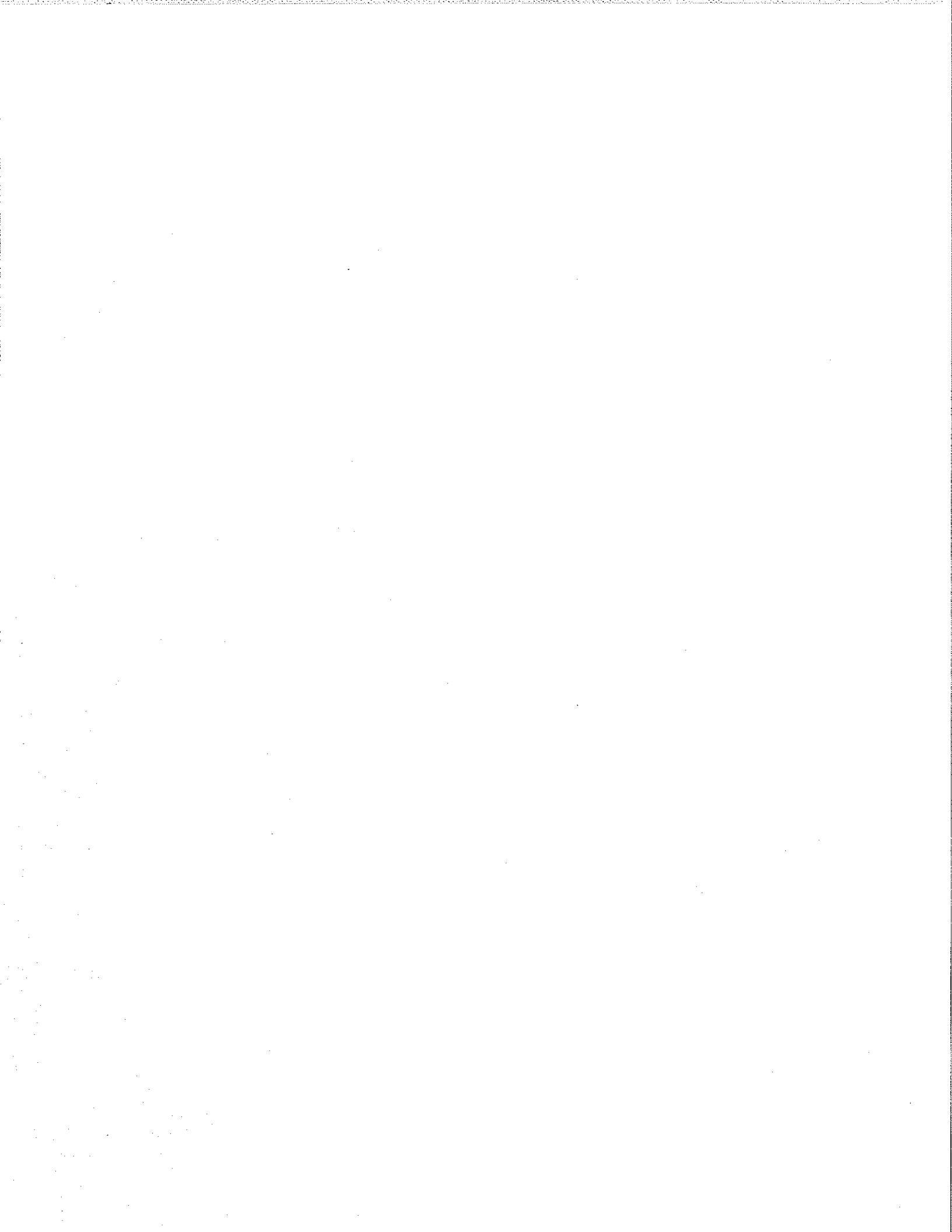


LINCOLN COUNTY, WISCONSIN
FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE REPORT
DECEMBER 31, 2015



LINCOLN COUNTY, WISCONSIN

December 31, 2015

Table of Contents

Page No.

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

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 The Uniform Guidance and the *State Single Audit Guidelines* 1 - 3

Schedule of Expenditures of Federal Awards 4 - 5

Schedule of State Financial Assistance 6 - 8

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance 9 - 10

Schedule of Findings and Questioned Costs 11 - 13

Schedule of Prior Year Audit Findings and Corrective Action Plan 14

ADDITIONAL INDEPENDENT AUDITORS' REPORT

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* 15 - 16



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 THE UNIFORM GUIDANCE 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) 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, 2015. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Guidelines issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance 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, 2015.

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 the Uniform Guidance 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 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, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

Report on Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance Required by the Uniform Guidance 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, 2015, 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 30, 2016, 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 the Uniform Guidance 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.

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 the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Schenck SC

Certified Public Accountants

Green Bay, Wisconsin

September 28, 2016 except for the Schedules of
Expenditures of Federal Awards and State
Financial Assistance as to which the date is
July 30, 2016

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2015

| Grantor Agency/Pass-through Agency Program Title/Year | Pass-through Agency | Federal CFDA Number | (Accrued/ Deferred 1/1/2015) | Cash Received | Accrued/ (Deferred) 12/31/2015 | Total Revenue | Total Expenditures |
|--|--|---------------------------|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| U.S. Department of Agriculture | | | | | | | |
| SNAP Cluster | | | | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | Wood County | 10.561 | \$ (26,963) | \$ 116,236 | \$ 24,679 | \$ 113,952 | \$ 113,952 |
| Total U.S. Department of Agriculture | | | <u>(26,963)</u> | <u>116,236</u> | <u>24,679</u> | <u>113,952</u> | <u>113,952</u> |
| U.S. Department of Justice | | | | | | | |
| Organized Crime and Drug Enforcement Task Force Grant | Direct Program | 16.111 | (462) | 1,374 | 1,162 | 2,074 | 2,074 |
| Bulletproof Vest Partnership Program | Direct Program | 16.607 | - | 1,890 | - | 1,890 | 1,890 |
| Public Safety Partnership and Community Policing Grants | Oneida County | 16.710 | (1,732) | 7,054 | 1,732 | 7,054 | 7,054 |
| Total U.S. Department of Justice | | | <u>(2,194)</u> | <u>10,318</u> | <u>2,894</u> | <u>11,018</u> | <u>11,018</u> |
| U.S. Department of Transportation | | | | | | | |
| Transit Services Program Cluster | | | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | WI Department of Transportation | 20.513 | - | 111,552 | - | 111,552 | 111,552 |
| Highway Safety Cluster | | | | | | | |
| State and Community Highway Safety | WI Department of Transportation | 20.600 | - | 3,510 | - | 3,510 | 3,510 |
| Total U.S. Department of Transportation | | | | <u>115,062</u> | | <u>115,062</u> | <u>115,062</u> |
| Environmental Protection Agency - Office of Water | | | | | | | |
| State Indoor Radon Grants | WI Department of Health Services | 66.032 | - | 2,083 | 417 | 2,500 | 2,500 |
| U.S. Department of Health and Human Services | | | | | | | |
| Environmental, Public Health and Emergency Response | WI Department of Health Services | 93.070 | - | - | 5,292 | 5,292 | 5,292 |
| Hospital Preparedness and Public Health Readiness Program | WI Department of Health Services | 93.074 | (7,102) | 40,392 | 1,837 | 35,127 | 35,127 |
| Immunization Cooperative Agreements | WI Department of Health Services | 93.268 | - | 9,898 | - | 9,898 | 9,898 |
| PPHF National Public Health Improvement Initiative | WI Department of Health Services | 93.507 | - | 15,000 | - | 15,000 | 15,000 |
| State Nutrition, Physical Activity, and Obesity Programs | WI Department of Health Services | 93.548 | 1,750 | - | - | 1,750 | 1,750 |
| Promoting Safe and Stable Families | WI Department of Children and Families | 93.556 | (23,358) | 45,350 | 10,948 | 32,939 | 32,939 |
| TANF Cluster | | | | | | | |
| Temporary Assistance of Needy Families | WI Department of Children and Families | 93.558 | (27,638) | 118,977 | 16,136 | 107,475 | 107,475 |
| Temporary Assistance of Needy Families | Iron County | 93.558 | - | 35 | 893 | 928 | 928 |
| Temporary Assistance of Needy Families | Wood County | 93.558 | (216) | 216 | - | - | - |
| Total TANF Cluster | | | <u>(27,854)</u> | <u>119,228</u> | <u>17,029</u> | <u>108,403</u> | <u>108,403</u> |
| Child Support Enforcement (Title IV-D) | WI Department of Children and Families | 93.563 | (76,953) | 306,607 | 83,514 | 313,168 | 313,168 |
| Low-income Home Energy Assistance | WI Department of Administration | 93.568 | (8,133) | 48,271 | 13,330 | 53,468 | 53,468 |
| CCDF Cluster | | | | | | | |
| Child Care Development Fund | WI Department of Children and Families | 93.596 | (378) | 51,029 | 2,605 | 53,256 | 53,256 |
| Child Care Development Fund | Iron County | 93.596 | - | 59,938 | 32,855 | 92,793 | 92,793 |
| Total CCDF Cluster | | | <u>(378)</u> | <u>110,967</u> | <u>35,460</u> | <u>146,049</u> | <u>146,049</u> |
| Stephanie Tubbs Jones Child Welfare Services Program | WI Department of Children and Families | 93.645 | (533) | 17,267 | 1,011 | 17,745 | 17,745 |
| Stephanie Tubbs Jones Child Welfare Services Program | WI Department of Corrections | 93.645 | (807) | 2,839 | 1,084 | 3,116 | 3,116 |
| Total Child Welfare Services | | | <u>(1,340)</u> | <u>20,106</u> | <u>2,095</u> | <u>20,861</u> | <u>20,861</u> |

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended December 31, 2015

| Grantor Agency/Pass-through Agency Program Title/Year | Pass-through Agency | Federal CFDA Number | (Accrued/ Deferred 1/1/2015) | Cash Received | Accrued/ (Deferred) 12/31/2015 | Total Revenue | Total Expenditures |
|--|--|---------------------------|------------------------------------|---------------------|--------------------------------------|---------------------|-----------------------|
| U. S. Department of Health and Human Services (Continued) | | | | | | | |
| Foster Care (Title IV-E) | WI Department of Children and Families | 93.658 | (3,289) | 106,975 | 6,267 | 109,943 | 109,943 |
| Foster Care (Title IV-E) | WI Department of Corrections | 93.658 | (1,130) | 4,517 | 1,807 | 5,194 | 5,194 |
| Total Foster Care (Title IV-E) | | | (4,429) | 111,492 | 8,074 | 115,137 | 115,137 |
| Social Services Block Grant | WI Department of Children and Families | 93.667 | (1,457) | 47,256 | 2,768 | 48,567 | 48,567 |
| Chafee Foster Care Independence Program | WI Department of Children and Families | 93.674 | (422) | 693 | 2,036 | 2,307 | 2,307 |
| Preventive Health and Health Services Block Grant | WI Department of Health Services | 93.758 | - | 5,535 | - | 5,535 | 5,535 |
| Children's Health Insurance Program | Wood County | 93.767 | (3,527) | 14,562 | 3,051 | 14,086 | 14,086 |
| Medicaid Cluster | | | | | | | |
| Medical Assistance | WI Department of Health Services | 93.778 | - | 784 | - | 784 | 784 |
| Medical Assistance | Wood County | 93.778 | (27,532) | 132,737 | 29,083 | 134,288 | 134,288 |
| Total Medical Cluster | | | (27,532) | 133,521 | 29,083 | 135,072 | 135,072 |
| Preventative Health Chronic Disease Prevention | WI Department of Health Services | 93.945 | - | 7,000 | - | 7,000 | 7,000 |
| Maternal and Child Health Social Services Block Grant | WI Department of Health Services | 93.994 | - | 14,089 | - | 14,089 | 14,089 |
| Total U.S. Department of Health and Human Services | | | (180,736) | 1,049,967 | 214,517 | 1,083,748 | 1,083,748 |
| U.S. Department of Homeland Security | | | | | | | |
| Emergency Management Performance Grant | WI Department of Military Affairs | 97.042 | (18,416) | 28,340 | 28,180 | 36,104 | 36,104 |
| TOTAL FEDERAL AWARDS | | | \$ (228,309) | \$ 1,320,006 | \$ 270,687 | \$ 1,362,384 | \$ 1,362,384 |

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, 2015

| Grantor Agency/Passthrough Agency Program Title/Year | Pass-through Agency | State ID Number | (Accrued)/ Deferred 1/1/2015 | Cash Received | Accrued/ (Deferred) 12/31/2015 | Total Revenue | Total Expenditures |
|---|---------------------|----------------------|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| Department of Agriculture, Trade and Consumer Protection | | | | | | | |
| Soil and Conservation Project Aids | | | | | | | |
| Wisconsin Clean Sweep Grant | Direct Program | 115.04 | \$ - | \$ 11,415 | \$ 805 | \$ 12,220 | \$ 12,220 |
| Soil and Water Resource Management Grant Program | Direct Program | 115.15 | (34,848) | 34,848 | 97,470 | 97,470 | 97,470 |
| Basic Annual Staffing | Direct Program | 115.40 | (56,389) | 64,875 | 52,000 | 60,486 | 60,486 |
| LWRM Plan Implementation | | | | | | | |
| Total Department of Agriculture, Trade and Consumer Protection | | | (91,237) | 111,138 | 150,275 | 170,176 | 170,176 |
| Department of Safety and Professional Services | | | | | | | |
| Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program | | | | | | | |
| | Direct Program | 165.202 | - | 31,721 | - | 31,721 | 31,721 |
| Department of Natural Resources | | | | | | | |
| Boating Enforcement Aids | | | | | | | |
| All Terrain Enforcement Aids | Direct Program | 370.550 | (11,612) | 11,836 | 17,900 | 18,124 | 18,124 |
| Snowmobiling Enforcement Aids | Direct Program | 370.551 | (26,370) | 29,750 | 30,140 | 33,520 | 33,520 |
| Wildlife Damage Claims and Abatement | Direct Program | 370.552 | (11,500) | 15,040 | 7,000 | 10,540 | 10,540 |
| 2014 | Direct Program | 370.553 | (5,545) | 5,545 | - | - | - |
| 2015 | Direct Program | | - | 5,481 | 10,394 | 15,875 | 15,875 |
| Resource Aids-County Conservation Aids | Direct Program | 370.563 | (1,217) | 2,446 | - | 1,229 | 1,229 |
| CC-4920 | | | - | - | 874 | 874 | 874 |
| CC-4924 | | | - | - | - | - | - |
| Recreational Aids - Fish | Direct Program | 370.564 | - | 4,757 | - | 4,757 | 4,757 |
| Trail Management Grant | Direct Program | 370.572 | (7,282) | 7,282 | - | - | - |
| RTA-598-14 | Direct Program | | - | - | 7,323 | 7,323 | 7,323 |
| RTA-715-09 | Direct Program | | - | - | 469 | 469 | 469 |
| RTA-742-14 | Direct Program | | - | 54,650 | - | 54,650 | 54,650 |
| County Forest Administrator Grant | Direct Program | 370.572 | 17,500 | 17,500 | - | 35,000 | 35,000 |
| Sustainable Forestry Grant | Direct Program | 370.572 | - | - | - | - | - |
| Recreational Aids-Snowmobile Trail and Area Aid | Direct Program | 370.574 & 370.575 | (12,632) | 12,632 | - | - | - |
| S-4268 | Direct Program | | 39,219 | 66,878 | 28,913 | 135,010 | 135,010 |
| S-4341 | Direct Program | | - | 39,219 | (39,219) | - | - |
| S-4435 | Direct Program | | - | - | - | - | - |

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2015

| Grantor Agency/Passthrough Agency Program Title/Year | Pass-through Agency | State ID Number | (Accrued)/ Deferred 1/1/2015 | Cash Received | Accrued/ (Deferred) 12/31/2015 | Total Revenue | Total Expenditures |
|---|---|--------------------|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| All-Terrain Vehicle (ATV) Program | | 370.576 | | | | | |
| ATV-3007 | Direct Program | | (10,292) | 10,292 | - | - | - |
| ATV-3139 | Direct Program | | 1,069 | 13,337 | - | 14,406 | 14,406 |
| ATV-3178 | Direct Program | | 10,002 | 10,562 | - | 20,564 | 20,564 |
| ATV-3218 | Direct Program | | 151,221 | - | (10,279) | 140,942 | 140,942 |
| ATV-3227 | Direct Program | | 143 | 144 | - | 287 | 287 |
| ATV-3274 | Direct Program | | - | 14,357 | (5,542) | 8,815 | 8,815 |
| ATV-3315 | Direct Program | | - | 10,282 | (10,282) | - | - |
| ATV-3330 | Direct Program | | - | 286 | - | 286 | 286 |
| UTV-15014 | Direct Program | | (2,220) | 2,220 | - | - | - |
| UTV-16015 | Direct Program | | - | 2,390 | 2,050 | 4,440 | 4,440 |
| Lake Protection Grant LPT-410-11 | | 370.663 | (3,750) | 3,750 | - | - | - |
| Aquatic Invasive Species AEP-383-13 | Direct Program | 370.678 | (45,883) | 45,883 | - | - | - |
| AEP-419-14 | Direct Program | | - | - | 18,232 | 18,232 | 18,232 |
| TRM Grant | | | | | | | |
| TRC-CW31-35000-13A | Direct Program | 370.602 | (52,240) | - | 53,530 | 1,290 | 1,290 |
| TRC-CW24-35000-15 | Direct Program | | - | - | 150,000 | 150,000 | 150,000 |
| Total Department of Natural Resources | | | 28,611 | 386,519 | 261,503 | 676,633 | 676,633 |
| Wisconsin Department of Transportation | | | | | | | |
| Elderly and handicapped transportation county aids | Direct Program | 395.101 | 54,917 | 106,098 | (27,118) | 133,897 | 133,897 |
| Department of Corrections | | | | | | | |
| Community Intervention Program | Direct Program | 410.302 | - | 28,520 | - | 28,520 | 28,520 |
| Community Youth & Family Aids | Direct Program | 410.313 | (78,763) | 299,161 | 117,583 | 337,981 | 337,981 |
| Total Department of Corrections | | | (78,763) | 327,681 | 117,583 | 366,501 | 366,501 |
| Department of Health Services | | | | | | | |
| Seat-a-Smile | WI Association of Local Health Departments and Boards | 435.152 | - | 2,045 | 766 | 2,811 | 2,811 |
| Income Maintenance Administration | | | | | | | |
| State Share | Wood County | 435.283 | (34,300) | 173,332 | 34,940 | 173,972 | 173,972 |
| Federal Share | Wood County | 435.284 | - | 765 | 192 | 957 | 957 |
| Affordable Care Act | | | | | | | |
| State Share | Wood County | 435.276 | - | 67,618 | 22,187 | 89,805 | 89,805 |
| Federal Share | Wood County | 435.277 | - | 372 | 122 | 494 | 494 |
| State Share | Wood County | 435.297 | (24,085) | 24,085 | - | - | - |
| Federal Share | Wood County | 435.298 | (149) | 149 | - | - | - |
| State Share | Direct Program | 435.157000 | (1,540) | 1,540 | - | - | - |
| Federal Share | Direct Program | 435.157010 | - | 6,602 | - | 6,602 | 6,602 |
| Wisconsin Well Womens Program | Direct Program | 435.157720 | (1,577) | 4,907 | - | 3,330 | 3,330 |
| Wisconsin Well Womens Program | Direct Program | 435.157720 | - | 784 | - | 784 | 784 |
| Maternal and Child Health Svc Blk | Direct Program | 435.159320 | (61,651) | 262,199 | 58,207 | 278,755 | 278,755 |
| Total Department of Health Services | | | | | | | |

(Continued)

LINCOLN COUNTY, WISCONSIN
 Schedule of State Financial Assistance (Continued)
 For the Year Ended December 31, 2015

| Grantor Agency/Passthrough Agency Program Title/Year | Pass-through Agency | State ID Number | (Accrued)/ Deferred 1/1/2015 | Cash Received | Accrued/ (Deferred) 12/31/2015 | Total Revenue | Total Expenditures |
|---|---------------------|--------------------|------------------------------------|------------------|--------------------------------------|------------------|-----------------------|
| Department of Children and Families | | | | | | | |
| Basic County Allocation | Direct Program | 437.3561 | | 170,823 | 10,007 | 175,562 | 175,562 |
| Community Services and Mental Health | Direct Program | 437.3681 | (5,268) | 21,367 | 30,865 | 30,865 | 30,865 |
| Child Support Enforcement | Direct Program | 437.7502 | (21,367) | 40,757 | - | 40,757 | 40,757 |
| Total Department of Children and Families | | | (26,635) | 232,947 | 40,872 | 247,184 | 247,184 |
| Department of Justice | | | | | | | |
| DNA Grant | Direct Program | 455.221 | - | 380 | - | 380 | 380 |
| Law Enforcement Training Grant | Direct Program | 455.231 | - | 7,200 | - | 7,200 | 7,200 |
| Victim and Witness Assistance Program 2014 | Direct Program | 455.532 | (18,056) | 18,056 | - | - | - |
| 2015 | Direct Program | | - | 17,102 | 19,757 | 36,859 | 36,859 |
| Total Department of Justice | | | (18,056) | 42,738 | 19,757 | 44,439 | 44,439 |
| Department of Military Affairs | | | | | | | |
| Hazmat Training Grant | Direct Program | 465.310 | - | 1,962 | - | 1,962 | 1,962 |
| Emergency Planning Grant Program 2014 | Direct Program | 466.337 | (6,087) | 6,087 | - | - | - |
| 2015 | Direct Program | | - | 3,686 | 7,666 | 11,352 | 11,352 |
| Computer & Hazmat Equipment Grant | Direct Program | 465.367 | - | 8,160 | - | 8,160 | 8,160 |
| Total Department of Military Affairs | | | (6,087) | 19,895 | 7,666 | 21,474 | 21,474 |
| Department of Administration | | | | | | | |
| Land information grants | Direct Program | 505.118 | 8,363 | 57,336 | (65,699) | - | - |
| Public Benefits Funds | Direct Program | 505.371 | (11,101) | 36,893 | 12,781 | 38,573 | 38,573 |
| Total Department of Administration | | | (2,738) | 94,229 | (52,918) | 38,573 | 38,573 |
| TOTAL STATE PROGRAMS | | | \$ (201,639) | \$ 1,635,165 | \$ 575,827 | \$ 2,009,353 | \$ 2,009,353 |

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
December 31, 2015

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 The Uniform Guidance 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 2015 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. The County has not elected to charge a de minimis indirect cost rate of 10% of modified total direct costs.

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 The Uniform Guidance. Therefore major programs represent those with combined expenditures exceeding 20% 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 20% 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, 2015

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 2016 CARS for the Human Services Department and the December, 2015 CORe for the Child Support and Child Care programs.

NOTE G - SUBRECIPIENTS

The County has not identified any subrecipients of federal awards for the year ended December 31, 2015.

LINCOLN COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2015

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 the Uniform Guidance? Yes

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 Clusters / Programs |
|-------------|---|
| 93.563 | Child Support Enforcement Medicaid Cluster |
| 93.778 | Medical Assistance Program |

| State ID Number | Name of State Programs |
|-----------------|---|
| 115.40 | Land and Water Resource Management Projects |
| 435.276 | Affordable Care Act State Share |
| 435.277 | Affordable Care Act Federal Share |
| 435.283 | Income Maintenance Administration State Share |
| 435.284 | Income Maintenance Administration Federal Share |
| 437.3561 | Basic County Allocation |

Audit threshold used to determine between Type A and Type B programs:

| | |
|------------------------|-----------|
| Federal Awards | \$750,000 |
| State Awards (non-DHS) | \$250,000 |
| State Awards (DHS) | \$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, 2015

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, 2015.

Section III - Federal and State Awards Findings and Questioned Costs

| Finding No. | Uniform Guidance and State Single Audit Findings |
|-------------|--|
|-------------|--|

2015-001 Uniform Grant Guidance Implementation

Federal CFDA – All

Compliance

Requirements: Allowable costs/costs principles, cash management, procurement, reporting.

Condition: The County has various policies and procedures in place to safeguard its assets and establish related controls over receipts, disbursements, payroll transactions and general ledger maintenance. Federal awards received and disbursed by the County are managed through these county-wide policies and procedures; however, the policies and procedures have not been evaluated to ensure compliance with the requirements of Uniform Guidance.

Criteria: Uniform Guidance requires the County to maintain certain polices related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds.

Cause: The County has not finalized an assessment of its financial management system and related internal controls over federal awards, along with an evaluation of existing policies for compliance with Uniform Guidance by year end.

Effect: The County could become noncompliant with requirements of Uniform Guidance, resulting in future findings and questioned costs related to federal awards administered by the County. The County's 2015 audit in accordance with the requirements of Uniform Guidance did not identify any instances of noncompliance with respect to direct and material compliance requirements of its major federal award program.

Recommendation: We recommend the County finalize the assessment of its financial management system and related internal controls over federal awards during the 2016 fiscal year. This assessment should include evaluate existing policies and procedures to determine where additional enhancements should be made or new policies created, a plan to communicate these policies to County employees, and procedures to periodically review and update, as considered necessary.

LINCOLN COUNTY, WISCONSIN
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended December 31, 2015

Section IV - Other Issues

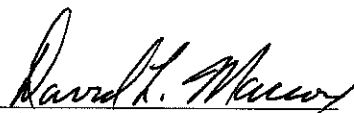
Does the auditors' report or the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? ___ Yes X No

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 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 28, 2016

LINCOLN COUNTY, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2015

Prior Year Audit Findings

All findings noted in the 2014 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. Finding 2014-001 was tested without exception in 2015.

Corrective Action Plan

| Finding No. | Corrective Action Plan |
|-------------|------------------------|
|-------------|------------------------|

2015-001 Uniform Grant Guidance Implementation

We have met with our auditors and have formed a team that will liaise with departments which receive federal funding. We plan to begin developing grant management policies and related financial policies in 2016. Policies and procedures will be used to train affected departments and ensure compliance.

ADDITIONAL INDEPENDENT AUDITORS' REPORT



**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, 2015, 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 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the 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 30, 2016