

**LINCOLN COUNTY, WISCONSIN**  
**FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE REPORT**  
**DECEMBER 31, 2016**

**LINCOLN COUNTY, WISCONSIN**  
December 31, 2016

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**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, 2016. 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 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, 2016.

## **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 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 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002, that we consider to be significant deficiencies.

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.

## **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, 2016, 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, 2017, 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.



Certified Public Accountants  
Green Bay, Wisconsin  
September 27, 2017 except for the Schedules of  
Expenditures of Federal Awards and State  
Financial Assistance as to which the date is  
July 31, 2017

**LINCOLN COUNTY, WISCONSIN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/16	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/16		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
<b>SNAP Cluster</b>								
State Administrative Matching Grants for Food Stamp Program	10.561	Wood County, Wisconsin	277	\$ (9,585)	\$ 29,217	\$ 11,855	\$ 31,487	\$ -
State Administrative Matching Grants for Food Stamp Program	10.561	Wood County, Wisconsin	284	(15,094)	83,581	14,683	83,170	-
Total SNAP Cluster				(24,679)	112,798	26,538	114,657	-
Total U.S. Department of Agriculture				(24,679)	112,798	26,538	114,657	-
<b>U.S. DEPARTMENT OF JUSTICE</b>								
Bulletproof Vest Partnership Program	16.607	Direct Program	173804	-	3,177	-	3,177	-
Public Safety Partnership and Community Policing Grants	16.710	Oneida County, Wisconsin	Unknown	(1,732)	7,811	-	6,079	-
Total U.S. Department of Justice				(1,732)	10,988	-	9,256	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>								
<b>Highway Safety Cluster</b>								
State and Community Highway Safety	20.600	WI DOT	FG-2016-LINCOLN-03608	-	-	1,282	1,282	-
<b>ENVIRONMENTAL PROTECTION AGENCY</b>								
State Indoor Radon Grants	66.032	WI DHS	150327	(417)	417	-	-	-
Total Environmental Protection Agency				(417)	417	-	-	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
<b>Environmental Public Health and Emergency Response</b>								
Environmental Public Health and Emergency Response	93.070	WI DHS	11111	(5,292)	5,292	-	-	-
Environmental Public Health and Emergency Response	93.070	WI DHS	155078	-	10,500	-	10,500	-
Total Environmental Public Health and Emergency Response				(5,292)	15,792	-	10,500	-
<b>Public Health Emergency Preparedness Aligned Cooperative Agreements</b>								
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	11111	-	8,420	-	8,420	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	155015	(1,837)	33,266	11,293	42,722	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	155050	-	3,410	-	3,410	-
Total Public Health Emergency Preparedness Aligned Cooperative Agreements				(1,837)	45,096	11,293	54,552	-
<b>Immunization Cooperative Agreements</b>								
Immunization Cooperative Agreements	93.268	WI DHS	155020	-	9,977	-	9,977	-
Promoting Safe and Stable Families	93.556	WI DCF	3306	(10,948)	37,455	6,233	32,740	-
<b>TANF Cluster</b>								
Temporary Assistance for Needy Families	93.558	WI DCF	3377	(12,435)	65,509	12,456	65,530	-
Temporary Assistance for Needy Families	93.558	WI DCF	3380	(1,766)	6,129	1,668	6,031	-
Temporary Assistance for Needy Families	93.558	WI DCF	3561	(1,935)	1,935	-	-	-
Temporary Assistance for Needy Families	93.558	Iron County, Wisconsin	840	(893)	893	-	-	-
Temporary Assistance for Needy Families	93.558	Iron County, Wisconsin	852	-	18,369	-	18,369	-
Temporary Assistance for Needy Families	93.558	Vilas County, Wisconsin	852	-	9,658	18,878	28,536	-
Total TANF Cluster				(17,029)	102,493	33,002	118,466	-

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2016**

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/16	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/16		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>								
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7332	(1,655)	1,655	-	-	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7477	(82,498)	216,331	74,156	207,989	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7482	821	(2,768)	(488)	(2,435)	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7506	(430)	957	168	695	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7614	-	61,829	-	61,829	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7903	248	(248)	-	-	-
<b>Total Child Support Enforcement (Title IV-D)</b>				<b>(83,514)</b>	<b>277,756</b>	<b>73,836</b>	<b>268,078</b>	<b>-</b>
Low Income Home Energy Assistance	93.568	WI DOA	AD1599971.35	(13,330)	13,330	-	-	-
Low Income Home Energy Assistance	93.568	WI DOA	AD1599972.35	-	39,584	11,599	51,183	-
<b>Total Low Income Home Energy Assistance</b>				<b>(13,330)</b>	<b>52,914</b>	<b>11,599</b>	<b>51,183</b>	<b>-</b>
<b>CCDF Cluster</b>								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	831	(2,605)	7,982	1,048	6,425	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Iron County, Wisconsin	852	(32,855)	51,224	-	18,369	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Vilas County, Wisconsin	840	-	96	-	96	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Vilas County, Wisconsin	852	-	9,658	18,878	28,536	-
<b>Total CCDF Cluster</b>				<b>(35,460)</b>	<b>68,960</b>	<b>19,926</b>	<b>53,426</b>	<b>-</b>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413	-	2,255	1,338	3,593	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3561	(1,011)	16,970	-	15,959	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681	-	1,236	-	1,236	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DOC	N/A	(1,084)	1,084	-	-	-
<b>Total Stephanie Tubbs Jones Child Welfare Services Program</b>				<b>(2,095)</b>	<b>21,545</b>	<b>1,338</b>	<b>20,788</b>	<b>-</b>
Foster Care (Title IV-E)	93.658	WI DCF	3396	-	202	273	475	-
Foster Care (Title IV-E)	93.658	WI DCF	3411	-	1	-	1	-
Foster Care (Title IV-E)	93.658	WI DCF	3413	-	4,044	2,398	6,442	-
Foster Care (Title IV-E)	93.658	WI DCF	3561	(6,267)	157,590	-	151,323	-
Foster Care (Title IV-E)	93.658	WI DCF	3681	-	12,050	-	12,050	-
Foster Care (Title IV-E)	93.658	WI DOC	N/A	(1,807)	1,807	-	-	-
<b>Total Foster Care (Title IV-E)</b>				<b>(8,074)</b>	<b>175,694</b>	<b>2,671</b>	<b>170,291</b>	<b>-</b>
Social Services Block Grant	93.667	WI DCF	3561	(2,768)	2,768	-	-	-
Chafee Foster Care Independence Program	93.674	WI DCF	3360	(2,036)	3,610	305	1,879	-
Capacity Building Assistance to Strengthen Immunization Infrastructure and Performance	93.733	WI DHS	155032	-	-	2,200	2,200	-
Children's Health Insurance Program	93.767	Wood County, Wisconsin	277	(1,185)	3,755	1,552	4,122	-
Children's Health Insurance Program	93.767	Wood County, Wisconsin	284	(1,866)	10,833	1,922	10,889	-
<b>Total Children's Health Insurance Program</b>				<b>(3,051)</b>	<b>14,588</b>	<b>3,474</b>	<b>15,011</b>	<b>-</b>
<b>Medicaid Cluster</b>								
Medical Assistance Program	93.778	WI DHS	159320	-	711	76	787	-
Medical Assistance Program	93.778	Wood County, Wisconsin	277	(11,295)	36,713	15,349	40,767	-
Medical Assistance Program	93.778	Wood County, Wisconsin	284	(17,788)	118,607	21,615	122,434	-
<b>Total Medicaid Cluster</b>				<b>(29,083)</b>	<b>156,031</b>	<b>37,040</b>	<b>163,988</b>	<b>-</b>
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320	-	13,363	1,435	14,798	-
<b>Total U.S. Department of Health and Human Services</b>				<b>(214,517)</b>	<b>998,042</b>	<b>204,352</b>	<b>987,877</b>	<b>-</b>

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended December 31, 2016**

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Revenues			Total Expenditures	Subrecipient Payment
				(Accrued) Deferred Revenue 1/1/16	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/16		
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> Emergency Management Performance Grants	97.042	WI DMA	Unknown	(28,180)	53,500	10,563	35,883	-
Total U.S. Department of Homeland Security				(28,180)	53,500	10,563	35,883	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ (269,525)</b>	<b>\$ 1,175,745</b>	<b>\$ 242,735</b>	<b>\$ 1,148,955</b>	<b>\$ -</b>

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, 2016

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/16	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/16		
<b>DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>								
Agricultural Clean Sweep Program	115.04	Direct Program	Unknown	\$ (805)	\$ 805	\$ -	\$ -	\$ -
County Staff and Support	115.15	Direct Program	Unknown	(97,470)	97,470	100,237	100,237	-
LWRM Plan Implementation Projects	115.40	Direct Program	Unknown	(52,000)	52,000	9,100	9,100	-
Farmland Preservation	115.708	Direct Program	Unknown	-	-	15,450	15,450	-
Total Department of Agriculture, Trade and Consumer Protection				(150,275)	150,275	124,787	124,787	-
<b>DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES</b>								
Private Sewage System Replacement and Rehabilitation Program	370.403	Direct Program	201735	-	9,860	-	9,860	-
Total Department of Safety and Professional Services				-	9,860	-	9,860	-
<b>DEPARTMENT OF NATURAL RESOURCES</b>								
Venison Processing Grant	370.549	Direct Program	Unknown	-	16	-	16	-
Boating Enforcement	370.550	Direct Program	Unknown	(17,900)	17,046	12,162	11,308	-
ATV Enforcement	370.551	Direct Program	Unknown	(30,140)	30,398	13,276	13,534	-
Snowmobile Enforcement	370.552	Direct Program	Unknown	(7,000)	8,624	7,462	9,086	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	Unknown	(10,394)	24,148	5,652	19,406	-
County Conservation Aids	370.563	Direct Program	CC-F4924.1	(874)	-	(1,293)	(2,167)	-
Recreational Aids - Fish	370.564	Direct Program	Unknown	-	4,754	(541)	4,213	-
County Forest Administrator Grants	370.572	Direct Program	Unknown	-	53,872	-	53,872	-
Trail Management Grant	370.572	Direct Program	RTA-715-09	(7,323)	7,323	-	-	-
Trail Management Grant	370.572	Direct Program	RTA-742-14	(469)	-	6,710	6,241	-
Total Trail Management Grant				(7,792)	7,323	6,710	6,241	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.577	Direct Program	S-4341	(28,913)	28,913	-	-	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.577	Direct Program	S-4435	39,219	39,219	16,878	95,316	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.577	Direct Program	S-4738	-	39,125	(39,125)	-	-
Total Recreational Aids - Snowmobile Trail and Area Aid				10,306	107,257	(22,247)	95,316	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV-3218.2	10,279	-	15,205	25,484	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV-3274	5,542	12,318	-	17,860	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV-3315	10,282	10,282	-	20,564	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV-3418	-	16,748	2,176	18,924	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV-3465	-	10,187	(10,187)	-	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV-3485T	-	286	-	286	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	UTV-16015	(2,050)	2,050	-	-	-
Total All-Terrain Vehicle (ATV) Program				24,053	51,871	7,194	83,118	-

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
Schedule of State Financial Assistance (Continued)  
For the Year Ended December 31, 2016

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/16	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/16		
<b>DEPARTMENT OF NATURAL RESOURCES (CONTINUED)</b>								
Targeted Runoff Management Program	370.602	Direct Program	TRC-CW31-35000-13A	(53,530)	53,530	-	-	-
Targeted Runoff Management Program	370.602	Direct Program	TRC-CW24-35000-15	(150,000)	150,000	-	-	-
Targeted Runoff Management Program	370.602	Direct Program	TRC-CW28-35000-N14	-	-	88,696	88,696	-
Targeted Runoff Management Program	370.602	Direct Program	TRC-UW30-35000-14-1F	-	-	110,143	110,143	-
Total Targeted Runoff Management Program				(203,530)	203,530	198,839	198,839	-
Aquatic Invasive Species	370.678	Direct Program	AEPP-419-14	(18,232)	65,283	9,916	56,967	-
Total Department of Natural Resources				(261,503)	574,122	237,130	549,749	-
<b>DEPARTMENT OF TRANSPORTATION</b>								
Elderly and Handicapped Transportation Aids	395.101	Direct Program	Unknown	27,118	77,141	(41,421)	75,406	-
Total Department of Transportation				27,118	77,141	(41,421)	75,406	-
<b>DEPARTMENT OF CORRECTIONS</b>								
Community Youth and Family Aids	410.313	Direct Program	Unknown	(117,583)	117,583	-	-	-
Total Department of Corrections				(117,583)	117,583	-	-	-
<b>DEPARTMENT OF HEALTH SERVICES</b>								
Seal-a-Smile	435.152	WI Association of Local Health Departments and Boards	Unknown	(766)	7,915	1,675	8,824	-
IMAA State Share ACA	435.276	Wood County, Wisconsin	276	(22,187)	70,132	28,952	76,897	-
IMAA Federal Share ACA	435.277	Wood County, Wisconsin	277	(122)	447	196	521	-
IMAA State Share	435.283	Wood County, Wisconsin	283	(34,940)	156,001	27,400	148,461	-
IMAA Federal Share	435.284	Wood County, Wisconsin	284	(192)	1,324	243	1,375	-
Cons Contracts CHHD LD	435.157720	Direct Program	157720	-	3,628	-	3,628	-
Cons Contracts PHHS	435.159220	Direct Program	159220	-	6,108	-	6,108	-
Maternal & Child Health Svc. Block Grant	435.159320	Direct Program	159320	-	711	76	787	-
Total Department of Health Services				(58,207)	246,266	58,542	246,601	-
<b>DEPARTMENT OF CHILDREN AND FAMILIES</b>								
Food Stamp Agency Incentives	437.965	Direct Program	965	(128)	1,495	145	1,512	-
Medicaid Agency Incentives	437.980	Direct Program	980	(279)	1,883	177	1,781	-
Community Intervention Program	437.3410	Direct Program	3410	-	2,701	131	2,832	-
Youth Aids AODA	437.3411	Direct Program	3411	-	34	-	34	-
Youth Aids Early Intervention	437.3412	Direct Program	3412	-	156	11	167	-
Youth Aids	437.3413	Direct Program	3413	-	252,912	150,003	402,915	-
Basic County Allocation	437.3561	Direct Program	3561	(10,007)	229,147	-	219,140	-
State County Match	437.3681	Direct Program	3681	(30,865)	48,477	-	35,224	-
Medical Support Liability Incentive	437.7332	Direct Program	7332	-	18,519	2,486	21,005	-
Child Support Activities	437.7502	Direct Program	7502	-	40,756	-	40,756	-
Child Support Medical Support	437.7606	Direct Program	7606	-	1,708	-	1,708	-
Total Department of Children and Families				(41,279)	597,788	152,953	727,074	-

(Continued)

**LINCOLN COUNTY, WISCONSIN**  
Schedule of State Financial Assistance (Continued)  
For the Year Ended December 31, 2016

Grantor Agency/State Program Title	State I.D. Number	Pass-through Agency	State Identifying Number	Revenues			Total Expenditures	Subrecipient Payments
				(Accrued) Deferred Revenue 1/1/16	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/16		
<b>DEPARTMENT OF JUSTICE</b>								
Victim Witness Cluster	455.(1)	Direct Program	Unknown	(19,757)	36,224	19,075	35,542	-
Total Department of Justice				(19,757)	36,224	19,075	35,542	-
<b>DEPARTMENT OF MILITARY AFFAIRS</b>								
Emergency Training Grant Program	465.337	Direct Program	Unknown	(7,666)	13,517	1,910	7,761	-
Hazard Mitigation Grant	465.305	Direct Program	PD-PL-05WI-2015-002	-	7,500	7,500	15,000	-
Hazmat Operation Refresher	465.310	Direct Program	2016-HMEP-01-10714	-	5,363	-	5,363	-
Computer and Hazmat Equipment Grant	465.367	Direct Program	Unknown	-	8,305	-	8,305	-
Total Department of Military Affairs				(7,666)	34,685	9,410	36,429	-
<b>DEPARTMENT OF ADMINISTRATION</b>								
Land Information Grant	505.166	Direct Program	AD169028	65,699	56,216	(115,096)	6,819	-
Land Information Program Training & Education Grant	505.166	Direct Program	Unknown	-	1,000	(3,480)	(2,480)	-
Land Information Program Strategic Initiative Grant	505.166	Direct Program	AD169087	-	25,000	16,722	41,722	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599971.35	(12,781)	12,781	-	-	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599972.35	-	23,001	11,630	34,631	-
Total Public Benefits - Low Income Energy Assistance Program				(12,781)	35,782	11,630	34,631	-
Total Department of Administration				52,918	117,998	(90,224)	80,692	-
<b>TOTAL STATE PROGRAMS</b>				<b>\$ (576,234)</b>	<b>\$ 1,961,942</b>	<b>\$ 470,252</b>	<b>\$ 1,886,140</b>	<b>\$ -</b>

(1) Victim Witness is a cluster program funded by the following State ID Numbers: 455.503, 455.532, 455.536, 455.537 and 455.539

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, 2016

**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 2016 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. Because of subsequent program adjustments these amounts may differ from the prior end of year balances. The County has not elected to charge a de minimis rate of 10% of modified total 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 Children and Families

**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, 2016

### **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 2017 CARS for the Human Services Department and the December 2016 CORe for the Child Support and Child Care programs.

### **NOTE G - PASS THROUGH ENTITIES**

Federal awards have been passed through the following entries:

WI DCF - Wisconsin Department of Children and Families  
WI DHS - Wisconsin Department of Health Services  
WI DMA - Wisconsin Department of Military Affairs  
WI DNR - Wisconsin Department of Natural Resources  
WI DOA - Wisconsin Department of Administration  
WI DOC - Wisconsin Department of Corrections  
WI DOJ - Wisconsin Department of Justice  
WI DOT - Wisconsin Department of Transportation

**LINCOLN COUNTY, WISCONSIN**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2016**

**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*? Yes

Identification of major federal and state programs:

CFDA Number	Name of Federal Program
93.563	Child Support Enforcement

State ID Number	Name of State Programs
395.101	Elderly and Handicapped Transportation Aids
437.3413	Youth Aids
437.7332	Medical Support Liability Incentive
437.7502	Child Support Activities
437.7606	Child Support Medical Support

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

Federal Awards	\$750,000
State Awards	\$250,000

Auditee qualified as low-risk auditee Yes

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 For the Year Ended December 31, 2016

**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, 2016.

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

Finding No.	Uniform Guidance and State Single Audit Guidelines Findings
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**2016-001      Uniform Grant Guidance Implementation**

Repeat of Finding 2015-001

CFDA #      All

Compliance Requirement:      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. The County worked throughout 2016 and in developing additional grant specific documentation within County departments.

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 its documentation of specific internal controls over federal awards 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 2016 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 documentation of internal controls over federal awards by department and specific grant, where applicable, during the 2017 fiscal year.

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Findings and Questioned Costs (Continued)  
 For the Year Ended December 31, 2016

**Section III - Federal and State Awards Findings and Questioned Costs (Continued)**

Finding No.	Uniform Guidance and State Single Audit Guidelines Findings
<b>2016-002</b>	<b>Disbursement Approval Procedures - Social Services Department</b>
CFDA #	93.563 Child Support Enforcement
Compliance Requirement:	Allowable Costs/Cost Principles
Condition:	Eleven of twenty five disbursements selected to test the Social Services department internal controls over allowable costs did not have documentation of a formal review and approval of the allowability of the expenditure to the applicable grant program.
Criteria:	The review and approval of invoices by knowledgeable individuals in each grant program is an effective internal control intended to prevent or decrease the payment of invoices with unallowable costs.
Cause:	During portions of 2016, the County implemented a specific written policy concerning documentation of approval of the invoice and the review for allowability. This policy was new in 2016 and applied retroactively to disbursements; however, some disbursements before the policy was implemented were missed on the documentation of approval. Schenck was able to verify, through additional inquires, reviews and other procedures, that the items noted were allowable costs under the applicable grant programs.
Effect:	Errors could occur and not be detected timely by other employees in the normal course of their responsibilities without the documentation of the approval of invoices, which could result in grant reimbursements for costs that are not considered allowable under the terms of the grant agreement.
Recommendation:	We recommend the County apply the policy developed during 2016 to all disbursements in accordance with its written policies related to the review and approval of invoices.



**LINCOLN COUNTY, WISCONSIN**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 2016**

**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	<u>  X  </u>	Yes	___	No
Department of Safety and Professional Services	<u>  X  </u>	Yes	___	No
Department of Natural Resources	<u>  X  </u>	Yes	___	No
Department of Transportation	<u>  X  </u>	Yes	___	No
Department of Corrections	<u>  X  </u>	Yes	___	No
Department of Health Services	<u>  X  </u>	Yes	___	No
Department of Children and Families	<u>  X  </u>	Yes	___	No
Department of Justice	<u>  X  </u>	Yes	___	No
Department of Military Affairs	<u>  X  </u>	Yes	___	No
Department of Administration	<u>  X  </u>	Yes	___	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 27, 2017

**LINCOLN COUNTY, WISCONSIN**  
 Schedule of Prior Year Audit Findings and Corrective Action Plan  
 For the Year Ended December 31, 2016

**Prior Year Audit Findings**

The findings noted in the 2015 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. The current status of the prior year audit findings, as provided by management, follows:

Finding No.	Corrective Action Plan
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**2015-001 Uniform Grant Guidance Implementation**

Lincoln County continues in its efforts to comply with the Uniform Grant Guidance Documentation requirements during 2016 and into 2017. Each grant program administered by the County will have written procedures that will be given to program staff. Each staff member will acknowledge in writing the receipt of the procedures and be trained in following the procedures. The procedures will be updated annually and redistributed to staff annually.

**Corrective Action Plan**

Finding No.	Corrective Action Plan
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**2016-001 Uniform Grant Guidance Implementation**

Lincoln County expects to finalize all grant specific documentation during 2017.

**2016-002 Disbursement Approval Procedures - Social Services Department**

The County has implemented the following procedure during 2016:

Lincoln County Social Services Department reviews each invoice that is charged to a grant program. The review begins with knowledgeable program employees reviewing and signing the invoice for program appropriateness. Then the invoice is reviewed and signed by the Social Services accountant and prepared for payment. The invoice is then signed by the Social Services Director for final approval. The payment is further reviewed by an accounts payable employee prior to payment. Lincoln County will document this process by individual grant program and train employees in their role in the process. Each written procedure will be given to each employee involved and a written acknowledgement of receipt will be required.

## **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, 2016, 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, 2017.

**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, 2017