,000)	150,000	-	52,240	52,240
TRC-CW31-35000-13B			-	-	52,240	-	-
Total Department of Natural Resources			(181,605)	631,922	(28,611)	421,706	421,706
Wisconsin Department of Transportation							
Elderly and handicapped transportation county aids	Direct Program	395.101	54,965	82,858	(54,917)	82,906	82,906
Department of Corrections							
Community Intervention Program	Direct Program	410.302	-	25,590	-	25,590	25,590
Community Youth & Family Aids	Direct Program	410.313	(24,750)	293,818	78,763	347,831	347,831
Total Department of Corrections			(24,750)	319,408	78,763	373,421	373,421
Department of Health Services							
Income Maintenance Administration							
State Share	Wood County	435.283	-	108,671	34,300	142,971	142,971
Affordable Care Act							
State Share	Wood County	435.297	(22,647)	73,711	24,085	75,149	75,149
Federal Share	Wood County	435.298	(190)	507	149	466	466
Grants for Infants and Toddlers w/Disabilities	Direct Program	435.550	3,954	-	-	3,954	3,954
Wisconsin Well Womens Program	Direct Program	435.157000	-	13,465	1,540	15,005	15,005
Lead Poisoning	Direct Program	435.157720	(946)	2,699	1,577	3,330	3,330
Maternal and Child Health Svc Blk	Direct Program	435.159320	-	820	-	820	820
Total Department of Health Services			(19,829)	199,873	61,651	241,695	241,695

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of State Financial Assistance (Continued)  
 For the Year Ended December 31, 2014

Grantor Agency/Pass-through Agency Program Title/Year	Pass-through Agency	State ID Number	(Accrued)/ Deferred 1/1/2014	Cash Received	Accrued/ (Deferred) 12/31/2014	Total Revenue	Total Expenditures
<b>Department of Children and Families</b>							
Food Stamp Agency Collections Take Back	Direct Program	437.237	(308)	308	-	-	-
Food Stamp Agency Incentives Take Back	Direct Program	437.267	(34)	34	-	-	-
Basic County Allocation	Direct Program	437.3561	(58,033)	252,747	5,268	199,982	199,982
Community Services and Mental Health	Direct Program	437.3681	-	945	21,367	22,312	22,312
Child Support Enforcement	Direct Program	437.7502	-	38,438	-	38,438	38,438
Total Department of Children and Families			<u>(58,375)</u>	<u>292,472</u>	<u>26,635</u>	<u>260,732</u>	<u>260,732</u>
<b>Department of Justice</b>							
DNA Grant	Direct Program	455.221	-	120	-	120	120
Law Enforcement Training Grant	Direct Program	455.231	-	7,360	-	7,360	7,360
Victim and Witness Assistance Program	Direct Program	455.532	(18,818)	18,818	-	-	-
2013	Direct Program		-	16,098	18,056	34,154	34,154
2014	Direct Program		(18,818)	42,396	18,056	41,634	41,634
Total Department of Justice			<u>(18,818)</u>	<u>42,396</u>	<u>18,056</u>	<u>41,634</u>	<u>41,634</u>
<b>Department of Military Affairs</b>							
Hazmat Training Grant	Direct Program	465.310	-	4,635	-	4,635	4,635
Emergency Planning Grant Program	Direct Program	456.337	(5,676)	5,676	-	-	-
2013	Direct Program		-	2,166	6,087	8,253	8,253
2014	Direct Program		(5,676)	7,252	-	7,252	7,252
Computer & Hazmat Equipment Grant	Direct Program	465.367	(5,676)	19,729	6,087	20,140	20,140
Total Department of Military Affairs			<u>(5,676)</u>	<u>19,729</u>	<u>6,087</u>	<u>20,140</u>	<u>20,140</u>
<b>Department of Administration</b>							
Land information grants	Direct Program	505.118	-	26,180	(8,363)	17,817	17,817
Public Benefits Funds	Direct Program	505.371	(3,118)	36,552	11,101	44,535	44,535
Total Department of Administration			<u>(3,118)</u>	<u>62,732</u>	<u>2,738</u>	<u>62,352</u>	<u>62,352</u>
<b>TOTAL STATE PROGRAMS</b>			<u>\$ (347,080)</u>	<u>\$ 1,834,757</u>	<u>\$ 201,639</u>	<u>\$ 1,689,316</u>	<u>\$ 1,689,316</u>

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, 2014

### NOTE A - BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance 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 2014 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 auditors' 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 auditors' 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, 2014

**NOTE E - STATE DIRECT PAYMENTS**

Payments made under the FoodShare Wisconsin 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 (CORe) 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 March, 2015 CARS for the Human Services Department and the December, 2014 CORe for the Child Support and Child Care programs.



**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2014

**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? Yes

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*? Yes

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
93.563	Child Support Enforcement Medicaid Cluster
93.778	Medical Assistance Program

State ID Number	Name of State Programs
115.15	County Staff and Support Grants
115.40	Land and Water Resource Management Projects
435.283	Income Maintenance Administration
435.297	Affordable Care Act State Share
435.298	Affordable Care Act Federal Share
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, 2014

**Section II - Financial Statement Findings**

Finding No.	Financial Statement Findings
-------------	------------------------------

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2014.

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

Finding No.	OMB Circular A-133 and State Single Audit Findings
-------------	--

**2014-001      Land and Water Resource Management Projects**

*State ID – 115.151, LWRM Plan Implantation*

**Condition:** Our review noted that the Land Conservation Department did not utilize required cost containment procedures required by the Department of Agriculture, Trade and Consumer Protection, specifically the requirement for competitive bidding.

**Criteria:** Section ATCP 50.40(16)(b) of the Wisconsin State Legislature Administrative Code states: "The committee shall require competitive bidding if the cost-share contract may exceed \$25,000".

**Cause:** The Department was not aware of this compliance requirement.

**Effect:** The Department could have not utilized the lowest cost provider of services available.

**Questioned Costs:** Questioned costs could not be determined.

**Recommendation:** We recommend the Department establish or redefine a policy relating to fulfilling competitive bidding requirements pursuant to the Wisconsin State Legislature Administrative Code.

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 For the Year Ended December 31, 2014

**Section IV - Other Issues**

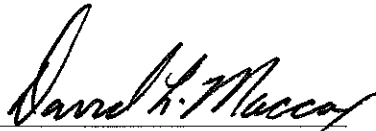
Does the auditors' report or the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? \_\_\_ Yes      X No

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 Safety and Professional Services	___	Yes	___	<u>X</u>	No
Department of Agriculture, Trade and Consumer Protection	<u>X</u>	Yes	___		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? \_\_\_ Yes      X No

Name and signature of shareholder

  
 David L. Maccoux, CPA

Date of report

September 24, 2015

**LINCOLN COUNTY, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended December 31, 2014

**Prior Year Audit Findings**

There were no findings or questioned costs reported for the year ended December 31, 2013.

**Corrective Action Plan**

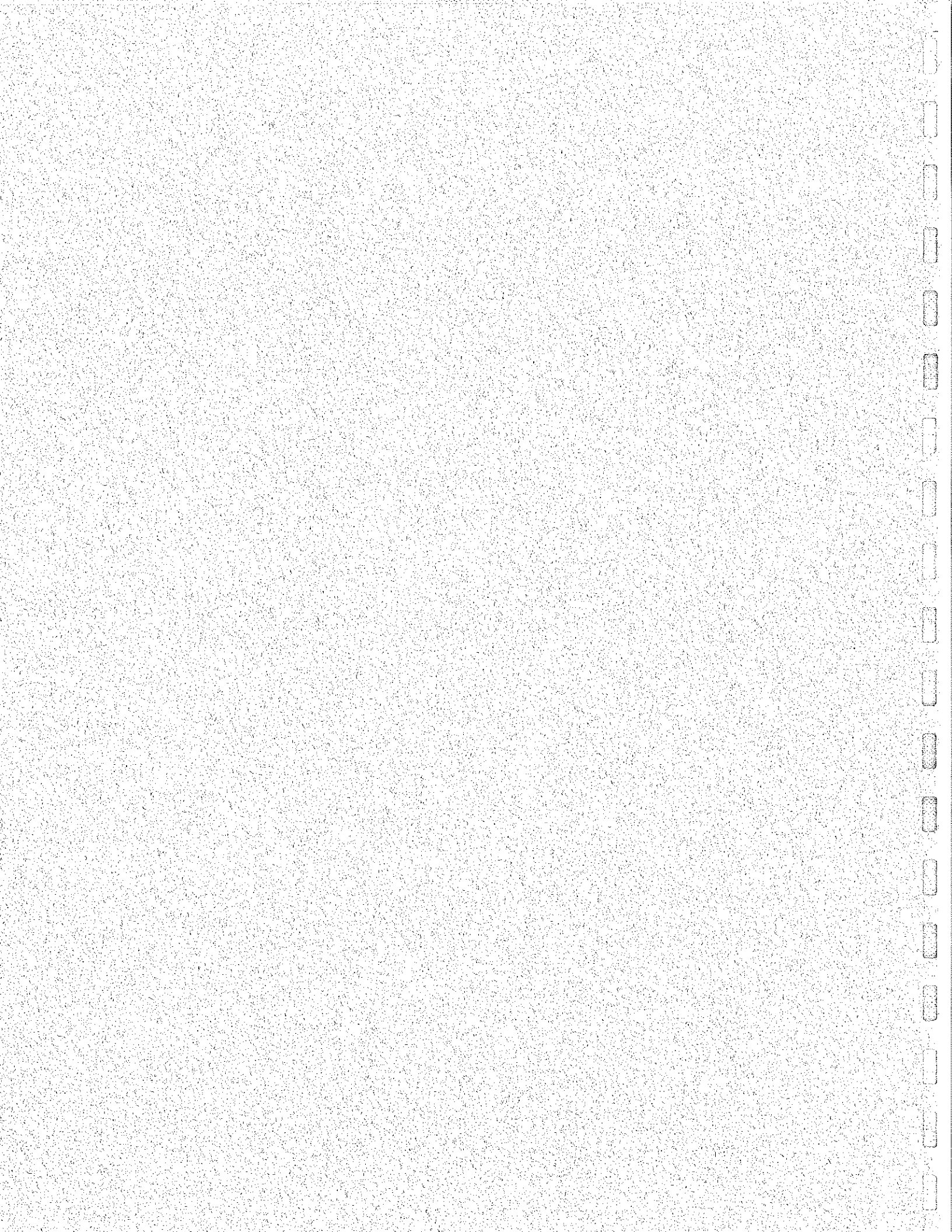
Finding No.	Corrective Action Plan
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**2014-001**

**Land and Water Resource Management Projects**

Lincoln County takes grant requirements seriously and makes every effort to comply with all grant requirements. The Land Services department has recently experienced turnover in key management positions. The new staff members were not aware of the competitive bidding requirement for cost-share contracts that may exceed \$25,000. The Land Services department will develop a policy requiring that all grant requirements be placed in the grant file. Furthermore, the requirements must be reviewed prior to entering into cost-share agreements.

**ADDITIONAL INDEPENDENT AUDITORS' REPORT**





**Schenck**  
SC

CPAs AND SO MUCH MORE.

**INDEPENDENT AUDITORS' 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, 2014, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon dated July 31, 2015.

**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 from 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 31, 2015